



ENKA
*Sustainability
Report*
2023



An aerial photograph of a multi-lane highway curving through a dense, green forested valley. The image is overlaid with several geometric shapes: a large light blue star in the upper center, a dark blue circle on the left, a light blue circle on the right, and a large dark blue circle in the bottom left. A blue banner with a pointed right edge spans the middle of the image, containing the text "Resilience In Action" in a dark blue, italicized serif font.

Resilience In Action

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About ENKA

#ResilienceInAction



About This Report

ENKA İnşaat ve Sanayi A.Ş. (ENKA) presents its sustainability (ESG - environmental, social and governance) strategy, activities and goals, its approach to material issues that are important to its stakeholders and its performance to the attention of all its stakeholders through its annual sustainability reports. This report, which is ENKA's 7th sustainability report, covers the performance of ENKA's and its subsidiaries' activities in Türkiye and various regions of the world in 2023 (January 1, 2023 - December 31, 2023).

The 2023 Sustainability Report, as in the previous year's report, covers the data and activities of ENKA Headquarters, ENKA's subsidiaries and projects in Türkiye and abroad, and ENKA Foundation. The numerical data in the "Our Planet" section of the report covers ENKA Headquarters, 8 projects of ENKA İnşaat, Çimtaş Group companies (Steel, Pipe, Precision Machining, Module and Shipyard and Ningbo), ENKA Power (all power plants), ENKA Pazarlama and ENKA's Real Estate subsidiaries (CCI, ENKA TC, MosENKA, MKH, OMKH, ENKA Invest and ENKAMOS Region). The ENKA İnşaat projects covered in this section have been updated, replacing the completed projects in 2023 with the new projects. As a result, the number of projects has increased by 3 compared to 2022 report.

This report has been prepared in accordance with GRI Standards; guided by the Industry Standards of the Sustainability Accounting Standards Board (SASB) and by the United Nations (UN) Global Compact and UN Sustainable Development Goals (SDGs). Account has also been taken of the International Financial Reporting Standards (IFRS) and Türkiye Sustainability Reporting Standards (TSRS) "S1 - General Requirements for Disclosure of Sustainability-related Financial Information" and "S2 - Climate-related Disclosures" together

with the "Governance, Strategy, Risk Management, Metrics and Targets" approaches referred to in the standards. At the end of the report, an overview of ENKA's activities, aligning with these standards can be found in index annexes. It includes a GRI Content Index, SASB Index, and the United Nations Global Compact (UNGC) Index, of which it is a signatory. The report has been prepared in line with the material sustainability issues as revised in 2023.

The ENKA 2023 Sustainability Report has been prepared in Turkish and English. The selected energy, greenhouse gas emissions, water withdrawal and occupational health and safety indicators of this report received limited assurance according to ISAE 3000 and ISAE 3410 standards by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. Independent Assurance Statement, including the list and scope of the assured indicators, is available in [Annex 1](#) of this report.

Any enquiries, feedback or suggestions related to the ENKA 2023 Sustainability Report may be addressed to sustainability@enka.com.



This icon has been used to signal the detailed information on the **ENKA Sustainability Targets** given at the end of each section and at "Our Sustainability Performance" section of this report.



A Message From the Chairman

Dear Stakeholders,

As we reflect on the past year, 2023 commenced with profound sorrow following the devastating earthquakes in Türkiye. Throughout the year, our global community encountered extraordinary challenges, ranging from geopolitical tensions to unprecedented weather phenomena, affecting millions worldwide. Amidst these trials, there were moments of resilience and progress that merit celebration. One such milestone was the COP28 agreement, highlighting the collective recognition of the urgent need to transition away from fossil fuels. This signifies a crucial step towards a more sustainable future.

At the core of our mission lies a profound commitment to resilience in action. Our journey towards sustainability has been steadfast, rooted in our unwavering dedication to both our global community and the planet we call home. Through concerted efforts, we are not only completing construction projects but also building resilient cities, infrastructure, and ensuring energy security while fostering environments that people can rely on, even in the face of adversity. As we forge ahead, our resolve remains unyielding as we believe that together, we can overcome any challenge and create a sustainable and resilient future for generations to come.

Encouraging news from the International Energy Agency (IEA) highlights the feasibility of limiting global warming to 1.5°C above pre-industrial levels using existing technologies. By mitigating methane emissions, accelerating the adoption of renewables, and enhancing energy efficiency, the IEA suggests that we can achieve emission reductions needed by 2030. In response, we are expanding our investments and EPC

project portfolio to include renewable energy ventures while actively pursuing opportunities in alternative solutions for cleaner power generation. Simultaneously, we are investing in renewable energy solutions within our facilities to reduce our environmental footprint and Scope-2 emissions. Concurrently, we are steadfastly advancing towards our sustainability and climate goals for 2030 and 2050 across all sectors of our operations.

At ENKA, a fundamental aspect of our comprehensive ESG strategy is to ensure that the transition towards sustainability is inclusive and just, benefiting both the environment and society at large. Our positive legacy is a testament to the dedication and diversity of our more than 20,000 talented employees. I am continually inspired by their skills and achievements, collectively driving the transformative change we aspire to see globally.

Upholding a culture of transparency and inclusivity remains paramount within our organization, where every team member's voice is heard and valued. We consistently encourage a culture of "Speak Up" and this framework has been integrated into our Ethics and Compliance Program and Health, Safety, and Environment System. We offer various avenues for employees to express their concerns, whether through meetings, open dialogues, or anonymous whistleblower channels and grievance mechanisms. It's heartening to observe a growing comfort among our colleagues in utilizing these channels, alongside open dialogues with their managers, fostering an environment where concerns are heard and addressed constructively.

"Upholding a culture of transparency and inclusivity remains paramount within our organization, where every team member's voice is heard and valued."

Our commitment extends to ensuring a safe, fair, and inclusive workplace for all, with the unwavering goal of preventing workplace injuries through proactive risk management measures. At ENKA, every member of our team recognizes the collective responsibility in upholding these standards and remains dedicated to continuously improving our practices to safeguard the well-being of our workforce.

Our people are also central to our community engagement efforts and social responsibility work. In response to the devastating earthquakes in Kahramanmaraş on February 6, 2023, the ENKA family swiftly mobilized collective efforts to provide aid and support. Establishing relief coordination centers in İstanbul and Adana, our volunteers diligently collected, packaged, and distributed essential supplies to affected areas, even reaching remote villages overlooked by larger aid operations. Contributions poured in from our global network. As part of our ongoing commitment to disaster resilience, we not only facilitated rescue operations with our construction equipment but also addressed pressing needs

such as shelter and hygiene by manufacturing and delivering essential supplies, including tents and containers. Furthermore, we recognize the importance of education in fostering resilience, sharing our engineering expertise and values with future generations to mitigate the impact of such disasters in the future. At ENKA, our unwavering dedication to social responsibility remains a cornerstone of our ethos, driving us to stand by our communities in times of need and work tirelessly towards a more resilient future.

Recognizing the formidable challenges ahead in achieving our targets, ENKA acknowledges that we cannot navigate this journey alone. We continue to rely on the support of various stakeholders, including industry partners, regulators, communities, and, most importantly, our customers, who are the cornerstone of our endeavors. Our customers have embraced a collaborative approach, joining us in pursuit of their ambitious climate objectives. At ENKA, we remain steadfast in our quest for innovative solutions to drive environmental sustainability and cultivate resilient communities. Concurrently, we remain

vigilant in adapting to the evolving regulatory landscape in Türkiye, the EU, and the UK. In our pursuit, we are not only reshaping our value chain to comply with the emerging regulations but also safeguarding the viability of local suppliers, subcontractors, and local markets; thus bolstering their resilience alongside our own efforts.

We remain committed to the UN Global Compact, recognizing the imperative of collective action towards the ambitious goals outlined in the UN Sustainable Development Goals. As we face the future with confidence, reflecting on the progress made across various fronts in 2023, I am certain that our company stands better equipped than ever before. On behalf of the Board of Directors, I extend my deepest gratitude to our customers, partners, and employees for their unwavering support throughout 2023. Your confidence and dedication embolden us to pursue success, surmount challenges, and contribute to the creation of a more sustainable environment and prosperous society. We eagerly anticipate continuing this journey alongside you in 2024 and beyond, as we collectively construct resilient cities, infrastructure, society, and the environment for generations to come.

Sincerely,

Mehmet Tara

Chairman of the Board and President

*At ENKA, we remain steadfast in our quest for innovative solutions to **drive environmental sustainability** and cultivate resilient communities.*

About ENKA

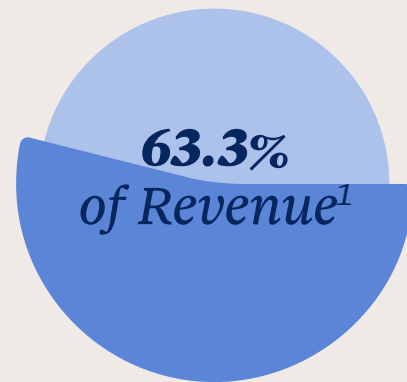
ENKA is a publicly traded company based in İstanbul, Türkiye. Together with its affiliated companies, foreign enterprise branches and jointly controlled entities, ENKA provides services in four main areas.

[For more information on ENKA's areas of activity, please click](#)

[For ENKA's vision, mission and values, please click](#)

Engineering & Construction

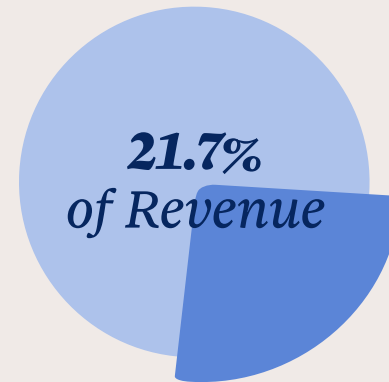
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ENKA İnşaat ve Sanayi A.Ş.
ENKA UK Construction Ltd.
Çimtaş
Kasktaş

Power Generation

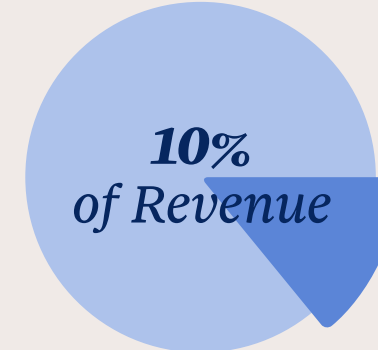
(Based in Türkiye)



Adapazarı Elektrik Üretim Ltd. Şti.
Gebze Elektrik Üretim Ltd. Şti.
İzmir Elektrik Üretim Ltd. Şti.
ENKA Kırklareli Elektrik Üretim A.Ş.

Real Estate

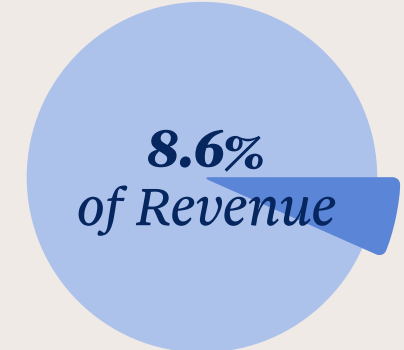
(Based in Russia)



City Center Investment B.V.
ENKA Invest
ENKA TC
ENKAMOS Region B.V.
LLC ENKA Flex Office
MosENKA
Moskva Krasnye Holmy

Trade

(Based in Türkiye)



AirENKA Hava Taşımacılığı A.Ş.
ENKA Pazarlama İhracat İthalat A.Ş.
Entaş Nakliyat ve Turizm A.Ş.

¹ As the percentage figures are pre-elimination of double-counting between business segments, their total exceeds 100%.

Since its establishment, ENKA has been successfully providing services all around the world, drawing on its experience of completing projects in 53 countries, its more than 20,000 employees and its machinery and equipment park of 4,000 items. Through the services it offers in its various fields of activity, ENKA has so far carried out 136 projects in Türkiye with a total contract value of USD 7.6 billion, and 436 projects abroad with a total contract value of USD 52.5 billion.

[For more information, please click](#)

In 2023, ENKA continued to work on its following ongoing projects: the Yandex Headquarters, the High-Technology Multifunctional Medical Complex (HMMC) and the Kazan 250 MW Combined Cycle Power Plant in Russia; the Dradenau Combined Heat and Power Plant in Germany; the Hinkley Point C Nuclear Power Plant Turbine Island HP & IP/LP Piping Prefabrication and Erection Works and the Shotton Paper Mill in the United Kingdom; the Misurata 650 MW and Tripoli West 671 MW Simple Cycle Power Plants in Libya; Tüpraş İzmit Refinery Maintenance and Repair Works, the SOCAR Electromechanical Works and the Kırklareli 850 MW Natural Gas Combined Cycle Power Plant, which it has undertaken as its own investment in Türkiye; the Morava Corridor Motorway in Serbia; the Third Generation Project (3GP) Mechanical, Electrical & Instrumentation Installation Works projects and marine operations and vessel/equipment leasing services as part of the Kashagan Oil Field Development in Kazakhstan and the construction of the special projects which it is pursuing on four continents.

ENKA completed and delivered the Prince George Wharf Nassau Cruise Port Marine and Upland Works in the Bahamas; the West Qurna 1 Produced Water 2 Facility in Iraq; the required maintenance, repair and renewal works on the Baku-Tbilisi-Ceyhan oil pipeline and the facilities situated along the line in Türkiye, and special projects carried out in Africa and South America. Besides these projects, ENKA completed the construction of a 24-classroom primary school project in Gölbaşı district of Adıyaman in memory of Engineer Serhan Nariçi.

In addition to the above activities, ENKA signed new contracts in 2023 to undertake the Stade Liquefied Natural Gas (LNG) Regasification Terminal Project in Germany; the structural, mechanical, piping, electrical and instrumentation

works of the Oyu Tolgoi Underground Project – Concentrator Conversion Construction in Mongolia; the Corridors 8 and 10d Motorway Project in North Macedonia; special projects in Asia, South America and Africa, and the Multifunctional Public and Residential Complex project in Russia.

ENKA also entered the renewable energy market in 2023 by undertaking, as its own investment, the construction of a 40 MW Solar Power Plant in Burgaz, Bulgaria through the company Town Up 8 EOOD, of which it is the sole owner.

In the energy generation sector, the ENKA Adapazarı, Gebze and İzmir natural gas combined cycle power plants collectively generated around 5.0 billion kilowatt-hours of electrical power in 2023. Over their operational lifespan, these plants have contributed to a total output exceeding 465 billion kilowatt-hours. With their annual generation capacity of 32 billion kilowatt-hours of electricity, the ENKA power plants have the potential to meet 10% of Türkiye's total energy consumption.

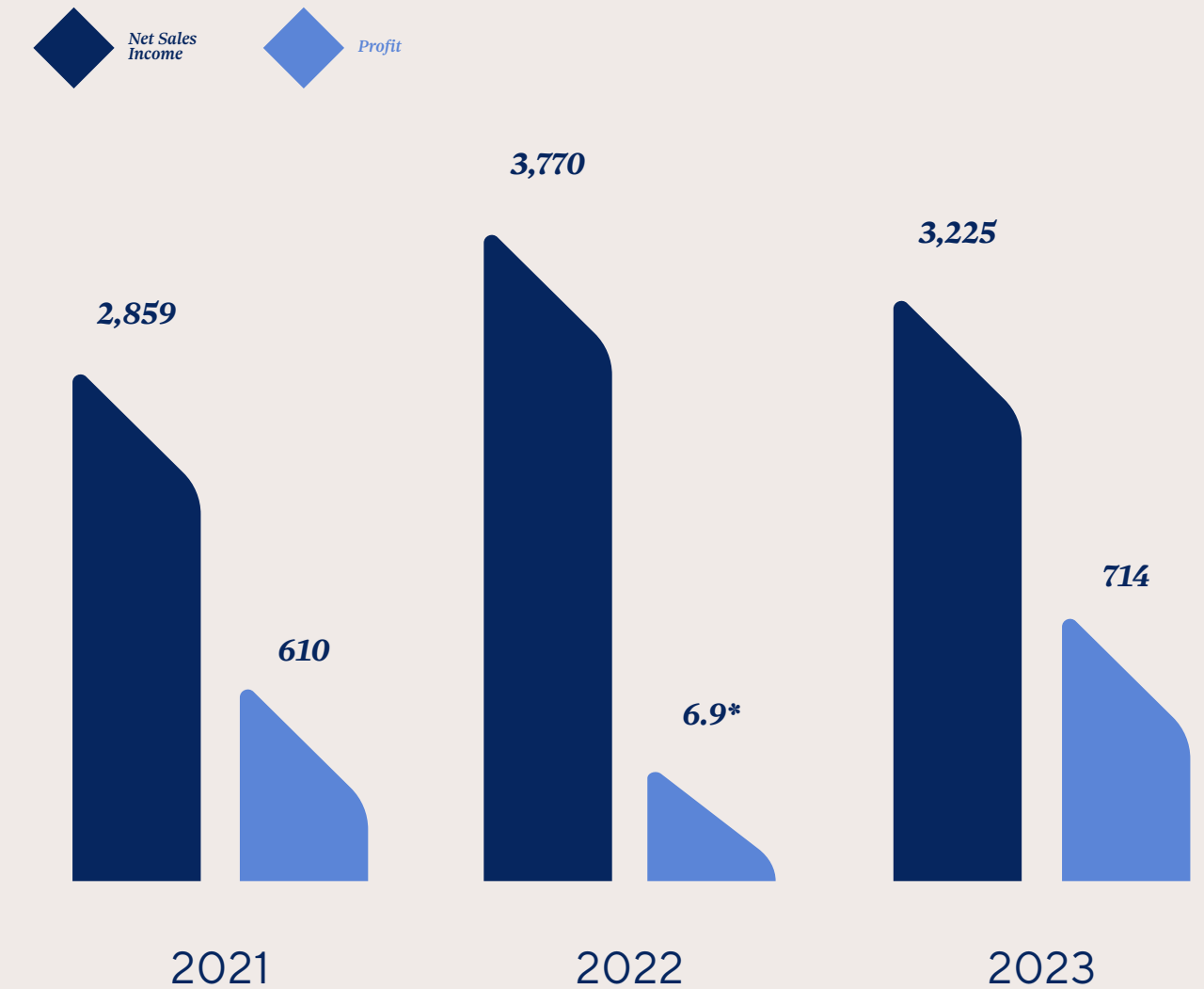
Çimtaş continues to carry out its manufacturing activities in Türkiye and China while ENKA's real estate subsidiaries remain active in Russia.



Economic Performance

In 2023, the company generated USD 3.2 billion revenue from the 4 main sectors in which it is active and achieved profits worth USD 714 million for its shareholders. The total revenue generated from engineering and construction sector was USD 2.04 billion. The table of ENKA's financial indicators for 2023 is included in [Annex 2](#).

Consolidated Economic Performance of ENKA



*Inflation accounting has been applied in the financial statements for the years 2022 and 2023. Values are in million US Dollars.

Global Operations



News and Awards

For the latest news about ENKA and its sustainability activities:

[For ENKA News, please click](#)

[For ENKA Sustainability News, please click](#)

◆ According to the Global Sourcebook published by Engineering News-Record (ENR), ENKA has maintained its high rankings with the projects it has carried out in major sectors of General Building, Transportation, Manufacturing, Power, Petroleum and Gas. Likewise, ENKA has continued to feature among the world's top 100 contracting companies in the "Top 250 International Contractors" list, which is also published by the ENR magazine.

◆ ENKA has maintained its place among the 50 most valuable and powerful brands in Türkiye, according to the 2023 research report of Brand Finance, an international brand valuation organization.

◆ ENKA maintained its place in the FTSE4Good Index as a result of an assessment made in June 2023. The FTSE4Good Index, which assesses companies on the basis of their environmental, social and governance performance, is regarded as one of the most prestigious indices and widely benefited as an important instrument for investment decisions.

◆ Following the S&P Global Corporate Sustainability Assessment, ENKA also maintained its place in the Dow Jones Sustainability Index (DJSI) in 2023. ENKA has been included in this index continuously since 2020, underlining its unwavering commitment to sustainability.

◆ ENKA preserved its score of B in both the Climate Change and Water Security categories in the Carbon Disclosure Project (CDP) scores for 2023.

◆ The three ENKA projects that were candidates for the 2023 Global Best Project Awards determined by ENR Magazine all received awards. The Nassau Cruise Port Project carried out in the Bahamas won the Best Project award in the Airport/Port category, while the Produced Water 2 Facility Project in Iraq won the Best Project award and the Tripoli West 671 MW Simple Cycle Power Plant Project in Libya won an Award of Merit in the Power/Industry category.

◆ The Misurata 650 MW Simple Cycle Power Plant Project undertaken by ENKA in Libya received the "Distinction" award at the International Safety Awards 2023 competition organized by "British Safety Council". The project also received the "Best in Country" and "Power & Utility Sector Winner" awards in the same competition.

◆ The West Qurna 1 Produced Water 2 Facility Project undertaken by ENKA in Iraq was presented with "Best Safety Performance Award 2022" by the customer ExxonMobil and the end-user BOC in 2023. The project also received an ExxonMobil Breaking Barriers award from ExxonMobil for adopting an innovative approach and performance that goes beyond standards to increase and improve application efficiency by using new technologies.



◆ ENKA took a new stride in the renewable energy market by purchasing a 100% stake in the company Town Up 8 EOOD, which holds the license to develop and build a 40 MW capacity photovoltaic power plant in Bulgaria.

◆ ENKA Sanat, which has run numerous support programs for young artists in various fields in its history, launched a new support program on its 40th year with the Lale Tara Arts Scholarship. The scholarship was initiated with the aim of supporting the talented young artists with their undergraduate and post-graduate studies abroad. This year the program focused on the field of classical music.

◆ Cimtas Ningbo won an "Excellence in Quality" award as a result of its performance and the products and services which it provided during

its work with General Electric. In addition, Cimtas Ningbo was honoured with the prestigious Certificate of Appreciation by Siemens Energy and Mitsubishi Heavy Industries.

◆ In 2023, the ENKA Sailing Team came first among 40 teams in the Türkiye Open Offshore Club Trophy, which consisted of eight races. The team also finished first in its group in the İstanbul Sailing Club (İYK) Trophy, determined over six races, thus achieving this success for the 10th time. In addition, the team came first in the İstanbul leg of the 4th Presidential Cup. It came first in the stage dedicated to the memory of Şarık Tara and took the second place in the IRC3 group in the 23rd Göcek Spring Race Week – Şarık Tara Youth and Sports Cup races.

Governance

ENKA is aware that it owes its reputation, built throughout its deep-rooted history, to fulfilling its commitment to transparency, trust, stability and responsible management towards all its stakeholders in line with its corporate culture. Accordingly, while developing open, strong, multidirectional relations with all its stakeholders, ENKA fully complies with all relevant laws and regulations and adopts an ethical, transparent, fair, accountable and responsible approach to governance in all of its activities. As a publicly traded company, ENKA has established its own governance model in accordance with the Corporate Governance Principles of the Capital Markets Board of Türkiye (SPK). ENKA's corporate governance practices are based on broad stakeholder participation and effective audit mechanisms, and it keeps its stakeholders informed of them through its annual Corporate Governance Principles Compliance reports. ENKA respects the rights of its stakeholders to receive timely and complete information, shows due care in this regard and operates the necessary information mechanisms. 8.58% of the shares of ENKA İnşaat is traded publicly in İstanbul Stock Exchange.

[For details shareholding structure, please click](#)

[For ENKA Annual Report, please click](#)

Board of Directors

All arrangements regarding the composition of the Board of Directors are made in compliance with the Corporate Governance Principles annexed to the Corporate Governance Communiqué issued pursuant to the Capital Market Law (Türkiye). Candidates to become independent members of the Board of Directors are chosen in line with the Corporate Governance Principles and are elected, together with all the other members of the board of directors, at the annual General Assembly meeting with the approval of the company's shareholders. Decisions regarding appointments are published on the company's corporate website. The ENKA Board of Directors is made up of five members, two of whom are executive members and the remaining three of whom, including the



two independent members, are non-executive members. All the members of the Board of Directors possess a variety of competence, knowledge and experience related to ENKA's business strategy.

The ENKA Code of Business Conduct, which also covers its Diversity and Inclusion Policy, is equally valid for the members of the Board of Directors and for all processes related to the Board of Directors. During all processes, including those related to the nomination of candidates, action is taken in compliance with the Code of Business Conduct. Accordingly, in the context of its sustainability targets, ENKA is aiming to raise the proportion of women on its Board of Directors to 25%.

As stated in the company's Articles of Association, the Board of Directors is responsible for the management and external representation of ENKA. In this context, the basic duties of the Board of Directors are to give direction to the company's targets and to its strategies for achieving these targets, to develop the corporate vision and policies, to announce new policies to the public, and to take decisions regarding these policies. The processes of determining ENKA's sustainability priorities, risks and opportunities and of developing and reviewing its sustainability policy and strategy accordingly are managed under the leadership of the ENKA's Chairman of the Board. The Chairman of the Board also reviews this report and gives final approval prior to its publication.

In 2023, the ENKA Board of Directors held 9 meetings and the average participation rate at these meetings was 97%. The Board of Directors adopted a total of 15 board decisions in 2023.

Potential conflicts of interest with respect to the Board of Directors are assessed, together with the related risks, by the Early Identification of Risks Committee and the Audit Committee. Information

concerning any conflict of interest is published on the company's corporate website and if necessary, on the Public Disclosure Platform (KAP). The approval of the annual General Assembly meeting is sought for any operation that might give rise to a conflict of interest with respect to the members of the Board of Directors and high-level managers.

ENKA's Corporate Governance Committee, which acts as its Remuneration Committee, consists of one independent member of the Board of Directors, one non-executive member of the Board of Directors and Investor Relations Department Manager who works at the company as a full-time administrator and possesses a Capital Market Activities Advanced Level Licence and a Corporate Governance Rating Specialist Licence. A "Remuneration Policy Applicable to the Board Members and Administratively Responsible Managers" has been approved by the General Assembly of the company and put into effect. Furthermore, any alteration of any kind to be made in the Remuneration Policy, and in the amounts of the attendance fee paid to the Board of Directors, are determined with the approval of the shareholders at the Annual Ordinary General Assembly meeting.

[For more information on the Committees of the Board of Directors, please click](#)

[For more information on the relevant policies of ENKA, please click](#)

[For more information on the Board of Directors and the Executive Committee, please click](#)

Executive Committee

The Chairman of the Board of Directors serves as the General Manager, overseeing ENKA's executive functions. There is no fixed term limit for members of ENKA's Executive Committee.

Corporate Governance Structure and Committees

Benefiting from an effective organizational structure in fulfilling its corporate duties and responsibilities, ENKA has seven committees and a working group that work under the Board of Directors. Information on these units, which are responsible for making decisions on economic, environmental and social impacts in ENKA's management, are presented below. Detailed information on the duties and working principles of the Corporate Governance, Early Identification of Risks and Audit Committees operating under ENKA's Board of Directors is available in the *Annual Report* and at the link below.

[✦ For the Duties and Working Principles of Committees, please click](#)

Executive Ethics and Compliance Committee

The Executive Ethics and Compliance Committee was formed under the Board of Directors to aid the company in maintaining an effective ethics and compliance program, in identifying the principles that form the basis of this program, determining and managing ethics and compliance risks and in continuously promoting a corporate culture that attaches importance to both ethical business practices and compliance with the law.

[✦ For more information on the Executive Ethics and Compliance Committee, please click](#)

Risk Management Work Group

The Risk Management Work Group was established by the decision of ENKA's Early Identification of Risks Committee taken at its meeting on November 28, 2017 in order to ensure that corporate risks are identified, the means of risk reduction are specified, and that identified risks are assessed and reviewed.

[✦ For more information on the Risk Management Work Group, please click](#)

Sustainability Committee

The Sustainability Committee is responsible for assessing economic, social and environmental risks and opportunities that may have an impact on ENKA's assets and business activities, to monitor and analyse relevant sustainability and climate change issues, to identify the sustainability strategy and goals, to undertake projects to achieve these goals and to ensure the implementation of relevant policies and procedures. The Committee, which is led by ENKA's Chairman of the Board, regularly reports results obtained from all operations to ENKA's senior management. Each member of the Sustainability Committee has diverse expertise related to sustainability and/or climate change issues.

Occupational Health & Safety Committee

Occupational Health and Safety Committee for ENKA's İstanbul Headquarters was formed as per the stipulations of Law 6331 on Occupational Health and Safety to assess potential risks to occupational health and safety (OHS), identify precautions and report to the Board of Directors. The committee meets every three months and consists of employer representative, OHS experts, the workplace doctor/nurse, the human resources expert, the administrative affairs officer, employee representatives and experts in field relevant to agenda items.

Information Security Committee

The duties of the Information Security Committee, which is structured to report to ENKA's Chairman of the Board, include identifying information security risks, ensuring and encouraging the implementation of relevant policies and procedures, ensuring and encouraging the implementation of necessary monitoring and measurement activities and making suggestions for the improvement of the information security management system. Committee meetings are organized semi-annually by the Information Security Administrator.



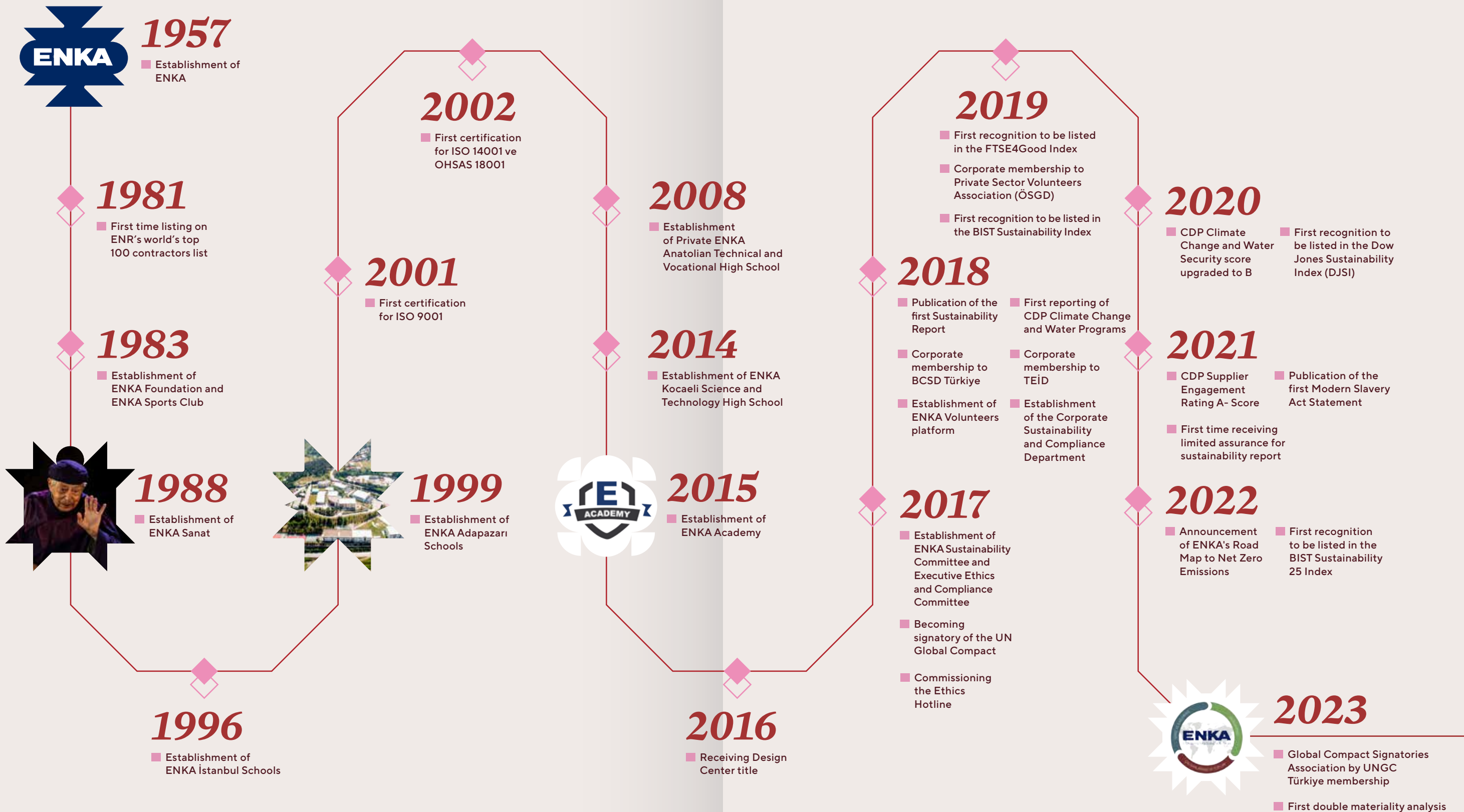
02

Our Strategic Approach

#ResilienceInAction



ENKA's Sustainability Journey



Sustainability Management at ENKA

Since its inception, ENKA has utilized its engineering expertise and experience to contribute to the future and welfare of both the planet and humanity. This commitment is at the foundation of its sustainability management. In pursuit of this goal, ENKA maintains a comprehensive Sustainability and Compliance Management which is nourished by the existing management systems that the company has had for many years, nourishes them in return, and is fully integrated with them. ENKA regards its sustainability management as a management system that embodies its understanding of environmental sustainability, social responsibility, and transparent, fair, inclusive, responsible and innovative governance and works to improve and expand this management system continuously in all the sectors and regions in which it is active.

Sustainability and Compliance Management constitutes an important part of the company's corporate strategy and operations. For this reason, it has a multi-stakeholder and participatory structure. The Board of Directors of ENKA is the highest governance body responsible for sustainability management, including climate change issues. ENKA Sustainability Committee, which is led by the Chairman of the ENKA Board and formed of representatives of the various units and departments within ENKA Headquarters and ENKA's subsidiaries, continued its activities in 2023 by reviewing the company's sustainability strategy, including matters related to climate change, based on risks, opportunities and the results of the materiality analysis, and by working on the monitoring and reporting of sustainability indicators and goals and sustainability performance in all the ENKA Group companies. Meetings of the ENKA Sustainability Committee are held at regular intervals, at least once a year, with broad participation in an atmosphere of dialogue that provides all the subsidiaries and departments with equal rights to participate and speak.

The Corporate Sustainability and Compliance Department, for its part, continued its activities in 2023 by working to improve the Sustainability Management and Ethics and Compliance Program further; to update the sustainability strategy and policies and ensure that they continued to be implemented in ENKA units and extended throughout ENKA's value chain; to improve sustainability practices within the company and in conjunction with external stakeholders; to represent the company in local and international organisations and events with respect to sustainability and compliance; to audit the projects and subsidiaries for sustainability and compliance; to support the workshops held at the projects to determine their sustainability and climate change targets, and to monitor the company's sustainability targets and its Environmental, Social and Governance (ESG) performance and to maintain and increase its success in external assessments related to these matters.

In order to integrate sustainability into the strategies and fundamental decisions of the company at the highest level, developments and activities related to sustainability management and information on performance in this area are reported to the ENKA Board of Directors through a management review report published annually by the Sustainability and Compliance Department, as well as via the meetings of the Sustainability Committee. Information on how ENKA performed in 2023 against the ENKA Sustainability Goals can be found under the heading **"Our Sustainability Performance"** and at the end of each relevant main section of this report.

ENKA Sustainability Policy



Sustainability Strategy and Goals

While adding momentum to the company's long-term potential for creating added value, the ENKA Sustainability Strategy also strengthens its stance on ESG. The strategy, which covers climate change issue, has been developed and is kept up to date taking ENKA's spheres of influence and material issues into account along with sectoral requirements and good practices, trends and mega trends, the company's national and international commitments, legal requirements and the most prominent risks and opportunities. While developing the strategy, attention has been paid to physical and transitional risks and opportunities, climate scenario analyses, local and global legislation, existing and prospective national and international standards, developments in the field of sustainability, sectoral comparative analyses, SWOT analyses and financial tables and analyses that include matters related to sustainability. It is by means of this comprehensive evaluation that the ENKA sustainability strategy has been prepared in line with the company's spheres of influence, its material issues and the UN Sustainable Development Goals. The strategy is reviewed every year by the Corporate Sustainability and Compliance Department in the light of all these criteria, and with inputs provided by the members of the Sustainability Committee, the Board of Directors and the Executive Committee. The revisions made to the strategy in accordance with this review are assessed, audited and approved by the Chairman of the Board of Directors.

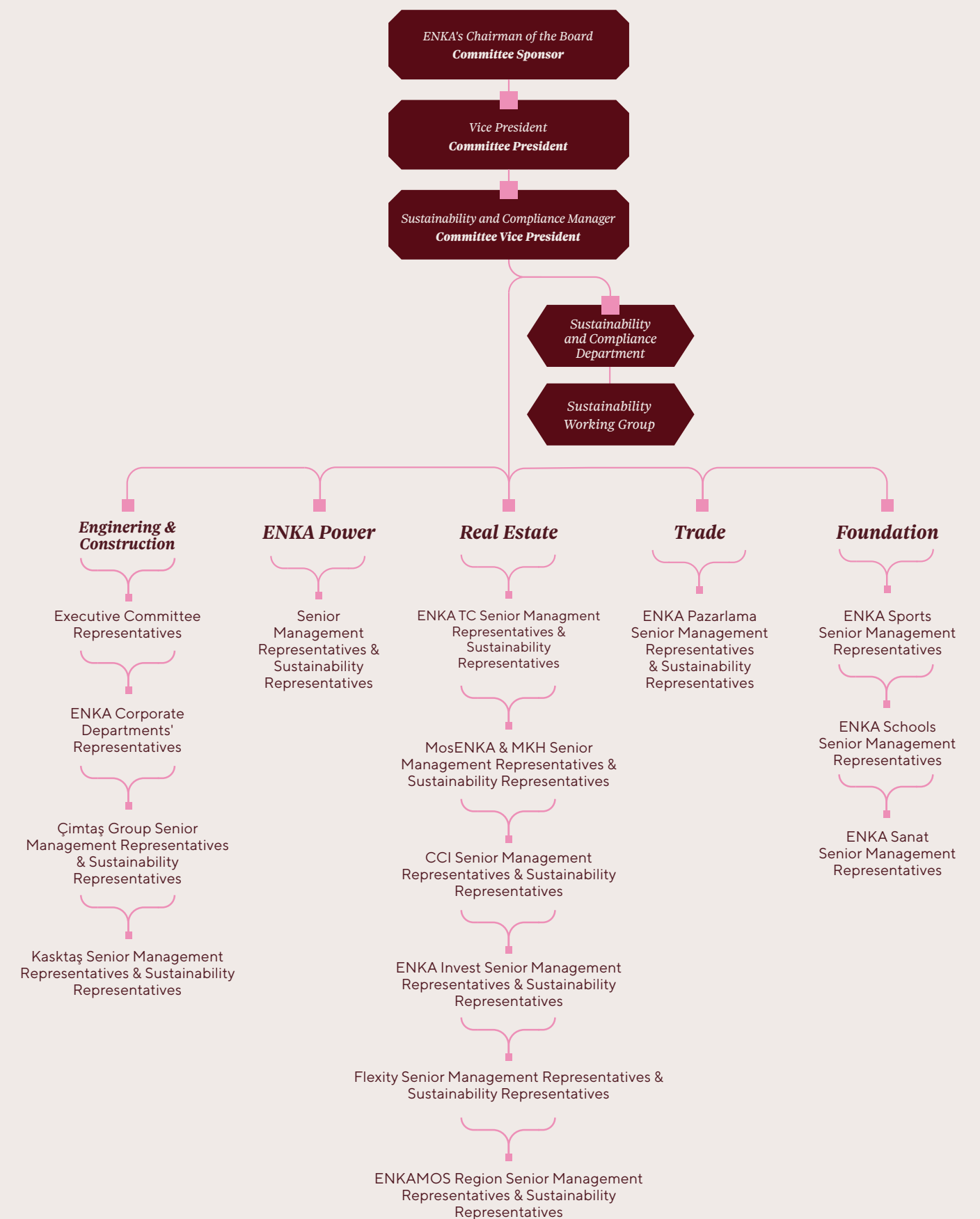
The process of identifying sustainability and climate change goals for the company was conducted under the leadership of the Corporate Sustainability and Compliance Department and with the participation and contributions of various groups of stakeholders. During the course of this process, working groups were set up within the subsidiaries, consulting firms were employed, the views of NGOs and sustainability initiatives were sought out, and support was obtained from

academic institutions. In addition, the expectations of customers, regulatory bodies and ESG rating agencies were assessed, Intergovernmental Panel on Climate Change (IPCC) scenarios were referred to, and opinions were obtained from supply chain representatives. The goals identified were examined by the Chairman of the Board of Directors and took effect upon his approval. At ENKA's projects, workshops are held in order to determine project-specific targets for sustainability and climate change consistent with ENKA's overall sustainability and climate change goals. The workshops are led by the Project Management Teams. The outputs are subjected to a technical assessment by the Corporate Sustainability and Compliance Department and enter into force upon the approval of the relevant member of the Executive Committee. Sustainability targets are determined for the short, medium and long term in an approach to sustainability which is integrated into the corporate strategy. In determining these targets, all due attention is paid to compliance with the IFRS S1 and S2 standards, the carbon footprint, financial, operational and environmental metrics, and financial and operational investment strategies. The targets have a comprehensive and transformative impact on all the dimensions of ESG.

On the basis of the targets adopted, performance criteria that incorporate sustainability and climate change issues, have been identified for managers and employees. The monitoring of compliance with these criteria is carried out by the relevant member of the Executive Committee and the Human Resources Department under the supervision of the Chairman of the Board of Directors. In the same way, evaluation and performance criteria have been included in the assessments of suppliers and subcontractors.

ENKA Sustainability Targets

Sustainability Committee Organization Chart





Sustainability Corner

As we embark on another year, the theme of our 2023 Sustainability Report, "Resilience in Action", encapsulates our unwavering commitment to sustainability amidst a backdrop of global challenges and opportunities. At ENKA, we believe that resilience is not merely a trait to be admired but a quality to be cultivated and applied in every facet of our operations.

In the face of escalating environmental concerns, social injustices, and economic uncertainties, we remain resolute in our dedication to confronting these challenges head-on. From mitigating our carbon footprint to fostering diversity and inclusion within our workforce, we understand that proactive action is paramount. Our efforts extend beyond mere compliance; they reflect our deep-seated values and our determination to leave a positive impact on the world around us.

Central to our vision of resilience is the empowerment of our workforce. We recognize that our employees are not just stakeholders but agents of change in their own right. Through ongoing training, skill development initiatives, and a culture of continuous improvement, we equip our team members with the tools and mindset necessary to navigate the complexities of the modern world. By fostering a culture of innovation and adaptability, we ensure that our workforce remains at the forefront of sustainable practices, driving positive change within and beyond our organization.

Resilience in action demands more than just reactive measures; it requires proactive leadership and a willingness to pioneer sustainable solutions. From renewable energy projects to community engagement initiatives, we are committed to leveraging our expertise and resources for the betterment of society and the environment. By embracing innovation and collaboration, we strive to set new standards for sustainability across all our sectors.

At ENKA, we recognize that resilience nourishes sustainability to a wider extent. It encompasses our unwavering commitment to performing safe, high-quality, and within-budget projects and operations around the world. From the initial planning stages to project execution and beyond, we prioritize the safety and well-being of our employees, partners, and communities. We adhere to the highest standards of quality and excellence, ensuring that our projects not only meet but exceed expectations. By maintaining a steadfast focus on safety, quality, and efficiency, we ensure the long-term success and sustainability of our endeavors. You can find further details regarding our efforts in these areas within the relevant sections of our report.

In 2022, in line with our sustainability strategy, we redefined our core sustainability pillars that guide our actions and initiatives: Our Business and Principles, Our People and Community, and Our Planet. In 2023, these pillars continue to serve



Sustainability Corner

as the foundation of our sustainability strategy, informing every decision and action we take, as we keep a close watch on emerging regulations within our country, EU and UK. By aligning our efforts with these pillars, we ensure that our sustainability initiatives are comprehensive, impactful, and aligned with our broader organizational goals.

As we reflect on the past year and look ahead to the challenges and opportunities that lie ahead, let us reaffirm our collective commitment to resilience in action: Together, we can build a more sustainable future for generations to come.

We extend our gratitude to our stakeholders for their unwavering support and dedication to our shared vision of sustainability. Together, we will build resilient societies and protect our planet.

Onur Kaya
Vice President

*From mitigating
our carbon
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to fostering
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Sustainability Strategy

The sustainability strategy transparently reflects the company's current situation and its future vision with respect to sustainability. The ENKA Sustainability Strategy developed along these lines has three main sections.

***Our
Business and
Principles***

***Our People &
Community***

Our Planet

Our Business and Principles

ENKA,

- ◆ Maintains an Ethics & Compliance Program to ensure open, honest and transparent communication with all stakeholders in accordance with applicable national & international laws and regulations, as well as company values and industry standards.
- ◆ Promotes sustainable business strategy throughout its value chain, raises awareness among its employees and across its suppliers and subcontractors via training opportunities and evaluates the environmental and social compliance of its suppliers and subcontractors.
- ◆ Adopts an integrated risk management approach covering environmental, social, economic, compliance and cybersecurity risks and opportunities, including sustainability and climate change, along with financial and non-financial brand management and reputation risks.
- ◆ Works to improve its R&D capabilities and accelerate innovation across the organisation to adapt and respond changing global conditions with best solutions benefiting both customers and society.
- ◆ Implements a comprehensive audit and control mechanisms to ensure compliance with legal requirements, ENKA procedures and policies, international standards and customer expectations.
- ◆ Strives to take part and to play a pioneering role in various initiatives, carried out for mutual learning and development, through its memberships of national and international associations, institutes, unions and industrial organizations, and participates in working groups as part of its efforts to work together with its stakeholders.
- ◆ Adopts customer-oriented business approach and enhances customer satisfaction with its work of high quality and on time services, products and projects.
- ◆ Develops business continuity and disaster recovery programs and keeps its crisis management strategy and structure sound and up to date.
- ◆ As an investor and EPC/EPCC contractor, assesses the potential environmental and social impacts of its operations and develops plans to eliminate or avoid negative impacts, increase positive impacts and create community investment opportunities.
- ◆ Combines its engineering expertise with cutting-edge applications to benefit both the international community and the engineering and construction industry.

Our People & Community

ENKA,

- ◆ Respects human rights and assesses the human rights impacts of its investments and operations as part of its social impact assessment process.
- ◆ Includes its stakeholders in the decision-making mechanisms of the company and provides transparent, effective, participatory and bidirectional communication channels in its relations with its stakeholders.
- ◆ Strives to leave a positive legacy for society, considering the needs of the region and expectations of communities in which it operates and fosters the economic development of the host countries by creating local employment and local procurement opportunities.
- ◆ Contributes to the welfare and development of local communities, disadvantaged groups and indigenous people through the infrastructure and superstructure projects and social investments and invests in education, sports, culture and arts.
- ◆ Prioritizes the physical and mental health and safety of its employees and its subcontractors' employees operating at ENKA's premises or acting on behalf of ENKA.
- ◆ Assesses potential health and safety impacts of its services and products and eliminates any potential adverse impacts.
- ◆ Embraces equitable, diverse and inclusive culture and contributes to the personal and professional development of its people through equal training opportunities.
- ◆ Aims to improve working environments and form more motivated & collaborative workforce by increasing employee loyalty through active employee engagement.
- ◆ Supports the development of the architecture and engineering professions and also the growth of a responsible generation by spreading sustainability awareness among its employees and among its students through ENKA Schools.

Our Planet

ENKA,

- ◆ Assesses, measures and reports its environmental impacts and climate change risks and develops plans and procedures to reduce them.
- ◆ Commits to reach net zero emissions in its operations by 2050 and takes actions to reduce direct and indirect emissions from its projects, operations and supply chain.
- ◆ As an investor and EPC/EPCC Contractor, offers and/or takes part in environment-friendly projects, solutions and products to partner its customers for the transition to a low carbon economy.
- ◆ Strives to improve the energy performance and efficiency of its operations and invests in renewable energy.
- ◆ Embeds a strategy for responsible sourcing and ensures resource efficiency while monitoring its own operations and its suppliers' compliance.
- ◆ Adopts a responsible water management approach, identifies risks related to water, uses site-specific strategies to minimize impact of water withdrawal, consumption and discharge on the quality and supply of water, reduces its water footprint and increases efficiency in its operations.
- ◆ Implements a waste management approach by prioritizing elimination at its source and increasing reuse and recycling in its businesses and promoting circular practices in its supply chain.
- ◆ Ensures protection and conservation of biologically diverse ecosystems by taking appropriate measures in line with its project-specific biodiversity action plans developed in accordance with impact assessments and baseline studies of flora & fauna.
- ◆ Promotes afforestation and protection of the existing forests and adopts green office practices while providing environmental trainings to its employees and subcontractors to raise awareness.

Stakeholder Engagement

The effective, regular and constructive communications and engagement which ENKA maintains with its stakeholders lies at the foundation of its approach to responsible management and of its sustainability management. In the conduct of all its activities, ENKA operates in an ethical, fair and transparent manner taking the expectations and needs of its stakeholders into account. The company attaches importance to the inclusion of its stakeholders in its decision-making mechanisms and employs transparent, effective, participatory and bidirectional channels of communication in its relations with them. To this end, ENKA interacts with its stakeholders at the local, regional, national and international levels.

ENKA defines all individuals, groups and organizations that directly or indirectly affect or are affected by its activities, goals and policies as stakeholders of the company. Accordingly, the main stakeholders of the company are its employees, customers, business partners, shareholders, community stakeholders, supply chain and public institutions. ENKA categorises its stakeholders based on various criteria that include the degree and their potential to affect or be affected by ENKA's activities, strategies, policies and goals; their areas of influence; their representational authority; their responsibilities and their relationships with the company. The unique communication channels have been developed specifically for each group of stakeholders, and the frequency of communication has been determined. The stakeholder groups with which ENKA engages, the communication platforms used and the frequency of communications are presented in **Annex 3**.

All developments and announcements concerning ENKA are promptly shared with all stakeholders via the ENKA newsletters, which are the primary channel for internal communications, and the ENKA corporate website and official social media accounts, which are the primary channel for

external communications. In addition, feedback that may contribute to ENKA's processes is collected regularly, and responses are given to stakeholders' concerns or questions, through the regularly-published corporate reports, the audits conducted at projects and subsidiaries, supplier audits, employee surveys, customer satisfaction surveys, training activities, workshops, meetings with local communities and authorities, and meetings with all business partners.

The company's Ethics Hotline and ethics email address have become one of the most effective and practical communication channels which stakeholders can use to consult on issues of concern, seek answers to their questions, and share their complaints or opinions. In addition, various stakeholder groups, including employees, local communities, suppliers and subcontractors can submit their complaints and suggestions through the grievance mechanisms established at the projects. The complainants are informed about the status of all the grievances communicated via such mechanisms.

**ENKA operates
in an ethical, fair
and transparent
manner taking the
expectations and needs
of its stakeholders into
account.**



The feedback which ENKA obtains from its efforts to establish an effective dialogue with its stakeholders enables the company not only to understand and respond to their needs and expectations but also to determine its priorities, strategies and targets in a more comprehensive manner. Besides current needs and expectations, the stakeholder feedback also affects the risks and opportunities generated by factors such as developments in the field of sustainability, technological progress, legal arrangements and socio-economic changes. In the context of its risk management approach, ENKA acts within a life-cycle perspective and is able to meet the expectations of its stakeholders effectively. Among the most tangible products of the effective stakeholder dialogue which it conducts are the company's sustainability strategy and sustainability actions. ENKA conducted its materiality analysis once again at the end of 2023. These analyses are updated once every two years in order to track the changes in the needs of stakeholders with a view to moving ahead in accordance with these requirements. The sustainability materiality issues are updated with the intensive participation of various groups of stakeholders, and any changes are made available for the views of all stakeholders through the annual sustainability report, together with information on the company's performance in response.

The opinions and suggestions of all stakeholders and the recommendations of the Sustainability Committee based on the previous report were taken into account in the development of this report. The results of the BCSD Türkiye's evaluations of the previous report which was conducted on the basis of the "Principles", "Content" and "Experience" criteria within the scope of "Reporting Matters" project and opinions and suggestions shared at the feedback meetings were taken into consideration during the preparation of this report.

Corporate Memberships and Collaborations

ENKA believes that the key to registering significant progress in the face of the difficult, multi-layered sustainability challenges which it faces, headed by climate change and human rights, is to be found in the right collaborations. Accordingly, through the effective collaborations it establishes and the joint efforts it undertakes with its stakeholders, ENKA aims to generate joint solutions to environmental and social problems, and to establish platforms for mutual learning and development at the local and global levels. To this end, ENKA strives to make use of its accumulated knowledge and experience to contribute to – and play a pioneering role in – a range of initiatives carried out for various purposes through its membership of various national and international associations, institutes, unions and industry organisations, and its participation in various working groups.

Since 2017, ENKA has been a signatory to the United Nations (UN) Global Compact (UNGC) and has strongly supported the ten principles of this agreement in all its operations. Every year, ENKA publishes its performance with respect to these ten principles as an annual communication on progress report through its sustainability reports. ENKA also continues to be a member of the Business Council for Sustainable Development Türkiye (BCSD Türkiye), which is the regional network and business partner of the World Business Council for Sustainable Development (WBCSD) in Türkiye, and of the Ethics and Reputation Society (TEİD), Türkiye's most influential nongovernmental organisation in the areas of establishing a culture of ethics and compliance within institutions and combating corruption and bribery.

ENKA is a member of the Building Services Research and Information Association (BSRIA), which provides access to a broad network, technical consultancy services and current publications and training programs for the development of

the environmental and operational aspects of companies in the field of building services, facility management and construction. In 2023, moreover, ENKA became a member of the Global Compact Signatories Association established to disseminate the ten principles of the United Nations Global Compact among the business community in Türkiye and to contribute to sustainable development in Türkiye through responsible business practices.

ENKA's Chairman of the Board is the co-chair of the TÜSİAD round table of Relations with Parliament and Public Institutions. The Chairman of the Board is also a member of the CEO COUNCIL, which brings together the chairpersons and CEOs of Türkiye's leading companies to take action on issues of importance for the business world, to pioneer projects with positive social impacts, and to organise gatherings. The President of the ENKA Sustainability Committee (Vice President) is among the TÜSİAD representatives of company; takes part in TÜSİAD's work in areas of production, value added, registered employment and foreign trade.

Furthermore, Corporate Sustainability and Compliance Manager of ENKA is among the members of the Audit Committee of Ethics and Reputation Society and Supervisory Board of the Private Sector Volunteers Association (ÖSGD), of which ENKA is a corporate member. Since 2020, the Corporate Sustainability and Compliance Manager has also been providing "Sustainability, ESG and Ethics" training in the Ethics and Compliance Management Certificate Program organised by the TEİD Academy for the training of professionals to work in this field to ensure creation of Ethics & Compliance structures in companies.

The organizations, of which ENKA and its subsidiaries are members, are listed in **Annex 4**.

The working groups in which ENKA is involved are as follows:



Materiality Process

ENKA identifies the issues that are most important and relevant for itself and for all its stakeholders by means of sustainability materiality analyses which it conducts once every two years. The outputs of these analyses guide the coverage of the company's sustainability strategy, targets, plans and reports. ENKA's materiality analysis is based on the requirements of the UN Global Compact, the Global Reporting Initiative (GRI) and the IFRS S1 and S2 Standards, taking the approach of the Task Force on Climate-Related Financial Disclosures (TCFD) into account. In line with increasing and developing reporting and transparency requirements, a double materiality analysis was performed for the first time in 2023.

In addressing potential impacts and opportunities, the double materiality analysis performed in 2023, combining the "outside-in" and "inside-out" perspectives, determined materiality issues from both the impact and the financial point of view. Accordingly, the topics were separated out along two axes: the impact which ENKA may have over environmental and social issues, and the influence which these issues may have over ENKA's potential to create value.

The first step of the double materiality analysis was to identify the issues to be included in the analysis. For this purpose, a review of the literature was conducted and a detailed examination was made of the Global Risks Report of the World Economic Forum (WEF), the Intergovernmental Panel on Climate Change (IPCC) Assessment Reports, sector and industry developments, sustainability reporting standards and frameworks (GRI, IFRS, TCFD, SASB, CDP), the criteria used by rating agencies and indexes (DJSI, FTSE4Good, etc.), the UN Sustainable Development Goals (SDGs), the material sustainability issues determined for

the preceding period, the reports of international organizations and examples of global good practices and 25 issues were identified.

When determining the groups of stakeholders that would be able to take part in the materiality process, the impact potentials of the stakeholder groups was treated as an important criterion. The online surveys were shared with the groups of stakeholders by email. A total of 900 individuals from various stakeholder groups took part in the survey. These groups included the Sustainability Committee, the senior management of ENKA Group, employees, suppliers, subcontractors, NGOs and professional associations, subsidiaries, customers, business partners and universities.

The material issues were then determined by conducting an analysis which took into account – in addition to the results of the materiality surveys conducted with internal and external stakeholders – the reports of international organizations, environmental and social impact analyses, the results of risk and opportunity assessments, global and sectoral trends and legal arrangements, the feedback obtained from stakeholders during the course of the year and the outputs of national, international and sectoral conferences and events.

Most of the topics classed as "Highly Material Issues" as a result of the evaluation of the materiality survey have been included in the report under main headings. Innovation and R&D Activities, Environment-Friendly Materials Equipment and Buildings, Risk Management, Water Management, Waste Management, Local Employment, Community Investment Programs and Social Responsibility, and Biodiversity and Habitat Management are given under main headings in the report in accordance with the

external trends and needs analysis conducted by the Corporate Sustainability and Compliance Department following the evaluation of the materiality survey. The remaining material issues and other issues have been included in the report to a more limited extent. The links between these issues and the Sustainable Development Goals, the principles of the United Nations Global Compact and the ENKA Sustainability Strategy are shown in the table below.

The materiality matrix showing the results of the analysis can be found overleaf. The double materiality matrix has been generated by scoring the selected ESG issues for their Importance for Stakeholders (the environmental, social and economic impact of ENKA's activities) and for their Importance for ENKA (their impact on ENKA's potential to create value).

For 2023, the results of the materiality analysis were reviewed by the Corporate Sustainability and Compliance Department. The next materiality analysis has been planned for the final quarter of 2025.

Highly Material Sustainability Issues

Related Strategy Pillar	Highly Material Issues	Contributed Sustainable Development Goals	Relevant UNGC Principles
Our People & Community	Employee Rights and Employee Satisfaction	SDG5, SDG8, SDG10	1, 2, 3, 4, 5, 6
Our Business & Principles	Product and Service Quality	SDG9, SDG11, SDG12	-
Our People & Community	Employee Training, Development and Talent Management	SDG5, SDG8, SDG10	1, 2, 3, 4, 5, 6
Our People & Community	Occupational Health and Safety	SDG3, SDG8	1, 2
Our Business & Principles	Economic Performance	SDG8, SDG9	-
Our Business & Principles	Customer Satisfaction	SDG9	-
Our People & Community	Employee Welfare and Mental Health	SDG3, SDG5	1, 2, 3, 4, 5, 6
Our Business & Principles	Ethics and Compliance	SDG5, SDG8, SDG16, SDG17	1, 2, 3, 4, 5, 6, 10
Our Planet	Combating Climate Change, Adaptation and Emission Reduction	SDG6, SDG7, SDG12, SDG13, SDG14, SDG15, SDG17	7, 8, 9
Our Planet	Energy Management, Efficiency and Renewable Energy	SDG7, SDG12, SDG13	7, 8, 9

ENKA Sustainability Materiality Matrix



Highly Material Issues

- ◆ Employee Rights and Employee Satisfaction
- ◆ Product and Service Quality
- ◆ Employee Training, Development and Talent Management
- ◆ Occupational Health and Safety
- ◆ Economic Performance
- ◆ Customer Satisfaction
- ◆ Employee Welfare and Mental Health
- ◆ Ethics and Compliance
- ◆ Combating Climate Change, Adaptation and Emission Reduction
- ◆ Energy Management, Efficiency and Renewable Energy

Material Issues

- ◆ Innovation and R&D Works
- ◆ Diversity, Equal Opportunities and Non-Discrimination
- ◆ Risk Management
- ◆ Information Security & Cybersecurity
- ◆ Environment-Friendly Materials, Equipment and Buildings
- ◆ Contribution to Local Economy and Local Employment
- ◆ Water Management
- ◆ Waste Management
- ◆ Resource Management and Circular Economy
- ◆ Social Investment Programs and Social Responsibility

Other Issues

- ◆ Supplier Diversity and Local Procurement
- ◆ Crisis Management and Business Continuity
- ◆ Management of Social, Economic and Environmental Impacts on Local Communities
- ◆ Environmental and Social Compliance of Suppliers
- ◆ Biodiversity and Habitat Management



Sustainability Corner

Sustainability is not merely a journey; it's the defining challenge of our era. At ENKA, we embrace this challenge with a steadfast commitment to resilience in action. As we navigate the complexities of transitioning to a net-zero carbon economy, we acknowledge the hurdles ahead; from revolutionizing sectors to altering behaviors of supply chain, customers and people, while remaining profitable; our journey as humanity demands innovative solutions and rapid transformations.

Transition to cleaner energy demands substantial commitments from both the public and private sectors, along with significant capital and time investment. We acknowledge that natural gas, when utilized efficiently, plays a crucial role in facilitating the transition from coal to cleaner energy sources while ensuring a secure energy supply. We are leveraging our proficiency as an EPCC contractor during this transition while concurrently diversifying our project and investment portfolio with alternative resources, including hydrogen. Aligned with our sustainability strategy, we are actively pursuing measures to reduce the GHG emissions of our operations. Furthermore, we are investing in solar energy generation at our premises and directing our resources and energy toward R&D, kaizen initiatives and optimization endeavors with our diverse engineering teams across ENKA Group.

Decarbonizing energy, construction, manufacturing and real estate sectors – key industries of our operations – takes a holistic

approach integrating technology, innovation, policies, energy and capital investment and requires the efforts of all. During our journey towards sustainability, we have learned from our progress and reflect these insights to enhance our efforts. Recognizing a void in globally accepted guidelines for robust decarbonization and sustainability within the construction industry, we have taken proactive steps to pioneer methodologies addressing these critical challenges. Leveraging the talents, experience, and expertise of our teams, we are customizing project-specific solutions to combat climate change and enhance sustainability. In 2023, we have organized three Sustainability and Climate Change Workshops at our new projects, establishing clear goals, delineating actionable steps to mitigate environmental impact, foster social value creation, and also initiate transition of our local supply chain towards sustainability. Furthermore, our subsidiaries have remained committed to advancing sustainability goals: Çimtaş Group has surpassed its targets through strategic investments in solar energy, while our real estate subsidiaries are diligently pursuing transformation initiatives and commencing their compliance journey with the ISO 50001 Energy Management System Standard.

Stakeholder engagement and effective communication across diverse stakeholder groups have been fundamental pillars of our sustainability framework and by this means ENKA remains as a responsible member of the community. This year, we have renewed our materiality analysis, adopting a double materiality approach for the first



Sustainability Corner

time to further enrich our sustainability strategy with the invaluable insights and perspectives of our stakeholders. Moreover, ENKA has a rich history of engaging with community members and stakeholders through social responsibility initiatives, community investments, and volunteer programs. This steadfast commitment to community engagement manifested profoundly during times of crisis, such as the devastating earthquakes that struck Kahramanmaraş and our nation as a whole. The ENKA family rallied as one, extending support to the community and standing in solidarity as we collectively worked towards healing and recovery.

Transparency and integrity serve as fundamental cornerstones in the journey towards a more sustainable world and fostering community resilience. Anchored on these principles, we maintain our Ethics & Compliance Program, continuously enhancing its efficacy and reach. Through a comprehensive review of our internal audit findings, whistleblower reports, and internal investigations this year, we have identified an improvement area for clearer communication regarding conflicts of interest. Consequently, we have refined our procedures and initiated proactive measures to improve internal communication, ensuring a more thorough comprehension of this issue among our employees and business partners.

The word “resilience” doesn’t have a direct single equivalent in Turkish; rather, it is the combination of durability, resistance and adaptability. It is pierced into the DNA of sustainability, defining the capacity for survival and continuity amidst unforeseen and challenging situations. 2023 was an extraordinary year marked by wildfires, floods, droughts, and earthquakes, damaging homes and livelihoods. The deterioration of environment has become evident; impacting nature and communities as a whole. As we diligently pursue solutions that harmonize climate, environmental, and social concerns, this year’s unprecedented challenges have underscored the necessity for strategic planning to ensure greater resilience. Hence, it was inevitable for us to center this year’s sustainability report around resilience, reflecting the overarching theme that has permeated our discussions throughout the year.

The international regulatory landscape has never been as dynamic as it was in 2023. Discussions surrounding the European Green Deal and its ramifications have been ongoing, while the European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD) have been finalized. Additionally, the completion of the UK’s Sustainability Disclosure Standards (SDS) is imminent. Notably, Türkiye’s new Turkish

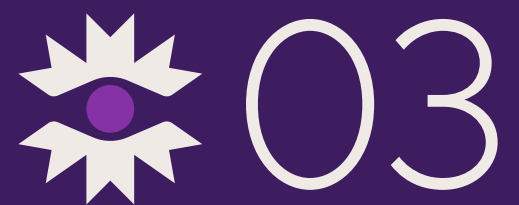
Sustainability Reporting Standards (TSRS), aligned with International Financial Reporting Standards (IFRS) S1 and S2, were launched at the end of the year, transitioning reporting requirements in Türkiye from voluntary to mandatory. While interoperability among these diverse reporting frameworks remains a primary challenge for globally operating companies, with this report we’ve started aligning with IFRS and TSRS standards, particularly through the disclosure of our risk analysis outcomes.

As we enhance our sustainability reporting, our dedication to the United Nations Global Compact remains steadfast, with this report serving as our communication on progress towards its ten principles. Our sustainability initiatives are closely aligned with numerous UN Sustainable Development Goals, and we are working on to contribute to achievement of all 17 goals by actively seeking out opportunities to work with peers, customers, suppliers, subcontractors, NGOs and academia. We are proud to be on this journey together with so many capable, talented and committed partners around the world.

İnci Bozokluoğlu

Corporate Sustainability and
Compliance Manager

Leveraging the talents, experience, and expertise of our teams, we are customizing project-specific solutions to combat climate change and enhance sustainability.



Our Business and Principles

#ResilienceInAction



Ethics and Compliance Program

ENKA's commitment to its customers, to the society in which it lives and to all its stakeholders is to be able to build "trust" and it is well aware of the importance of this commitment for the company to maintain its social licence. All ENKA employees are conscious of their responsibilities for fulfilling this commitment and for preserving ENKA's legacy of doing business in a way that is honest, safe, of high quality and sustainable. Through its Ethics and Compliance Program, ENKA abides by the relevant local and international laws and regulations and anti-bribery and anti-corruption measures, and by the principles enshrined in the Universal Declaration of Human Rights, maintaining its ethical values and its fair, transparent and honest way of doing business even in locations where relevant the legal regulations are lacking or limited.

ENKA requires all its employees, representatives, subsidiaries, suppliers and subcontractors to establish fair, honest, impartial, transparent and accountable relationships with all the colleagues, communities and competitors with whom they interact during their activities, and to comply fully with the relevant national and international laws and regulations. ENKA communicates its rules, ethical values and management structure to all of its employees through the "ENKA Code of Business Conduct."²

ENKA's Code of Business Conduct is reviewed every year by the Corporate Sustainability and Compliance Department and updated as required. It is published on ENKA's corporate website upon the approval of the Chairman of the Board of Directors of ENKA, and is accessible to all stakeholders. The Code of Business Conduct is available in seven languages – namely, English, Turkish, Russian, Arabic, Georgian, Serbian and Hindi– and applies to managers and employees at all levels, including the senior management and the Board of ENKA and its subsidiaries.

² https://www.enka.com/allfiles/media/pdfs/ENKA_Code_of_Conduct_en.pdf

The Executive Ethics and Compliance Committee, which was established to ensure the efficiency and impartiality of the company's ethics and compliance program, has continued its activities. In 2023, the Committee was actively involved in assessment and management of ethics and compliance risks, the assessment and investigation of incidents reported to the company's reporting channels, as well as in the examination of the findings of Ethics and Compliance audits and of the corrective actions taken. In addition, the Audit Committee and the Chairman of the Board of Directors inspects the company's ethics and compliance program by periodically reviewing the reports that are submitted by the Corporate Sustainability and Compliance Department, audit reports and performance indicators.

[For more information about the Executive Ethics and Compliance Committee, please click](#)

ENKA's whistleblower channels are announced primarily on its website, as well as via newsletters published throughout the ENKA Group and on posters in local languages posted in locations visible to employees at project sites and at subsidiaries' premises. Furthermore, the details and addresses of these channels are shared with all employees during orientation training and Code of Business Conduct training.

In addition to the corporate whistleblower channels, grievance mechanisms are established at ENKA projects to allow employees and local communities to report. All grievances submitted to these mechanisms are handled according to corporate procedures and in line with the principles that apply to the corporate whistleblower channels.

Raising Concerns

ENKA maintains an Ethics Hotline and an e-mail address (ethics@enka.com) to ensure open and transparent communication, allowing employees, local communities and all parties with whom business relationship are maintained (suppliers, subcontractors, subcontractor employees, customers, business partners, etc.) to report any violations of the Code of Business Conduct or company policies and to obtain advice on any related issues that are unclear to them. All employees and relevant stakeholders can submit reports to these channels voicing any concerns that they are unable to resolve through discussions with their managers or with the local project management. Any form of ill-treatment, including sanctions or discrimination, and retaliation is strictly prohibited to those who make any reports to these channels.

Reports made to the whistleblower channels are classified and passed on to the Executive Ethics and Compliance Committee. All kinds of reports that fall within the scope of application of the reporting channels are assessed, investigated and concluded, and the complainant is informed of the outcome.

[For detailed information on ethics reporting channels, please click](#)

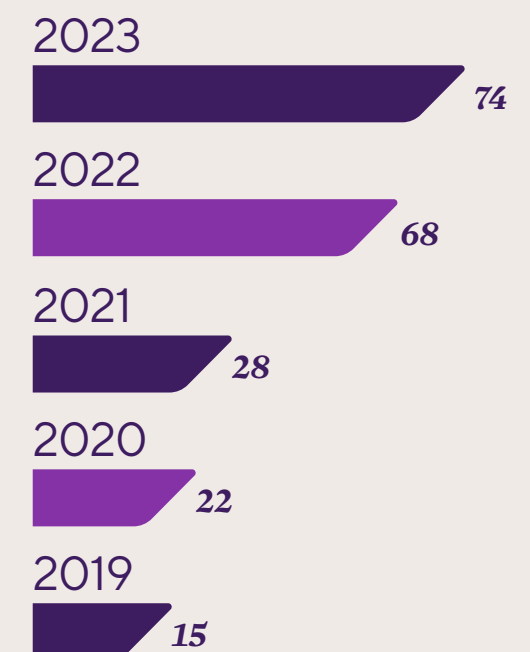
Persons who make reports to the corporate whistleblower channels or grievance mechanisms are not subjected to any negative treatment and are protected from any retaliation, and their confidentiality is protected.

In 2023, the ethics reporting channels were used by employees of ENKA and its subsidiaries, by former employees, by subcontractor employees, by customers and by suppliers. Most reports were made to acquire information or to discuss matters falling outside the scope of the channels. A breakdown of the reports within the scope is shown on the next page.

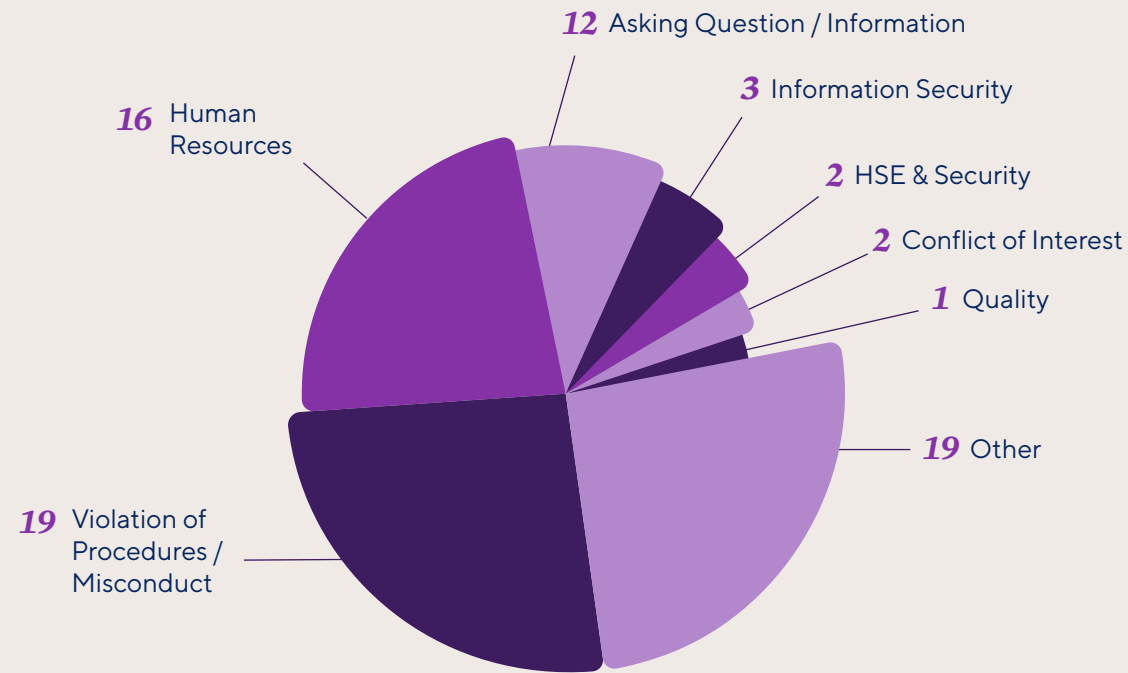
Ratio of Operations That Corruption Risks Analysis Conducted: 100%

Ratio of Operations That Human Rights Risk Analysis Conducted: 100%

Number of Reports Made by Years



Breakdown of Whistleblower Reports by Subjects in 2023



All of the reports related to whistleblower mechanisms in 2023 were concluded and closed. All of the allegations made in the reports were addressed in accordance with corporate procedures, and confidentiality was ensured in all cases. As a result of the reports concluded, 6 employees are no longer working at the company and 3 companies were placed on the black list not to be worked with again. During the year, no reports related to bribery and corruption issues were made via the whistleblowing channels, and no employee was subjected to disciplinary action or any other penalty on these grounds.

All employees starting to work at ENKA and its subsidiaries receive training on the Code of

Business Conduct as a part of their orientation programs. In 2023, all new employees completed this training. The online ENKA Code of Business Conduct training, developed to ensure that all employees clearly understand the information they are given about ethics and compliance management at ENKA, its policy on bribery and corruption, its approach to human rights and its working conditions and provided to all employees of ENKA and its subsidiaries. The training is in Turkish and English with a Russian subtitles option. The local employees in China, Kazakhstan, Russia, Iraq and other countries are given the training in their native language using subtitles or with the support of interpreters.



In 2023, a total of 7,513 person-hours of training was provided on Code of Business Conduct.

2023 ENKA Code of Business Conduct Training Data (Employees)

Country (Training Conducted)	Number of Local Employees Trained	Number of Turkish Employees Trained	Number of Other Employees Trained	Total Training (Person-Hours)
Türkiye	1,672	1,672	-	1,672
Arabia	190	395	1,321	1,906
Russia	265	80	600	945
China	418	16	-	434
Macedonia	50	73	5	128
Serbia	7	47	2	56
United Kingdom	-	33	-	33
Other*	1,770	129	440	2,339
Total	4,372	2,445	2,368	7,513

*Mongolia, Sri Lanka, the Bahamas, Greece, Mexico, Italy, Brazil, South Sudan.

	Total Participants	Total Person-Hours
ENKA Headquarters	30	30
ENKA Projects	5,325	5,325
Çimtaş	1,856	1,856
Real Estate Subsidiaries	194	194
Kasktaş	57	57
ENKA Pazarlama	28	28
ENKA Power	23	23
Employees of Business Partners, Suppliers, Subcontractors	320	320
Total	7,833	7,833



Ayşe Pınar Pamuk

Project Quality Assurance Engineer

At our Kırklareli Project, as ENKA we require all our stakeholders (employees, representatives, subsidiaries, suppliers and subcontractors) to abide by the basic principles of our way of doing business by showing consistency, integrity and fairness. We have taken significant steps towards the implementation of these ethical principles within the scope of our project.

Our expectation from all stakeholders is to establish fair, honest, impartial, transparent, and accountable relationships. With this in mind, we have established an Ethics Hotline and grievance mechanisms to enable everyone to report violations and seek advice on any concerns they may have.

In order to emphasize the existence of the Ethics Hotline in our project, we have made announcements at all trainings and used posters at visible places both within and outside the company. This way, employees and stakeholders have been made aware of the importance and using the Ethics Hotline. All complaints submitted to the grievance mechanisms are handled within corporate procedures in accordance with the principles of the Ethics Hotline.

We have provided all the project employees with training on the ENKA Code of Business Conduct, and all suppliers and subcontractors with training on the ENKA Supplier Code of Conduct. We continue to provide these trainings to all new stakeholders. ENKA Supplier Code of Conduct is shared with all suppliers as required by the company's internal procurement procedures. The code is also submitted to them as part of their contracts and their commitment to comply with it is obtained. In addition, we follow the supplier and subcontractor prequalification and performance evaluation procedures meticulously.

Both our company's sustainability policy and the procedures drawn up specifically for the project are available in the ENKA Document Management System (EDMS). Meanwhile, we adopt a global approach by making the ENKA Code of Business Conduct and the ENKA Supplier Code of Conduct available in various languages including English, Turkish and Hindi. All these steps have made it possible for us to disseminate ENKA's ethical culture and transparent approach to management across the entire project and to create a trustworthy working environment.

We at ENKA will continue to add value to our stakeholders with every step we take within our project.

Ethics and Compliance Training for Executives

Managers have an important role to play in the conduct of an effective ethics and compliance program. With this in mind, the Corporate Sustainability and Compliance Department has continued to provide training on "Ethics and Compliance Leadership for Executives" in cooperation with TEİD by organizing a session for executives of Çimtaş. The training was held with the extensive participation of the management teams and human resources teams of all the Çimtaş Group companies. During the training, the managers' knowledge was refreshed by providing them with detailed information about the fundamentals, scope and implementation of ethics and compliance programs, the role of managers in preserving the culture of ethics in companies, grievance and whistleblowing mechanisms and the labor law dimension of ethics practices.

Ethics And Compliance For Suppliers

ENKA expects all individuals, groups and organizations with which it cooperates to comply with all relevant laws and with the ethics culture of the company. In this context, ENKA requires all of its suppliers, subcontractors, consultants, dealers and business partners (collectively referred to as "Suppliers" in the report) to comply, in all of their operations, with ENKA Supplier Code of Conduct, which also incorporates the sustainability approach that ENKA expects its suppliers to adopt.

[For the Supplier Code of Conduct, please click](#)

As required by ENKA's corporate procurement procedures, the Supplier Code of Conduct and the procedure to be followed in the event of a violation are communicated to all suppliers before any contract is signed. In addition, all contracts signed with suppliers include provisions stating the requirements for companies and their employees to carry out their activities in compliance with ENKA Supplier Code of Conduct, and recognize ENKA's right to carry out audits and to terminate the contract in the event of a violation of the Supplier Code of Conduct, including violations of human rights, anti-bribery and anti-corruption policies, etc. Details of the training and auditing activities carried out with suppliers as part of the ethics and compliance program are given in the **"Responsible Supply Chain Management"** section of the report.

Human Rights

ENKA conducts all its operations ethically and in compliance with the laws, and in line with an approach that respects the human rights as stated in the Universal Declaration of Human Rights. ENKA also complies with requirements of the United Nations Global Compact, of which it is a signatory; abides by the relevant conventions published by the International Labour Organization (ILO); and takes into account OECD Guidelines for Multinational Companies and the UN Guiding Principles on Business and Human Rights. In these respects, ENKA requires all of its stakeholders to adopt the same approach.

ENKA's approach to human rights is grounded in its human rights assessments and risk assessments. ENKA's all operations and investments are assessed in terms of human rights. Through this assessment process, human rights-related risks are identified and efforts are made to eliminate, mitigate or control these risks. As well as guiding ENKA's operational and investment decisions, human rights and sustainability criteria are included among its supplier and subcontractor selection and performance evaluation criteria.

ENKA assesses human rights-related risks on a sectoral and regional basis. In both cases, previous human rights assessments, risk analyses, the outputs of engagements with stakeholders and the reports published by official bodies and NGOs are taken into consideration. The "Human Rights Guidance Tool of the UNEP Finance Initiative" publication is taken as a reference for sector-based evaluations. Among the most prominent issues raised in these evaluations are the prevention of forced labour and child labour, respect for the right to collective bargaining and the right to organise, controls for migrant workers and human trafficking, and occupational health and safety. ENKA's policy regarding these and other human rights issues is clearly stated in the ENKA Code of Business Conduct and the Supplier Code of Conduct.

ENKA has prioritised training in those areas where a high level of human rights risk has been detected as a result of the assessments. Through the ENKA Code of Business Conduct and Human Rights training, which has been provided throughout the ENKA Group, ENKA's rules were communicated to employees and awareness was raised among them about human rights. With regard to occupational health and safety, an area with a high level of risk, a total of 1,090,148 person-hours of occupational health and safety training was delivered in 2023 in all the locations in which ENKA operates. Regarding human trafficking –another issue with a high level of risk – a total of 375 hours of “Human Trafficking Awareness” training was provided to 4,200 employees in high-risk regions.

ENKA's annual Modern Slavery Act Statement covering its efforts to combat modern slavery and human trafficking, including forced and child labour, has been published on its corporate website³ as required by the Modern Slavery Act 2015 of the United Kingdom.

ENKA makes use of its due diligence and supplier assessments and audits in order to assess the high-risk human rights issues across its whole value chain. Detailed information on the supplier assessments and audits carried out in 2023 is provided in the ***"Responsible Supply Chain Management"*** section of the report.

Stakeholder engagement and collaborations have an important place in ENKA's human rights strategy. ENKA constantly communicates and cooperates with the relevant local authorities, human rights platforms and NGOs in the

countries in which it operates in order to establish collaborations to support its employees and protect their rights. In Kazakhstan, for example, a country where ENKA has been working on projects for many years, ENKA has an Industrial Relations department specifically serving those of its employees who are Kazakh citizens. This department conducts joint activities for its Kazakh citizen employees with the Office for Employment, Social Programs and Marital Status Registry in the region concerned.

Child labour and forced labour are strictly forbidden throughout the entire value chain, including the operations of ENKA and its subsidiaries and the activities of suppliers and subcontractors working with ENKA. To this end, the activities of ENKA and its subsidiaries are regularly inspected in terms of human rights and compliance with the ENKA Code of Business Conduct through ENKA internal audits and Ethics and Compliance audits. In addition, ENKA and its group companies do not collaborate with any suppliers that have a negative record for unregistered, child or youth employment and forced labour. In this context, suppliers are audited within the framework of Supplier Sustainability Audits. Besides, further controls are also carried out during periodic project audits conducted by the relevant project units.

During the routine controls and audits carried out in the reporting period, no cases of forced labour or child labour were encountered at ENKA or its subsidiaries and suppliers.

In all regions in which ENKA and its subsidiaries operate, the rights to organise and to collective bargaining as defined by the relevant laws and regulations, is abided by and employees' and suppliers' rights to set up or join trade unions is respected. No request or complaint in this respect was conveyed to ENKA during the reporting

period and no violations were found during internal audits. ENKA Ethics Hotline and e-mail address, as well as the project grievance mechanisms, are in operation, allowing employees and suppliers to report their requests and/or complaints on such matters and on other human rights issues.

The Tengiz Oil Field Development Works in Kazakhstan is the only project of ENKA İnşaat in which all local employees work under a collective bargaining agreement. Details of the employees at this project are presented in the table below.

Distribution of Employees in the Tengiz Oil Field Development Works

	White Collar Local Employee	Blue Collar Local Employee	Total
Tengiz Oil Field Development Works Number of Employees	676	2,972	3,648

At Çimtaş, one of ENKA's subsidiaries, trade unions are active and collective bargaining is implemented.

Employees Covered by Collective Bargaining Agreement (CBA) or Union Membership at Çimtaş

Location	Union Name	Total Number of Employees	Employees Covered by CBA	Rate of Employees Covered by CBA
Çimtaş Steel	Turkish Metal Union	804	575	72%
Cimtas Pipe	Turkish Metal Union	1,349	983	73%
Çimtaş Module and Shipyard	Türkiye Dok Gemi-İş Trade Union	276	173	63%
Çimtaş Precision Machining	Turkish Metal Union	312	192	62%
Cimtas Ningbo	Cimtas Ningbo Labour Union	336	336	100%
Total		3,077	2,259	73%

³ https://www.enka.com/allfiles/pdf/ENKA_Modern_Slavery_Statement-2023_ENG.pdf

Combating Bribery and Corruption

Integrity is one of ENKA's fundamental values and accordingly, the company adopts zero tolerance for bribery and corruption in all its operations. ENKA shares this principle with all its stakeholders through its anti-bribery and anti-corruption policy, which are included in both ENKA Code of Business Conduct and the Supplier Code of Conduct. In all of its activities, ENKA acts in an ethical, fair and transparent manner, in compliance with local and international laws, and in keeping with the International Financial Reporting Standards and the UN Global Compact, to which it is a signatory. ENKA also requires all of its employees and business partners, and all parties with which it has a business relationship, to act in the same manner. ENKA maintains its strong anti-corruption program by utilizing comprehensive control mechanisms, effective policies and procedures, and risk assessments.

All operations of ENKA and its subsidiaries are assessed for bribery and corruption risks, as well as compliance with human rights, by the Early Identification of Risks Committee, the Risk Management Working Group, the Corporate Sustainability and Compliance Department and the project management teams.⁴ The results of these risk assessments are used to design the structures of internal control mechanisms, to determine the scope and frequency of audits, to develop training plans and to make the necessary revisions to procedures.

All employees and managers of ENKA and its subsidiaries are informed about ENKA Code of Business Conduct, including anti-bribery and anti-corruption policies, through newsletters

shared throughout the company and during the orientation training provided to all employees. ENKA's Code of Business Conduct and its anti-corruption policy apply to all employees and training is organised for all employees as well as for ENKA's business partners, suppliers, contractors and other stakeholders. The Code of Business Conduct training, incorporating ENKA's anti-bribery and anti-corruption policy, was delivered to 7,833 people in 2023. Among those who received the training were a total of 48

In November, ENKA and Bechtel Corporate Sustainability and Compliance Managers organized an ethics and compliance workshop at the North Macedonia Corridors 8 & 10d Motorway Project. During the trainings held within this workshop, the Bechtel ENKA Joint Venture (BEJV) shared a common ethical vision and approach in the execution of the project, and JV's commitment to ethics and compliance was shared with the project staff. Within the scope of the workshop, in addition to training sessions on legal requirements, regional risks and company policies regarding the fight against bribery and corruption; the workshop was completed by holding sessions where Ethics & Compliance risks that different departments may encounter were discussed, employees had the opportunity to practice through various scenarios, and all participants shared their thoughts, opinions and experiences. Approximately 145 employees at the project took part in the workshop.

⁴ Bribery and corruption risks are analysed on a country basis using "TRACE Bribery Risk Matrix Scores" as a reference for bribery risks and the "Transparency International – Corruption Perceptions Index" as a reference for corruption risks.

representatives of ENKA's senior management and members of its Audit Committee, Corporate Governance Committee, Early Identification of Risks Committee and Executive Ethics and Compliance Committee.

During risk assessments conducted by ENKA based on the index prepared by Transparency International for the regions in which it operates, local supply chains were identified as a source of risk for combating corruption. ENKA communicates its anti-bribery and anti-corruption rules, as part of its Supplier Code of Conduct, through its corporate website, newsletters, workshops and training activities, and shares them directly with all suppliers, subcontractors and business partners before any contract is signed.

Anti-bribery and anti-corruption assessments are made of all suppliers and subcontractors that cooperate with ENKA during the course of their selection and performance evaluations, and ENKA does not work with companies which have any kind of negative record in this regard. No cases of corruption were encountered during supplier audits conducted in 2023, and ENKA received no allegations of corruption related to suppliers. Information about suppliers with which business relations were terminated because they did not meet the sustainability criteria, which include items related to anti-bribery and anti-corruption, is given in the *"Responsible Supply Chain Management"* section of this report.

In addition to the control mechanisms, the Ethics Hotline and other whistleblowing mechanisms can be used by employees, suppliers, subcontractors and business partners to communicate cases or suspicions of corruption of any kind and consequently serve as an important instrument for identifying risks in this area.

During the reporting period, no criminal cases were filed against the company on charges of corruption and no business contracts were terminated due to corruption; nor did the company pay any penalty for reasons of bribery or corruption during this period.

ENKA also supports anti-corruption efforts beyond the company's borders. To this end, it is actively maintaining its commitment to the UN Global Compact and its membership of the Ethics and Reputation Society (TEİD). Through its Ethics and Compliance Program, ENKA is also contributing to the achievement of UN Sustainable Development Goal 16 on "Peace, Justice and Strong Institutions".

ENKA communicates with the public authorities in the countries in which it operates in a transparent manner, and in compliance with the fair competition laws of the relevant country, and follows a principle of not adopting any political views institutionally, and not providing in cash or in kind, direct or indirect aid or support to political organisations and persons in countries where it operates. ENKA maintains the same ethical, transparent and fair approach in its relations with its competitors; avoids all forms of behaviour that may be anti-competitive, provides training for its employees and avoids actions that might constitute steps towards monopolization and the formation of trusts. In the reporting period, there were no cases of anti-competitive behaviour, monopolization or trust forming identified and no court cases were filed against the company.

ENKA and its subsidiaries act in full compliance with the laws of the countries where they operate, with respect to the taxes they pay, the reporting thereof, and the keeping of accounting records. Information on taxes and the related audit reports can be found in the *ENKA Annual Report*.

Control Mechanisms and Risk Management

ENKA conducts all its operations in accordance with the laws and company's procedures and policies and the ENKA Code of Business Conduct provide employees with the necessary instructions and guidance in this regard. The corporate departments at ENKA Headquarters support the projects in these respects and simultaneously act as a control mechanism. Any type of action that breaches the law, could cause material and moral damage to the company and/or might be considered a criminal offence or a violation of human rights or an instance of corruption is avoided and prevented by the control mechanisms, and such matters are treated with caution and monitored carefully. Compliance with national and international legislation and standards is also evaluated through these control mechanisms.

ENKA's basic control mechanisms include its corporate departments, management systems and process control procedures along with the software used for process management. Aside from these mechanisms, all ENKA projects and subsidiaries are regularly audited by the ENKA internal audit team and independent external auditors as well as by their own internal audit teams. Within the scope of the annual audit plans, comprehensive audits consisting of policy and performance based process control, financial tables and reports, cost control, compliance with local and international legislation, anti-bribery and anti-corruption, social and human rights compliance, occupational health and safety, sustainability framework that covers climate related issues and environmental management and quality audits are carried out. These audits are conducted by the experienced internal audit teams in compliance with the International Standards on Auditing and reported to the senior management. Corrective actions are taken immediately for detected nonconformities.

Within the scope of ENKA's internal audits, ethics and compliance audits are also conducted at the ENKA projects and subsidiaries with an emphasis on anti-bribery and anti-corruption, human rights, employee rights, grievance mechanisms and risk management. Moreover, project sustainability audits are carried out which prioritize the management of climate change and sustainability risks and opportunities, the development and implementation of project-specific sustainability and climate change plans and procedures, and the monitoring of the project sustainability targets.



In 2023, all of ENKA's projects and subsidiaries were audited by internal audit teams.

The great majority of the audits were conducted on-site through site visits. The remainder were conducted remotely using online communication tools. In addition to the audits performed by ENKA's internal audit team, the audit teams of the subsidiaries and projects also continue to carry out their own internal audit activities. A multi-stakeholder approach is adopted at ENKA for the control and auditing process and in compliance with this approach, its management systems are regularly audited by independent audit firms. No case of bribery, corruption or violation of human rights was encountered during the internal and external audits conducted, nor was any major deficiency detected with respect to the requirements of sustainability and climate change. However, audits encompassing climate-related sustainability issues identified gaps in the sustainability procedures at one ENKA project and three ENKA subsidiaries. These gaps were made good within the one-month period following the audits and the audit findings related to them were closed.

Enterprise Risk Management (ERM) at ENKA is structured so as to encourage the participation of multiple stakeholders, to monitor changes and trends and to keep track of international standards and developments. Risk management is a part of all ENKA's processes and activities; all the units and departments of the company contribute to risk management, and a risk-based thinking approach is promoted by ENKA's senior management. Accordingly, risk management at the company is headed by the Board of Directors and the Early Identification of Risks Committee, which reports to the Board of Directors, along with the Risk Management Working Group, which operates under the Committee. The responsibilities of the Committee include implementing an effective risk management program throughout the company, ensuring the early detection of risks that might jeopardize the existence and sustainability of the company's value chain, and ensuring that the necessary actions are taken to eliminate, mitigate or control these identified risks.

The Early Identification of Risks Committee convenes at least once every two months and at least six times a year and consist of the Non-Executive Members of the Board of Directors. The Risk Management Working Group was established to identify corporate risks, to evaluate any identified risks, and to determine and monitor risk reduction or elimination methods. Department managers and project management teams are primarily responsible for the operational risks that pertain to their own activities. These teams report risks that are considered to be critical or of high priority to the Working Group and the Committee.

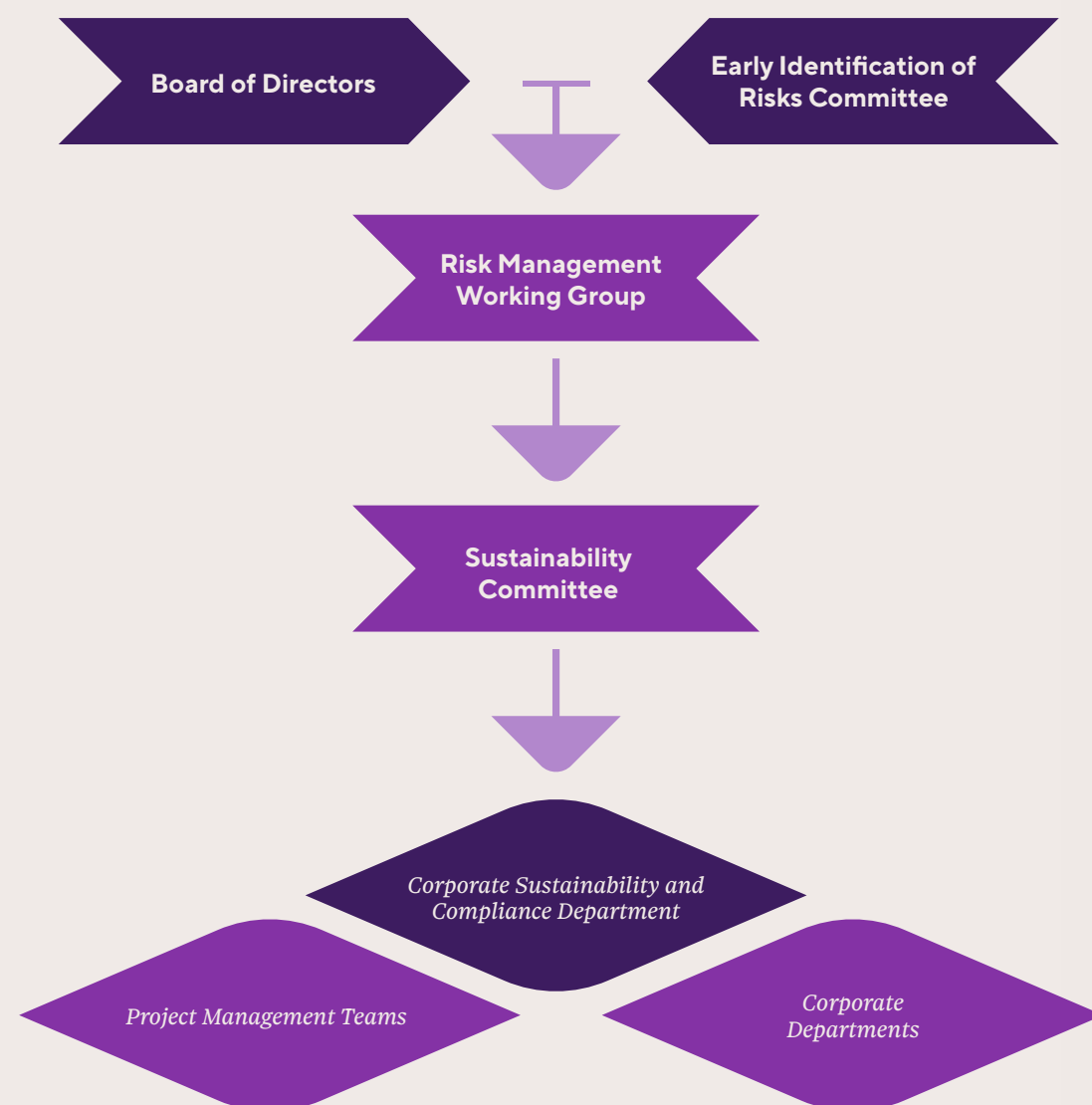
Risks identified at the projects and in Headquarters operations are evaluated and scored according to their probability and potential impacts. In order to eliminate the risks with the highest risk scores, responsible managers are appointed at company and/or group levels. The identified risks are categorized, in accordance with the risk management strategy, into those that are to be "avoided, transferred, mitigated or accepted". This risk management strategy has been formulated to keep the risks below the threshold determined by the Board of Directors. All these risk-related processes, the risk management structure and methods also apply to identification and analysis of risks related to sustainability and climate change.



Considering ENKA Group companies and their fields of activity, the risks addressed include those at a strategic, financial, legal, operational, external environment and brand management scale, as well as sustainability risks related to ethics and compliance, human rights, anti-corruption, climate change, biodiversity and natural resources and interactions with communities. Risks related to sustainability and compliance are also identified early and eliminated with a proactive approach, thanks to the efforts of the Corporate Sustainability and Compliance Department and the Sustainability Committee in areas of risk identification, stakeholder communications and the monitoring of international trends, standards and practices. ENKA's all risks

related to sustainability and climate change are addressed and managed as an integral part of the Enterprise Risk Management system. The following diagram shows the hierarchy of Enterprise Risk Management at the company, which applies equally to the management of risks related to sustainability and climate change.

The members of the Board of Directors and the Early Identification of Risks Committee consist of individuals who are experienced in risk management and experts in their sectors. The Risk Management Working Group is made up of managers from Headquarters who are experienced in the identification and management of risks in their own fields.



When determining and managing risks associated with sustainability and climate change, the Board of Directors and the Early Identification of Risks Committee receive technical support from the Sustainability Committee and the Corporate Sustainability and Compliance Department, which also inform the Board and the Committee about the latest sustainability issues, risks and opportunities and the performance of the company through biannual reports. Sustainability risks, in particular, can have significant impacts on financial performance and capital distribution. In this context, the technical support and reports provided by the Sustainability Committee and the Corporate Sustainability and Compliance Department contain critical information about the trends and megatrends in sustainability, the risks and opportunities, and the performance of the company. This information also constitutes input to the strategic decision-making processes of the Board of Directors and the Early Identification of Risk Committee. By addressing risks related to sustainability and climate change from a strategic perspective and integrating sustainability risks and opportunities into the way it shapes the company's investment decisions, the Board of Directors increases the company's short, mid and long-term sustainable growth potential and strengthens its financial performance as well.

Risks assessments are regularly updated and annual assessment results are used in updating the company's strategy, creating audit and control plans, revising procedures and policies, updating communications plans, determining current and future targets, analyzing indicators for the targets and determining training needs. In this way, risk management process is integrated into strategic management processes. The results of the risk assessments and the sustainability materiality analyses, which also covers issues related to climate change, are compared once every two

years, and additional controls are determined for the risks that overlap. These risks are then monitored regularly at shorter intervals.

In addition to the corporate mechanisms and procedures that have been adopted to identify, monitor and eliminate risks, ENKA's risk management mechanisms are supplemented in the fields of sustainability, ethics and compliance, human rights, combating corruption, environment, energy management and climate change by international commitments and guidelines such as the UN Global Compact, to which ENKA is a signatory, and the Recommendations of the Financial Stability Board's (FSB) Task Force on Climate-related Financial Disclosures (TCFD) – which are also taken into consideration in the context of compliance with the IFRS S1 and S2 standards – as well as the ISO 9001, ISO 27001, ISO 14001 and ISO 45001 integrated management standards which ENKA follows and for which it is audited and certified. In addition, ENKA's risk management follows good practices such as the ISO 31000 Risk Management Standard and the COSO Enterprise Risk Management Integrated Framework. Official reports and publications of internationally recognized organizations and sectoral associations are also used to determine sustainability and climate change risks. These reports and publications include the World Economic Forum Global Risks Report and the Conference of the Parties (COP) outputs.

The most prominent sustainability and climate risks and opportunities identified during assessments made in 2023 are provided in [Annex 5](#). Details of the activities carried out to mitigate these risks are included in the relevant sections of this report as indicated in that table.

Responsible Supply Chain Management

ENKA believes that responsible supply chain practices are the key to improving sustainability standards in the sectors in which it operates. To this end, ENKA regards its suppliers (all business partners such as subcontractors, service providers, dealers, consultants and representatives etc. are referred to collectively here as “suppliers”) as critical element in its value chain, and includes them in its sustainability management efforts. In line with its sustainability policy, its view of responsible management and its reputation management needs, ENKA cooperates only with companies that operate in an environmentally, socially and economically responsible manner. In order to disseminate its sustainability practices throughout its supply chain, ENKA makes use of a range of instruments including its Supplier Code of Conduct⁵, its risk management practices, its supplier selection and evaluation processes and its audits, training programs, improvement activities and supplier communications.

Establishing a responsible supply chain requires transparency about processes and about the products being procured, legal compliance, satisfaction of the needs and expectations of stakeholders, and the prevention of negative environmental and social impacts and creation of positive impacts. ENKA aims for all its supply chain operations to operate ethically and source responsibly and to generate economic opportunities and value for local communities. Consequently, the processes of supplier selection, procurement, and supplier assessment are carried out systematically in accordance with the corporate procedures and other requirements defined by ENKA. A fair, transparent and equal approach is adopted, based on the competencies

of the suppliers. All payments from ENKA to its suppliers are made in accordance with criteria specified in contracts.

ENKA manages all its procurement processes via the ENKA Global Vendor Network (EGVN) and the ENKA Global Procurement Management System (EGPS). EGVN serves as a database on which suppliers are registered and evaluated. EGPS is used to manage all stages of the processes of procurement and warehouse management.

ENKA uses E-RFQ (electronic request for quotation) and E-Tender applications to increase transparency and traceability in Supply Chain Management and to provide more accessible tender management with equal opportunities for suppliers. During the year, 134 ENKA employees received training on E-RFQ applications and 259 employees received training on the EGPS, EGVN and E-tender systems. In addition, training was provided to 2,418 employees of suppliers/subcontractors to make it possible to conduct bidding and tender processes with suppliers transparently and in accordance with the Supplier Code of Conduct. Within the Çimtaş Group, more than 21,400 person-hours of training were provided to a total of 6,363 subcontractor and supplier employees in 2023 on the Code of Business Conduct, ethical practices, occupational health and safety and environment management, and technical issues.

ENKA conducts a holistic pre-qualification process for its suppliers. In this context, companies with which ENKA is to enter into business relations are subjected to a comprehensive and detailed pre-qualification process based on the volume of the product or service to be purchased, risk

level, supplier assessment results, time and cost analyses, quality analyses, social and environmental performances, the business experience of the supplier as well as sustainability and compliance criteria such as water consumption, energy management, carbon footprint and waste management measurements, commitments to work in line with human rights, anti-bribery and anti-corruption practices, occupational health and safety systems, practices related to employee rights and social responsibility practices. During the pre-qualification assessments, the EGVN evaluation scores and marks of companies which ENKA has worked with before are checked out, and ENKA does not engage with those which have performed poorly or which have violated policies on human rights, combating bribery and corruption and ENKA Supplier Code of Conduct or the laws.

ENKA classifies its suppliers by strategic importance and risk category. For the firms that are to be engaged with for the first time, “Restricted Party Screening” service is used to benefit from the data of governments and research institutions in order to check that the firms in question are not named in any national or international sanctions lists, have not been linked to terrorist activities, tax offences, bribery and corruption offences or money-laundering, and are legally eligible to work with.

ENKA displays its commitment to responsible construction and responsible procurement practices through its collaborations as well as in its own activities. Likewise, ENKA conducts joint work on shared platforms and within the chambers of professionals and associations in its industry with a view of developing innovative approaches in terms of sustainability and to ensure progress in the sector.



Yasemin Pekçoşkun

Procurement Assistant Manager

Çimtaş Steel

As the Çimtaş Group Procurement Team, we aim to establish sustainable and healthy partnerships with our suppliers and subcontractors by fulfilling various criteria at different stages, in order to provide products/services to Çimtaş. To achieve mutual maximum benefit and to develop more efficient operations, we conduct measurements of both product/service quality performance and on-time delivery performance at specified intervals based on numerical data. Additionally, we carry out comprehensive on-site audit activities with both our current suppliers and those with potential to work with us.

During the selection of our suppliers and subcontractors within the scope of our on-site audits and potential supplier evaluations, we evaluate them based on various preference scales such as standardization, references, customer interest, risk assessment, price stability, and financial stability. Another priority we pay attention to when selecting our suppliers/subcontractors with potential to work on our projects is compliance with the Ethics and Compliance Program requirements. In this context, during our audits and evaluations of both our current and potential suppliers, we inform them about the Çimtaş Ethics Rules and ENKA Supplier Code of Conduct, and we present adherence to these rules as a prerequisite for all suppliers to be included in our supplier portal and to be able to provide products/services to Çimtaş.

⁵ All suppliers may convey their complaints, opinions and suggestions through the procurement and subcontractor management units of the projects in addition to Ethics Hotline.



Supplier Assessments and Audits

ENKA operates evaluation systems on EGVN to measure the performance of suppliers in terms of schedule, cost, quality, occupational health and safety, environmental, ethics and compliance, human rights and social aspects. The evaluation results are accessible by all relevant employees of ENKA. To this end, ENKA's supplier and subcontractor performance evaluation questionnaire addresses evaluation criteria for sustainability issues such as ethics and compliance, compliance with ENKA Supplier Code of Conduct, environmental and social performance, sustainability and carbon emissions reporting, human rights, and combating bribery and corruption as well as criteria for operational performance.

Suppliers Received Performance Evaluation in 2023:

ENKA İnşaat
2,489

ENKA Group
3,907

Ratio of Suppliers Trained on Supplier Code of Conduct in 2023: 34%

In 2023, ENKA İnşaat evaluated the performance of 32% of the companies it worked with in terms of ethics, human rights, combating bribery and corruption, quality management, occupational

health and safety, and environmental and social issues. Of the companies evaluated, 7% were categorized as risky. Based on the evaluation results, no cases of environmental or social non-compliance were encountered. However, decisions were taken not to engage with 10 companies that violated the Supplier Code of Conduct, 29 companies that were unable to meet tax and legal requirements, 2 companies that failed to fulfill the terms of their contracts and 2 firms that were unable to achieve quality specifications. The companies in question were duly blacklisted.

Within the ENKA Group companies, 13% of all the suppliers were audited in 2023 with respect to the Supplier Code of Conduct, environmental and social requirements, and ethics and compliance, while 30% were subject to supplier performance evaluations that included sustainability criteria. Additionally, 471 companies were evaluated in line with sustainability criteria for the first time in 2023.

Supplier sustainability audits focus on ethics and compliance, human rights and employee rights, combating bribery and corruption, social compliance, occupational health and safety and environment, emissions and energy management. No cases of child labour or forced labour were encountered and no cases of corruption was detected during the audits. In the light of the audits, areas requiring improvement were identified and suppliers were obliged to plan the necessary corrective actions and prepare sustainable action plans. The actions taken in line with these plans were being monitored. In this way, it was intended to contribute to the improvement of their existing systems.

According to ENKA Supplier Code of Conduct, all suppliers, subcontractors and service providers that having a business relationship with ENKA have to respect the rights of their employees to establish

or join independent trade unions and their rights to organize at the workplace. During the reporting period, no violations of the employees' right to organize or engage in collective bargaining were encountered at supplier companies and no reports, complaints or denunciations about such issue were received. Similarly, during the reporting period, no cases of child labour or forced labor were encountered at supplier companies and no reports, complaints or denunciations was received on this matter.

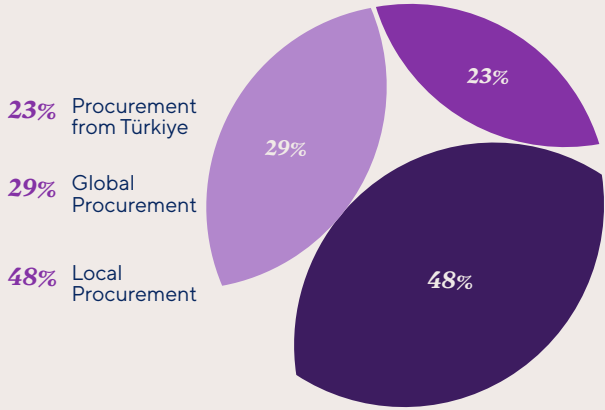
In accordance with ENKA procedures, any cases of noncompliance identified during supplier evaluations and audits are officially communicated to the management of the supplier as soon as possible. Depending on the type of noncompliance and stipulations of the contract with the supplier, measures that can be taken include request for corrective actions, warnings, impositions of penalties or terminations of contracts.

Local Procurement

Together with its projects and subsidiaries, ENKA operates in various regions of the world. It supports the economic progress and development of local communities in these regions by carrying out substantial volumes of local procurement. ENKA defines the term "local suppliers" as suppliers registered in the countries in which it operates.

While supporting the development of local communities, ENKA's local procurement strategy also minimizes its environmental and social impacts and limits carbon emissions by reducing the amounts of resources consumed due to the logistics of international procurement. Meanwhile, the pandemic that began in 2020 and the geopolitical developments that have been taking place since 2022 have led to an increase in local procurements and - in some regions - to procurement from Türkiye.

Procurement Breakdown



The breakdown of the procurement operations of ENKA İnşaat among local suppliers, suppliers in Türkiye and global suppliers within the reporting period is presented in the chart above.

The direct contribution of ENKA to the local economies in the countries where it carried out the highest amounts of local procurement is shown in **Annex 6**.

ENKA’s subsidiaries also give priority to local companies, provided that they meet the necessary technical requirements and standards. In 2023, the local supplier ratio was 94% at ENKA Power, 73% at ENKA Pazarlama, 86% at Çimtaş Steel, 92% at Çimtaş Precision Machining, 100% at Çimtaş Module and Shipyard, 90% at Cintas Pipe. Among the subsidiaries operating in Russia, the ratio was 100% at MKH, 100% at MosENKA, 99% at OMKH, 99% at ENKA TC, 100% at ENKA Invest and 100% at CCI. At Cintas Ningbo, operating in China, the local supplier ratio was 89%.

Local Procurement Rates at ENKA İnşaat Projects

Project Name	Local Procurement Rates
Tengiz Projects	97%
St. Petersburg High-Tech Multifunctional Complex	95%
Morava Corridor Motorway	91%
Dradenau Combined Heat and Power Plant	86%
FGP 3GP Mechanical, Electrical & Instrumentation Installation Works	81%
Nizhnekamsk 495 MW Combined Cycle Power Plant	79%
Shotton Paper Mill	67%
Yandex Headquarters	63%
North Macedonia Corridors 8 & 10d Motorway	53%
West Qurna 1 Produced Water 2 (PW2) Facility	51%
Oyu Tolgoi Underground Project	36%
Nassau Cruise Port	33%
Tripoli West 671 MW Simple Cycle Power Plant	32%
Hinkley Point C Nuclear Power Plant Turbine Island Piping Prefabrication and Erection Works	14%
Misurata 650 MW Simple Cycle Power Plant	10%

Product And Service Quality

ENKA has established a quality management system in accordance with the international ISO 9001 standard. Ever since 2001, the system has been audited annually for compliance by the British Standards Institute (BSI), ensuring that product and service quality is maintained in the best possible way on the international level. In 2023, ENKA once again successfully completed an external audit by the BSI and so maintained its ISO 9001:2015 Quality Management System certification and verified the compliance of its quality management system. ENKA continues to undertake activities to implement, develop and improve its quality management system.

For every project it undertakes, ENKA establishes a reliable, transparent and traceable quality management system in line with the requirements of the project contract as well as the needs and expectations of its customers and all other stakeholders, so maintaining its corporate quality standards.

ENKA regularly reviews its processes, carries out audits and inspection activities and continues its quality standardization works under its continual improvement activities in order to sustain its corporate processes and activities with a stronger, more integrated and systematic structure. ENKA reviews the conformity of all of its processes with the ENKA corporate quality requirements, the stipulations of ISO 9001 and the needs of customers by holding internal audits of its projects and subsidiaries at planned intervals.

- [For detailed information, please click](#)
- [For ENKA’s Quality Policy, please click](#)
- [For Çimtaş’s Quality Policy, please click](#)
- [For Çimtaş’s management systems certificates, please click](#)



ISO 19443 Nuclear Safety Quality Management System

In 2023, ENKA commenced work towards becoming certified under the ISO 19443 Nuclear Safety Quality Management System with a view of ensuring the continuous development of its quality management system, broadening its corporate competencies and increasing customer satisfaction. The aim is to have the company's competence in the design, construction and management of nuclear projects certified, to provide assurance to customers in the building of nuclear projects and to operate a management system for nuclear projects that is in accordance with international standards and consequently to acquire the ISO 19443 certificate by completing the certification work in 2024.

In order to be able to implement the requirements of the ISO 19443 Nuclear Safety Quality System Standard effectively, and to equip its employees with a culture of nuclear safety, nuclear safety training and training sessions for auditors on the nuclear safety quality management system were organized at ENKA's İstanbul Headquarters. Subsequently, internal audits were carried out.

A Nuclear Safety Policy was developed in accordance with the ISO 19443 standard. As part of this process, all the relevant company procedures and documents were revised. The nuclear safety management system was put into effect with the addition of new procedures to the quality management system.

Health & Safety Impacts of Products and Services

At ENKA in line with the requirements of the Quality Management System, the health and safety impacts of products and services are continuously assessed. Some of the most important products of ENKA are the infrastructure, building and industrial projects for which it has carried out the entire engineering, procurement and construction works. Beginning from the design phase of these projects, through the construction, pre-commissioning (testing) and commissioning phases, possible health and safety impacts are assessed.

Analyses, carried out by industry-leading firms, are used in the design phase. Assessments throughout the construction and commissioning phases are carried out using internationally recognized risk assessment methods, risks are identified according to activities to take place in the project, and measures against risks are identified and integrated into the construction methods.

At Çimtaş Precision Machining, Product Safety and Foreign Object Damage trainings has been developed and provided to all employees. All of the materials which arrive at or leave the Çimtaş facilities are tested, the risks are assessed and precautions are taken to prevent products from having any negative impact on health and safety. Moreover, in the case of projects in the European Union, product safety is assured by the acquisition of a Pressure Equipment Directive (PED) certificate and the conduct of Notified Body (NoBo) inspections. At all Çimtaş facilities, product labels are subject to final inspection before shipment and no non-compliance cases related to product labels were encountered in 2023.

Good Practices From Projects:

ENKA has continued its work to integrate the new technologies into its projects. It made use of Open Space.AI technology in order to improve the processes of field observation, progress analysis, risk reduction and problem solving, and quality and HSE audits at its Produced Water 2 Facility Project in Iraq. Using 360-degree cameras, relatively real-time recordings and photographs were taken on site and virtual field walks were held. The application allows for the images to be projected automatically onto the floor plans and for the various parts of the worksite to be viewed easily like street views. It was observed to have improved communications and coordination in the project and site teams considerably. At the same time, the technology has made it possible to record all the project processes from the commencement of construction onwards in a visual medium.

The technology makes it possible for both the project stakeholders and management and the corporate engineering and quality teams to be involved in the site processes and the progress of the project easily through a remote connection, reducing the need to be physically present on site. Particularly in the periods when travel and safety restrictions were in force during and after the Covid-19 pandemic, the application was found to be very effective. When actively used for project management meetings and quality processes, it was seen to add a new approach and efficiency to the project progress and control processes.

At the Kırklareli Combined Cycle Power Plant Project, ENKA implemented the "Stabilization with Lime" application in order to reuse the unsuitable material from the construction excavation in site elevation, general fillings and backfills, and has undertaken a work that can be a good example for other projects.

First, a literature review was carried out by the engineering and quality teams, including material samples that could represent the clayey material obtained from the field soil excavation, and in line with the information obtained; It has been observed that if a sufficient amount of lime material is mixed with the clayey material excavated from the field, it increases the CBR (California Bearing Ratio) value of the material and can give positive results in optimum water content and dry unit volume weight values. It has been determined that these values can make a positive contribution to the project and reduce its environmental impact by shortening the planned workforce in the field and the working time of the machinery and equipment used for soil compaction. In addition, it has been evaluated that the need for "Mechanical Granular Filling", which must be used to ensure that the construction area reaches the desired elevation, can be reduced to a minimum level with this method. In line with these preparatory studies, various laboratory experiments were carried out and positive results were obtained. The laboratory results showed that the application of soil stabilization with lime would provide significant benefit to the project and this application was successfully carried out in the project site.

Customer Satisfaction

As clearly stated in the Corporate Quality Policy, maintaining long-term customer satisfaction and establishing sustainable relationships with its customers are among ENKA's priorities.

ENKA considers the "Customer Satisfaction Surveys" which are conducted within the scope of its customer-oriented approach, as one of the most important stakeholder feedback mechanisms. Customer Satisfaction Surveys are conducted following the completion of projects and the results are used as important data in improving process and performance, updating systems and developing action plans.

In addition to evaluating projects as a whole, "Customer Satisfaction Monitoring" procedure is also followed to gain a clearer understanding of the expectations and opinions of customers regarding the different work items in the project. This procedure, which is generally applied when a project has reached to the completion stage, has also begun to be implemented in ongoing projects, in line with the goal of identifying the necessary improvements while the project is still ongoing and delivering the project with maximum customer satisfaction. Customer satisfaction has been identified as 89% based on customer satisfaction surveys conducted by ENKA İnşaat.

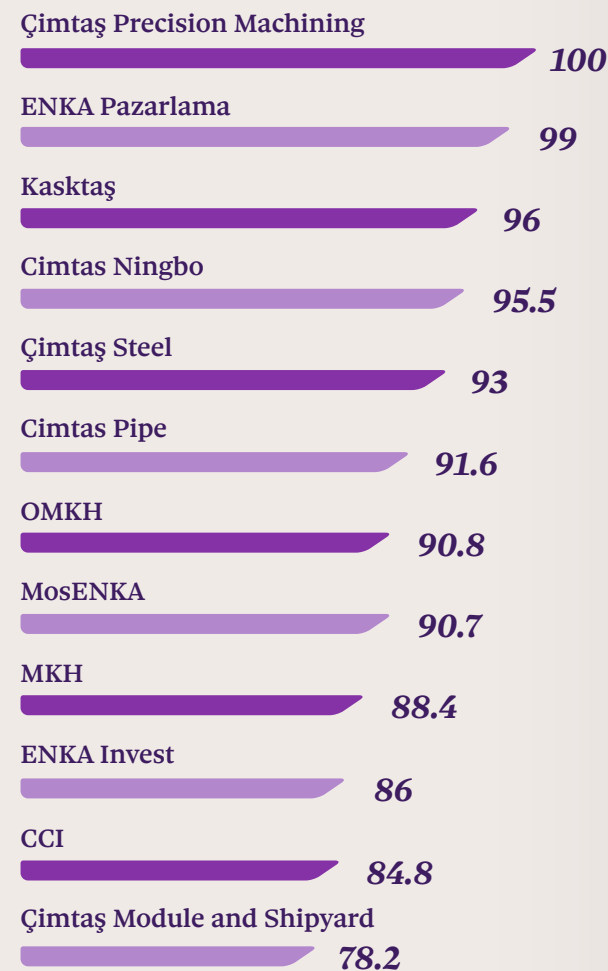
Çimtaş has certified that it has implemented all the requirements of the ISO 10002 Customer Satisfaction Management System for defining its methods of measuring customer satisfaction, evaluating the results, specifying the procedures to be followed in response to complaints and expressions of satisfaction, and determining the root causes of complaints and planning corrective actions.

[For Çimtaş's Quality and Customer Satisfaction policies, please click](#)

The results of the customer satisfaction surveys conducted by ENKA's subsidiaries in 2023 are presented in the graphic below.



ENKA Group Companies Customer Satisfaction Rates (%)



Information Security Management System

ENKA implements a comprehensive management system that is based on the ISO/IEC 27001 Information Security Management System (ISMS) standard aimed at achieving the information security targets set in line with its corporate strategies related to information security. This management system is considered as a part of ENKA's corporate processes and general management structure.

[For detailed information on ENKA's Information Security practices, please click](#)

In 2023, audits and training activities were conducted with the participation of ENKA's corporate departments and Project Information Security Officers. During these activities, the existing asset inventories, information security risks and risk processing activities were checked to make sure they were up to date. In addition, an auditing program was developed with respect to the Law on the Protection of Personal Data (PDPL) and these studies were expanded on. The audits were included in the annual auditing program and were carried out by the consultant that supported ENKA in its PDPL process together with auditors from the Corporate Quality and Information Security team. The ENKA Group companies went on continuously improving their compliance with the requirements of the PDPL process and the accuracy and effectiveness of their work in this area.

Meanwhile, penetration, pentests and phishing tests continued to be performed in the context of information security implementation projects. As a result of these tests, training activities were carried out on the topics of Basic Rules to be Followed in Information Security Processes, Social Engineering, and Information Technologies Processes. In 2023, a total of 475 person-hours of information security training were provided.

At the ENKA subsidiaries, a total of 5,760 person-hours of information security training was conducted.

Management of Information Security Violations

ENKA's policies and procedures require all security violations that could be detrimental to the confidentiality, integrity and accessibility of information to be reported. Information security violations can be reported by all ENKA employees or all relevant stakeholders. The person who notices the violation may report it by calling the Ethics Hotline (+90 212 376 1010), by sending an email to (ethics@enka.com) or filling out a violation form and submitting it to the Information Security Management System Administrator by email, by phone or in person.

Innovation and R&D

With the Design Center established at ENKA Headquarters in order to maintain the company's culture of design and innovation in line with the ENKA's vision of innovation and continuous improvement, ENKA became the first Turkish construction company with a center accorded the status of Design Center by the Ministry of Science, Industry and Technology of Türkiye.

During the reporting period, a total of 10 design projects were carried out by the ENKA Design Center. ENKA allocated a total budget of over USD 13.3 million for the projects managed by the Design Center and this budget was financed entirely through internal resources. ENKA is well aware that its employees are the most important factor in the adaptation of contemporary scientific and technological developments to the work which the company carries out. It therefore supports the participation of its Design Center employees, consisting of 229 personnel, in various conferences, symposiums and training activities.

In 2023, the Çimtaş Steel R&D Center worked on 9 different projects. A team of 43 people took part in the projects. In the R&D projects of Çimtaş Steel, whose total R&D budget of USD 760 thousand, the company successfully completed various tasks, including design and development systems for the construction of petrochemical plants, natural gas plants, mega and specialised structures; design and development of processes, methods, production techniques and device design for emergence of innovative and environment-friendly products.

At Cimtas Ningbo, a team of 14 individuals worked on 3 different R&D projects with a total budget of USD 350 thousand. The Design Center at Kasktaş, which has a team of 29 and a total budget of USD 463 thousand, carried out 12 projects.

Kerem Algüzey, Mechanical Design Engineer in ENKA's Design Center, created a process model with Applied Flow Technologies (AFT) software for the Dradenau CHP Plant Project. In this process model, he analyzed the heat transfer and pressure loss calculations of the "Secondary Water" system of the power plant in detail and he prepared the Equipment and Line Sizing document for the Secondary Water System. The Secondary Water System will be used for the first time in a cogeneration plant in Germany and ENKA has become the first company to model hydraulics and heat transfer. This detailed model was submitted to the worldwide competition organized by AFT and the process model won the Platinum Pipe Award (Recognizes Excellence in System Modelling) in the Most Interesting Model category.

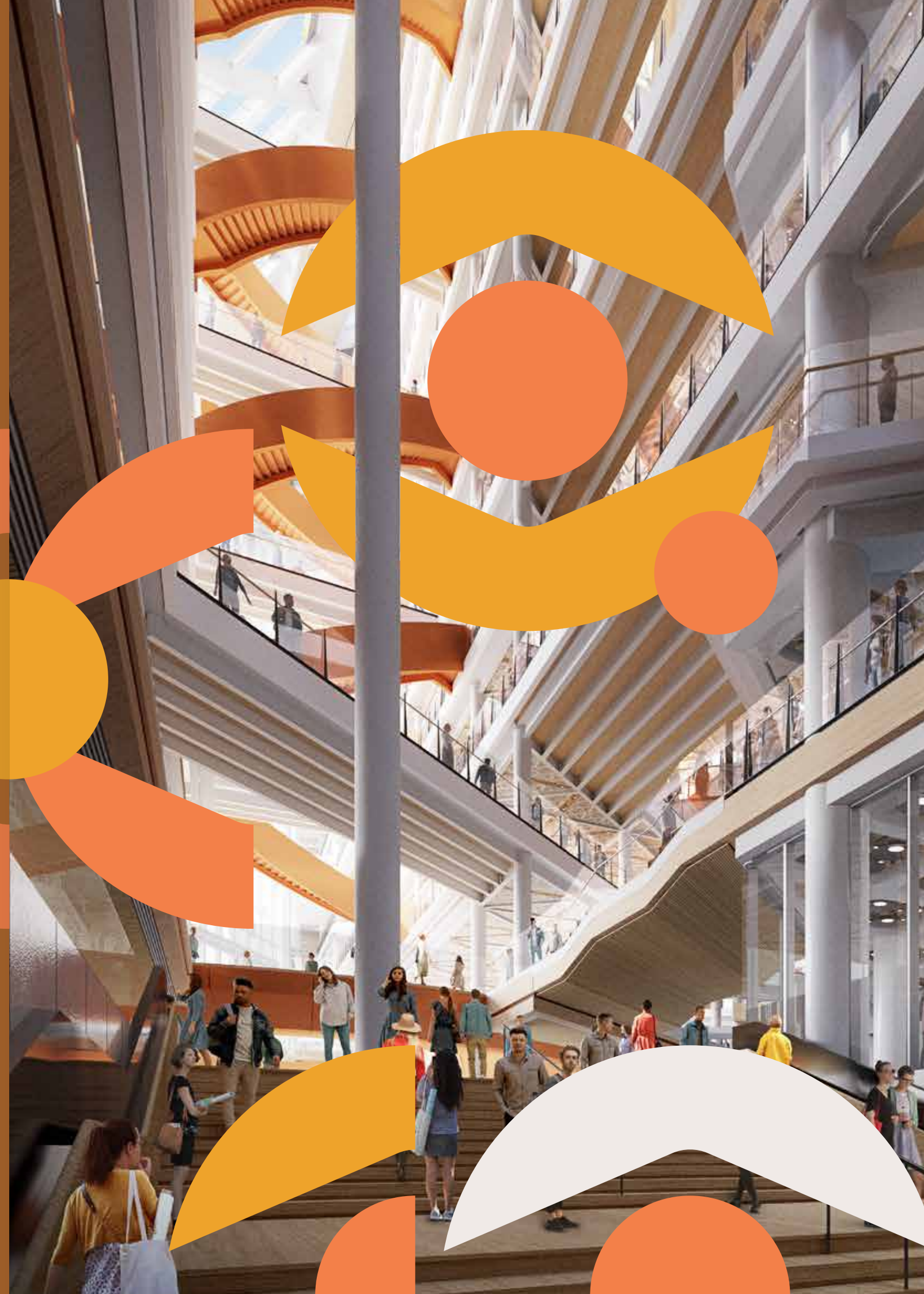
Tuğcan Denктаşı, Electrical Design Engineer in ENKA's Design Center, developed ENKA Cable Management System Software to support cable routing design works and saving time in design process. Additionally in 2023, the following publications of ENKA employees were published in various journals and conferences: "Optimal Sizing and Detailed Analysis of Microgrid with Photovoltaic Panel and Battery Energy Storage System Integrated Electric Vehicle Charging Station" at International Congress on Human-Computer Interaction, Optimization and Robotic Applications; "Person-Hour Estimation Model Development in BIM Bidding Projects with Machine Learning-Regression Algorithms" at 3rd International Conference on Design, Research and Development; "Evaluation of the Performance of a High-Rise Building with a Horizontal Load-Bearing System Consisting of Steel Frames with Anti-Torsion Diagonal Under Earthquake Effects" at International Conference on Modern Construction Problems; "An Investigation of the Effect of Beam Splice Within the Plastic Hinge Zone on the Behavior of Beam-To-Column Connection" at International Conference on Modern Construction Problems.

More on Our Global Sustainability Targets

Target	2022 Performance	2023 Performance
We will conduct at least 1 audit to prevent corruption and bribery per year, in all projects and subsidiaries.	1 audit took place at each project. 100% of subsidiaries were audited.	1 audit took place at each project. 100% of subsidiaries were audited.
We aim to provide ENKA Code of Business Conduct training to 100% of our employees in the primary risk group.	62% of the relevant employees completed the training.	76% of the relevant employees completed the training.
Our aim is to have our customer satisfaction rate at 95% in all group companies.	89.4%	91%
We will conduct Sustainability Audits (covering environment, ethics and compliance, human rights, social compliance and occupational health & safety) at 10% of "high risk" suppliers and subcontractors.	38% of suppliers were evaluated in terms of sustainability. Sustainability audits took place at 1% of suppliers.	32% of suppliers were evaluated in terms of sustainability. Sustainability audits took place at 1% of suppliers.
We are committed to have at least 25% women members in our Board.	The rate of female employees working in the senior management positions is 16%. Efforts continue for the target of the Board of Directors.	The rate of female employees working in the senior management positions is 14%. Efforts continue for the target of the Board of Directors.
We have set our sights on organizing and assembling "ENKA Sustainability Congress" in 2027 with participants from various sectors and societies.	2027 sustainability target.	2027 sustainability target.
ENKA Schools will continue their support of education by conducting partnerships and collaboration at least once a year with a public school in close proximity regarding sustainability activities and training.	Target has been met.	Target has been met.

Our People and Community

#ResilienceInAction



Through its projects, ENKA contributes to the provision of structures and systems that meet the vital needs of communities such as energy, transportation, infrastructure and industrial facilities, hospitals, schools, and supports the sustainable development of communities in cooperation with its customers. Accordingly, ENKA works towards leaving a positive legacy in all the communities in where it exists and undertakes its projects, and works to contribute to these communities socially and economically.

ENKA also takes this social mission which it has set for itself, into account when selecting the projects it will undertake or be involved in. Accordingly, investors who are global leaders in their sectors, prefer ENKA as a solution partner for the provision of the design, engineering, procurement, construction and commissioning services they need for their complex projects in challenging geographies. The trust placed in ENKA has been earned from past projects that have been designed and constructed in a safe, cost-effective and timely manner, as well as from the sustainable solutions offered with a sense of environmental and social responsibility, and thus ENKA has been considered as a business partner that can contribute to the sustainability strategies and goals of its customers.

With more than 50 years of experience in the design and construction of power plants, ENKA has made a major contribution to the supply of sufficient and safe energy, which is one of the most fundamental needs of countries with developmental needs. Among the projects it has completed are the Adapazarı and Gebze power plants, which went into operation in 2002, and the İzmir combined cycle natural gas plant, which went into operation in 2003. Constructed and operated by ENKA, these plants have a combined installed capacity of 4,000 MW, which is sufficient to meet 10% of Türkiye's total power consumption. The

technical infrastructure and management systems of these power plants are supported by the most up-to-date technology possible, with the goal of maximum production efficiency and minimum environmental impact.

In the post-war period in Iraq, the need for safe and continuous energy emerged as one of the country's most vital needs. Indeed, the inability of the existing power infrastructure to meet the needs of the people led to many social problems. By completing projects with a total installed

capacity of more than 7,500 MW and putting them at the disposal of the Iraqi grid, ENKA has played an important role in meeting one of society's basic requirements. Considering the social problems which the region was facing due to a lack of power, ENKA completed its Dhi Qar and Samawa Combined Cycle Power Plant Projects ahead of the contract deadlines to support Iraq in meeting its urgent energy needs. Likewise, the Tripoli West 671 MW and Misurata 650 MW Simple Cycle Power Plant projects in Libya have been completed and now feature among the energy investments that are critical for the welfare of the country.

Through the critical infrastructure projects it has carried out to date, ENKA has been providing communities with sustainable development, socioeconomic growth and safe means of travel. Since its foundation, ENKA has carried out the construction works for around 1,000 km of highways, together with a variety of bridges, tunnels, viaducts and similar structures, in Türkiye, Iraq, Libya, Jordan, Saudi Arabia, Croatia, Romania, Albania and Kosovo. The ongoing Morava Corridor Motorway Project in Serbia includes, due to the large floodplain of the West Morava River, landfill

works incorporating extensive erosion protection, flood protection measures, long river diversions, dykes and the construction of a new riverbed and the project will lead to an increase in the quality of life of those residing in the region and will contribute to travel and agricultural security. The project is also expected to increase the vibrancy of social and economic life in the region. ENKA is also undertaking the construction works for the 109-kilometer Corridors 8 & 10d Motorway Project in North Macedonia along with its joint venture partner Bechtel.

ENKA's building projects include urban development projects, hospital buildings, airport projects, factories and manufacturing facilities, and works carried out to meet basic needs in the countries concerned. During the execution of large-scale projects to meet the needs of communities, ENKA has also contributed to local economies by employing local workforce and supporting local suppliers and acquainted the countries with high quality and safe engineering practices.

Thanks to ENKA's local employment and local procurement policies, the great majority of the expenditures it makes on its projects are returned to the local community. ENKA has increased the social welfare of these communities, has enabled new enterprises and markets to be formed and has contributed to the development of local economies with the local employment opportunities it creates, both directly and indirectly through its subcontractors and suppliers and the economic vitality it creates through local procurement operations in the oil, gas and petrochemical, power plants, infrastructure and building projects in these regions. In 2023, the direct contribution which ENKA projects made to local economies by working with local suppliers exceeded USD 941 million.

All ENKA projects evaluate the social needs of the regions in which they operate; realizes social responsibility and volunteering projects that will contribute to the social welfare of societies and thus aims to create long-term value. Details of these efforts and the other social responsibility projects carried out by ENKA projects and ENKA group companies in the course of the year can be found in the "*Social Responsibility at ENKA*" section of this report.

ENKA works towards leaving a positive legacy in all the communities in where it exists and undertakes its projects, and works to contribute to these communities socially and economically.

Social Impact Assessment

ENKA, as an active member of the communities of which it exists, works to benefit to the communities. During its projects, ENKA aims to contribute to the welfare of the communities with the opportunities it will create in the region throughout the life of the project and after its completion, thus ensuring that the project wins the acceptance of the local people. ENKA starts to assess the social, environmental and economic impacts of its investment projects at the initial decision-making. For its contracting works, it starts to make this assessment prior to entering into a contract. These assessments are detailed in the project preparation phase and actively revisited throughout the project life. Accordingly, ENKA conducts Environmental and Social Impact Assessments for its projects.

Through the impact assessments conducted, environmental and social impacts, both positive and negative, as well as risks and improvement opportunities that the project may cause in the region are identified. During these studies, specialist consultants and academic institutions are engaged and action plans are developed based on the assessments. In line with the action plans, environmental and social impact management plans are developed, aiming to enhance the positive impacts and eliminate the negative impacts. Where this is not possible, different solutions are developed such as impact mitigation, isolation, compensation and the use of engineering measures.

In line with its approach to reduce environmental and social negative impacts as much as possible, work is undertaken at the design phase to develop projects that will ensure the material and energy efficiency, have a minimum negative impact on the health of employees and local communities and interfere with the daily lives and economic resources of the local communities at minimum.

While assessing the social impacts of the projects, the main factors including; the demographics of the region in which the project is located, the habits and traditions of the communities, the social and human rights risks of the region, legal requirements, economic condition and employment opportunities and the needs and expectations of the local communities are primarily taken into account. If it is determined that potential social impacts will differ by gender or among minority groups, these effects are assessed with the relevant sub-groups.

At the heart of the social impact management of ENKA is an effective and bi-directional stakeholder dialogue. Stakeholder dialogue has been carried out in accordance with the laws of the country of operation and ENKA Code of Business Conduct and by using the Stakeholder Engagement Plan developed specifically for the project in line with ENKA's Social Community Engagement Manual. The manual describes the main elements to be

managed in interactions with communities and the role of project management in this process as well as providing examples and reference files from which projects and business lines may benefit. In this context, the projects are developing their plans to avoid or eliminate negative impacts, increase positive impacts and create community investment opportunities during community-related activities in all regions where ENKA operates.

ENKA holds regular meetings to inform its stakeholders, to raise their awareness and establish a bi-directional communication. In this context, meetings are held and collaborations are established with local authorities and units such as municipalities and village heads (mukhtars), as well as with local school administrators, healthcare units, local businesses and NGOs. The primary agenda items in such collaborations with local authorities include providing local communities access to employment opportunities, providing project information, protecting the rights of local employees and local residents, resolving their complaints and eliminating human rights risks.

Grievance mechanisms, which are another essential stakeholder dialogue tool used in projects, offer services in relevant local languages and are accessible not only for employees working in the project, but also to the local communities affected by the project. All reports, suggestions and information communicated via the grievance mechanisms are recorded and assessed by the relevant specialised units and actions are taken for all relevant complaints that fall within the scope of the grievance mechanism. Regarding all complaints received, the complainant is informed at appropriate durations. In 2023, ENKA assessed 92% of the grievances made to its projects' grievance mechanisms, took the required action, informed the complainant accordingly and closed the grievance. The assessment of the remaining grievances has been completed and work is currently under way on the actions to be carried out in response.



During all projects, any resettlement process that may take place in the regions of operation is planned and carried out in accordance with the principles determined by ENKA, in line with international regulations. There aren't any current planned resettlement processes related with ENKA's investments.

A comprehensive and detailed Environmental and Social Impact Assessment (ESIA) was carried out to assess the environmental and social impacts of the Morava Corridor Motorway Project, to identify any potential environmental and social impacts that might arise during its construction and operation, and to take measures to prevent, mitigate or compensate for any adverse impact. During the ESIA process, project's areas of impact were defined, all stakeholder groups were identified, environmental and social baseline data were collected through field studies, impact identification, estimation and analysis processes were carried out and impact mitigation or management action plans were developed.

Throughout the identified area of social impact, community-level surveys, household surveys, information-gathering meetings and focus group discussions have been carried out. In addition, focus group discussions were held with local women in the region to gain an understanding of their role and the gender-specific conditions of the social impact area. The local women were observed to be eager to take advantage of the job opportunities the projects would provide. Based on these baseline assessments, a Stakeholder Engagement Plan has been developed and put into practice.

Unemployment was reported to be a significant problem in all municipalities within the impact area in which the researches were carried out. As a result of these researches, the Project Recruitment Policy and Plan were presented at the meetings

held with representatives of the local community in the municipalities following the commencement of the project and information was regularly provided about the job opportunities that could be provided to the local community. In addition, the employment opportunities offered by the project have been explained to the local community at various local job fairs, in cooperation with the Serbian National Employment Agency.

The project has also been contributing indirectly to local employment through the local subcontractors and suppliers that take part in the project. In order to revive the local economy, products and services that can be procured locally were identified when developing the procurement plans and local companies are being included in the process in accordance with the procurement procedures. Accordingly, the project has established a strong pool of local suppliers and subcontractors as a result of the partnership



and continuous cooperation established with the Regional Chamber of Commerce in Krusevac and Kraljevo to ensure an efficient flow of information.

The Sustainability and Community Relations team of the project maintains continuous communication with the local community and all stakeholders of the project, in line with the Stakeholder Engagement Plan, contributing to the continuation of the project in harmony with the society in which it is located. Accordingly, meetings and interviews have been held with representatives from the local community, municipalities, local administrations, various institutions and NGOs. In addition to the grievance mechanism accessible to employees on the project, a grievance mechanism accessible to the local community has also been established. This has been operated by the project's Sustainability and Community Relations team. All reports made are assessed and the person who made the report is regularly informed about the follow-up process. The Resettlement and Livelihood Restoration Plan developed for the project defines the basic and binding principles and the main framework for managing the impacts related to physical resettlement, economic displacement and livelihood impacts in all project phases. The project's Resettlement Action Plan has been developed in accordance with IFC (International Finance Corporation) Standards and under the guidance of the IFC's Handbook for Preparation of a Resettlement Action Plan.

Local cooperation has begun on the Corridors 8 & 10d Motorway Project, which is now under way in North Macedonia. The project was invited by the North Macedonia Chamber of Commerce to attend the "First Conference on Road Infrastructures: Experience, Challenges and Perspectives" held in November 2023, in which it participated and shared its sectoral experiences and examples of good practices.

Protecting the Cultural Heritage

ENKA continues its activities with the aim of creating positive and lasting value for the local communities by respecting their historical and cultural values. In this regard, ENKA sponsors scientific excavation expenses that may occur in the activities of carrying out scientific excavations under the supervision of the Ministry of Culture and Tourism of the Republic of Türkiye in the areas under the responsibility of the Knidos-Burgaz-Emecik-Apollon Sanctuary Excavation Directorate, evaluating the cultural assets excavated, creating an inventory, protecting and restoring them. With the approval of the Ministry Office dated 04.09.2023 and numbered 4142079 and within the scope of the Protocol dated 09.08.2023, archaeological excavations, consolidation works and conservation and anastylosis projects have been prepared and restoration for the 'D Church', which is considered as the catholicon of the city in terms of its dimensions and architectural features, in the ancient city of Knidos. The works, which started in 2023, will resume in 2024, and the completion of the project is planned by the Excavation Directorate in August 2024.

In all of its projects, ENKA establishes the procedures to be followed when encountering cultural heritage or archaeological remains and raises the awareness of its employees through training. This ensures that if any remains are encountered, the necessary protection and reporting processes are followed. The 3,000-year-old ancient bronze sword discovered by project employees on the Morava Corridor Motorway Project is now on display at the Krusevac National Museum, with the sponsorship support of the project.

The project has also undertaken protection works to prevent further damage to a medieval church affected by flooding and landslides in the region of Serbia which has suffered the physical effects of climate change with heavy rainfall above seasonal norms.

Local Employment

As a responsible member of the communities in which it operates, ENKA supports the formation and development of resilient societies. This support may take the form of community investment activities and direct employment, or it may be made via the indirect employment opportunities that ENKA creates with its extensive supply chain and subcontractor network in the region concerned. Accordingly, project recruitment processes are conducted transparently and priority is given to local communities affected by the project.

In order to improve the capacities and competences of the local workforce, ENKA develops training programs for all its employees and provides them with opportunities to acquire new vocational skills as well as to develop their existing skills further. Similar development programs are also created for local suppliers and subcontractors and their personnel. In this way, local employees, local suppliers and subcontractors can benefit from their long-term experience and competences and find new job opportunities after the project is completed.

One of the best examples of the local employment policies consistently pursued by ENKA, and of their positive impacts on the local community, can be seen in the Tengiz projects in Kazakhstan, which have been ongoing since 1993. In these projects, local employment ratios of up to 90% have been achieved and a total of 204,000 person-hours of vocational competence training has been completed. At the ongoing Yandex Headquarters Project, 115,346 person-hours of training has been delivered, excluding the orientation training provided to newly-recruited personnel. ENKA's subsidiaries provided more than 166,500 person-hours of training to local employees in 2023.

Cimtas Ningbo, which operates in China, has a local employee ratio of approximately 96%. The ratio of local employees at the real estate subsidiaries in Russia is 86%. Of the employees in the senior management of ENKA and its subsidiaries, 90% are citizens of the country where the units concerned are located, meaning they are local employees. The total number of local employees working within the ENKA Group is 10,750, corresponding to 51% of the total workforce.



ENKA "The Future Belongs to Youth" Program

Aware that engineers have a critical role to play in building a sustainable future, ENKA continues to support the training of successful young engineers in different branches of the profession who follow professional innovations and who will contribute to the international community by combining their engineering knowledge and skills with innovative and contemporary applications. ENKA shares its sustainability approach and engineering experience with industry stakeholders and business partners in many countries where it operates; and also brings them to educational institutions, especially universities.⁶

The ENKA Design Center continues to be a member of the University-Industry Cooperation Centers Platform (ÜSİMP) to facilitate the development of collaborations with universities. The ENKA Design Center has signed a protocol with the İstanbul Technical University's (ITU) MasterBee program that covers ITU's faculties of civil, mechanical, electrical-electronical, mining and chemistry-metallurgy engineering, its faculty of architecture and some other faculties. Under this protocol, undergraduate 3rd and 4th year students and post-graduate students at the relevant faculties of ITU will be provided with internships, long-term internships and part-time work opportunities. The ENKA Design Centre also provides long-term internship opportunities to final-year students within the scope of "Industrial Project" class at the faculty of Chemical Engineering of Gebze Technical University.

The ENKA Design Center is taking part as a partner in the EU MSCA COFUND 2023 Program PhD Project in line with an application filed jointly with the İzmir Institute of Higher Technology, the Middle East Technical University and the

İstanbul Technical University. As part of this multi-disciplinary project, which will include academics and PhD students from departments of architecture, civil engineering, computer engineering, mechanical engineering, electrical engineering, urban and regional planning and mathematics, the ENKA Design Center will cooperate with the universities involved and contribute to the development of innovative design processes by conveying ENKA's design and engineering culture to PhD students in support of their professional development.

In addition, ENKA Design Center engineers have participated in many activities, seminars and mentorship programs organized by universities throughout the year and shared their experiences with the university students. The ENKA Design Center has played an active role in the mentorship program organized by the Council on Tall Buildings and Urban Habitat (CTBUH). This program aims to bring together future leaders who want to improve their professional skills, advance their careers and share their experiences with executives from the sector. The program involves a voluntary relationship that continues for a recommended six months in accordance with the targets and goals identified among participants beforehand.

ENKA Civil Projects Engineering Group Manager Ayhan Geylan and Kasktaş Technical Office Manager Şenol Adatepe delivered keynote speeches at the opening ceremony of the exhibition "Earthquake Resilient Cities of Tomorrow", which was supported at the corporate level by the ENKA and Kasktaş Design Centers. The exhibition aimed to raise awareness about the measures to be taken against future earthquakes and to approach earthquakes from different angles.

⁶ ENKA Group companies employed 214 interns in 2023.

Community Investment

The scholarship program established in cooperation with the ITU Alumni Association in the last quarter of 2022 under the “Future Belongs to Youth Program” continued in 2023.



The Corporate Sustainability and Compliance Department participated as speaker at the Sustainability Summit '23 event organized by the Environment Club at Yıldız Technical University. During the session, students were provided with information on the concept of sustainability, the United Nations Sustainable Development Goals and sustainability and compliance management at ENKA, and the students' questions were answered.

In June 2023, Cimtas Ningbo and the Liaoyang Technician College signed a school-enterprise partnership agreement for cooperation in the training of talents, continuing their successful cooperation that has been going on for 15 years since 2008. This agreement aims to provide society with new talents in technical fields. In addition, Cimtas Ningbo's management team visited Liaoyang Technician College and donated educational materials and offered special scholarship opportunities to students.

At ENKA Schools, STEM (Science, Technology, Engineering and Mathematics) and STEAM (Science, Technology, Engineering, Arts and Mathematics) practices are carried out in Science classes in accordance with the curriculum or as part of club activities. In this context, the total number of employees of ENKA Schools working in STEAM positions is 49, including 19 male and 30 female employees.

⁷ Only the donations on sustainability material areas by the units covered in this report are included in the scope. Community investments account for 90% of the total amount. The remainder is made up of charitable donations and commercial initiatives in equal amounts.

ENKA and all of its group companies make community investments that will leave a positive legacy in the communities in which they operate and contribute to the social and economic welfare of their regions. While planning these investments, the needs of the region and the expectations of the local communities are taken into consideration. ENKA Sports Club, ENKA Sanat and the ENKA Schools in the provinces of Adapazarı, Kocaeli and İstanbul, all of which operate under the umbrella of the ENKA Foundation, have been appealing to all segments of society for years with their contributions to education, art, sports and social fields and with the positive impact they have created.



The total amount of community investments made by the ENKA Foundation, ENKA İnşaat and the ENKA subsidiaries that are covered by this report, in the fields of education, health, sports, social and the environment in 2023 was TL 323 million.⁷ A summary of these investments is provided in the table on the next page.



Summary of Community Investments in 2023

Company	Country	Education	Sports	Health	Social	Environment
ENKA İnşaat	Türkiye, Serbia, Russia, North Macedonia	+	+	+	+	+
Çimtaş Group	Türkiye, China	+	+		+	+
ENKA Power	Türkiye	+	+		+	
ENKA Real Estate	Russia	+	+		+	
ENKA Pazarlama	Türkiye	+			+	
ENKA Foundation	Türkiye	+	+	+	+	+

Martyred Engineer Serhan Selçuk Nariçi Primary School

The construction of Martyred Engineer Serhan Selçuk Nariçi Primary School, which started in Adıyaman in memory of Electrical Engineer Serhan Selçuk Nariçi, one of the precious ENKA employees who lost their lives in a terrorist attack in Sri Lanka on April 21st, 2019, was completed and is ready for use. ENKA will provide the necessary support to honor the memory of this precious ENKA employee in this school, in which the engineers of the future will be educated.

ENKA Foundation, Arts, Sports and Schools

ENKA Foundation

Established in 1983, the ENKA Foundation continues to pursue its mission of raising modern, productive and inquiring individuals who are educated by scientific methods and achieve their potentials, in an environment in which sports, education, culture and the arts are intertwined. Accordingly, ENKA Foundation works to ensure that the youth of Türkiye are oriented towards a sporting life and to nourish every young person with sports, education, culture and art to discover and develop their talents.

Organizations that are operating under the umbrella of the ENKA Foundation are ENKA Sports Club; ENKA Sanat; ENKA İstanbul Schools, which started its operations in 1996; ENKA Adapazarı Schools, which was established immediately after the 1999 earthquake for the education of children affected by the earthquake; Private ENKA Vocational and Technical Anatolian High School, which was established in Kocaeli in 2008; the Private ENKA Science and Technology High School, also in Kocaeli, which has been operating since 2014.

[For more information about the ENKA Foundation, please click](#)

ENKA Sports Club

ENKA Sports Club continues to be one of Türkiye's leading sports clubs with the young talents it has raised for Turkish Sport and its international achievements. ENKA Sports Club, which sets out with the slogan "The Future belongs to the Youth", ENKA Sports Club, with its 1,472 licensed athletes and 83 specialised coaches, continues to take part in national and international sporting contests and achieve successful results in all branches of sports in which it is active.

ENKA Sports Club continued providing training to 521 young athlete candidates in 2023, winning 33 cups and 2,779 medals in total in national and international competitions, and breaking a total of 52 records. The achievements of ENKA Sports Club in 2023 are included in the [ENKA Annual Report](#).

[For more information and news, please click](#)

ENKA Sanat

ENKA Sanat continues to operate to ensure the continuity of culture and art with a vision that supports productivity and independent thinking for 40 years. ENKA Sanat's doors are always open to young talents and the artists of the future, reflecting its mission of supporting new and successful figures for the benefit of society. Through its events, it brings together young talents and experienced artists in different artistic disciplines such as performing arts, music, cinema and theatre, brings these valuable works together with art lovers and offers a rich experience in the field of culture and arts. At the same time, it aims to leave a permanent mark in this field by implementing projects that will contribute to the cultural and artistic archives and actively continues its cultural and artistic activities.

In 2023, ENKA Sanat launched the Lale Tara Arts Scholarship to support the undergraduate and post-graduate studies abroad of talented young artists. This year, the selection committee for the scholarship in the field of classical music included viola player and MSGSÜ İstanbul State Conservatory Faculty Member Dilbağ Tokay,

world famous Pianist and Composer Fazıl Say, Pianist and Ankara University of Music and Arts Faculty Member Prof. Dr. Gökhan Aybulus, ENKA Sanat Director Gül Mimaroğlu on behalf of ENKA Foundation and İstanbul State Symphony Orchestra Flute Section Leader and Borusan İstanbul Philharmonic Orchestra Solo Flutist Bülent Evcil.

In 2023, ENKA Sanat implemented the third iteration of its ENKA Sahne project, which is inspired by the motto "Art with Youth for a Better Future". Of ENKA Sahne's young talents, 13-year old Arya Su Gülenç became the youngest pianist ever to win first place in the 16th International Pianale Piano Competition, which was held in Germany this year and attended by 26 pianists between the ages of 13 and 29. 16-year old pianist Can Saraç was awarded the "Arturo Benedetti Michelangeli" grand prize at the Piano Academy Eppan in Italy.

[For more information and news, please click](#)



Prof. Gökhan Aybulus

Pianist and Faculty Member at the Ankara University of Music and the Fine Arts

I first came to know the ENKA family in 2006 when I received a grant from them and I gave my first concert under this roof with the Akbank Chamber Orchestra in 2008. Ever since then I have been having regular concerts at ENKA Sanat and taking part in the various projects which ENKA carries out. With its support for art, artists and above all young musicians, ENKA makes a major contribution to the cultural and artistic life of our country and sets an example for other institutions as well. The ENKA Sahne and the Lale Tara Arts Scholarship constitute the most striking examples of the support provided to young performers. Thanks to the ENKA Sahne, which was launched in 2021 under the valuable leadership of Cihat Aşkın, and for which I serve as a member of the Selection Committee, promising young performers appear every year at a Gala Concert in ENKA's splendid hall, and these concerts are recorded by a professional team. This unforgettable experience does not only occupy a huge place in those young people's lives; it also opens other doors for them. As for the Lale Tara Arts Scholarship, from which I benefited in the past, and for which I now sit on the Advisory Board, this has been institutionalized this year and has selected its first scholars and begun to support them. Having first become acquainted with ENKA as the beneficiary of a grant, it has always been a great honor for me to cooperate with them on such special projects and to take part in the special events which they organize.

ENKA Schools

With its vision of “Educating for a better future”, ENKA Schools continues its efforts to strengthen the foundations of its students’ knowledge, ideas and behaviour, to encourage them and provide them with opportunities to reach their maximum potential, and to enable them to grow into pioneering world citizens who can employ their mental skills and moral habits for freedom of thought and action.

News from ENKA İstanbul Schools

ENKA İstanbul Schools has 243 students that received academic scholarships from the school and the ENKA Foundation.

The ENKA Sustainable Development Library has been created to raise awareness of Sustainable Development Goals and to provide students and teachers with a trustworthy archive in both Turkish and English to be used in their studies and research projects.

The ENKA Pre-School has become a member of the Eco-Schools Program and will work on the theme of “Recycling” throughout the teaching year to carry out activities on awareness of responsible consumption. The aim of the activities is to raise individuals with an awareness of responsible consumption from pre-school onwards.

[For more information and news about ENKA İstanbul Schools, please click](#)

News from ENKA Kocaeli Schools

The Private ENKA Vocational and Technical Anatolian High School, the first and only school of Anatolian Technical High School status in which all students are on full scholarships, is currently providing education to a total of 496 full-scholarship students.

The Private ENKA Vocational and Technical Anatolian High School was selected to represent Türkiye in the “International Mapping Study on Good Practices of Applied Research in Vocational Education and Training” research paper prepared by the European Training Foundation (ETF), affiliated with the European Union. In preparation for the research paper, the Netherlands-based CINOP Research Center examined educational activities at the school and carried out interviews with the school administration, teachers and students, focusing and especially on the students’ work in the context of TÜBİTAK research projects and the Erasmus studies.

ENKA Science and Technology High School and ENKA Vocational and Technical Anatolian High School students achieved great success at the 30th National Science Olympics held by TÜBİTAK, with a total of 22 students winning medals. Students won 3 medals in the field of mathematics, 7 in physics, 6 in astrophysics, 2 in chemistry, 3 in biology and 1 in computer.

[For more information and news about ENKA Kocaeli Schools, please click](#)

News from ENKA Adapazarı Schools

As of 2023, 118 of the students at ENKA Adapazarı Schools is receiving scholarships.

A Human Rights Symposium was held for high school students throughout the province of Sakarya. A total of 120 high school students discussed human rights violations, issues and solutions under different headings as part of the activities held for Human Rights Week. They debated the impact of current developments around the world on humans. At the symposium, which aimed to increase interaction among groups and raise awareness, participants produced solutions to the problems they had identified. The Free and Authentic Turkish Woman Workshop, which aimed to ensure that women cooperate for their shared interests against the negative circumstances and rights violations they face was also held in 2023, with the participation of 6 lawyers, 1 medical doctor, 1 psychologist, 13 parents, 5 teachers and 61 students.

[For more information and news about ENKA Adapazarı Schools, please click](#)



The earthquakes of February 6, 2023, centered on Kahramanmaraş, were perhaps the greatest disaster Türkiye has faced in its recent history. They impacted many cities and deeply affected the entire country. In coordination with local administrations and the Disaster and Emergency Presidency (AFAD), as the ENKA Family and all its members, we started to work from the first moments of the disaster to support search and rescue work, meet the most urgent needs of the victims and offer a healing hand.

ENKA Foundation's İstinye Campus was designated the ENKA İstanbul Coordination Center for Earthquake Relief on the first day of the disaster. From there, we collected, categorized and packed all the aid provided by our employees and all our stakeholders and transported them to the earthquake-struck region. Meanwhile, ENKA Pazarlama's Adana Office was designated the Adana Coordination Center for Earthquake Relief and we provided victims with the items they needed through a process of micro-distribution. Thanks to the micro-distribution method, we managed to reach many villages and towns that were far from central crisis desks and aid points in the cities affected by the earthquake. Meanwhile, the aid materials collected by our employees in Moscow was taken to the Moscow Embassy of the Republic of Türkiye for delivery, while the goods collected by our employees in Cimentas Ningbo in China, who staged a campaign to gather aid, were delivered to the Consulate-General of the Republic of Türkiye in Shanghai.

Meanwhile, ENKA Pazarlama's construction machinery were actively used in the search and rescue missions in the earthquake region and news of citizens who were saved provided a ray of hope for us all. The Adana Regional Directorate of ENKA Pazarlama provided 24/7 repair and maintenance services to construction machinery being used in the earthquake regions, helping to ensure that the rescue work went on uninterrupted.

Having identified that shelter and hygiene presented the greatest problems in the region, we also started work on providing food, drinking water, tents, living and sanitary containers. As containers could not be purchased fast enough to meet the needs in the region, we prepared containers to match the needs of victims, at our Çimtaş facilities and at the Kırklareli Combined Cycle Power Plant Project, and the containers produced at these locations were delivered to the earthquake region. We also provided means of evacuation for citizens who wanted to leave the region due to the continuing aftershocks and the shelter shortage.



At ENKA, we believe in the importance of being prepared for the problems caused by earthquakes and in the value of strengthening the resilience of society. We are continuing our work in this direction. In addition to the responsibility and awareness of the engineering profession, of which we are one of the pioneers in our country; we share our engineering experience and culture with students so that engineering ethics can be understood by future generations, and we believe that the first step of the solution lies in this education so that our country does not encounter disasters with such severe consequences again.



Aytaç Demir

Vice President

ENKA Pazarlama

On the morning of February 6, 2023, an earthquake of magnitude 7.7 struck the district of Pazarcık in Kahramanmaraş. In the hours that followed, another earthquake of magnitude 7.6 occurred in the Elbistan district of the same province.

At the ENKA Group, we took very rapid action immediately after the disaster to reach the earthquake victims directly and immediately for the purpose of humanitarian support, signing off on a project synonymous with agility that caused the term "micro-distribution" to enter the literature.

First of all, the warehouse and crisis desk had to be located near the region but in as safe a place as possible. Adana was identified as the ideal center. The water, food, clothing, hygienic materials, toys, books, tents, blankets

and all the other items of humanitarian assistance collected by all the ENKA Group companies and by the ENKA Foundation were delivered to the facilities in the Adana region and systematically stored. Our desk team of ten people took direct calls from the earthquake victims and registered every detail of their needs on an online system. Within the same day, our warehouse team of 15 people carefully prepared and packed individual packages one by one for each earthquake victim and passed them on to the delivery team. These goods were then dispatched for delivery by a delivery team of twelve people with a fleet of six or seven pick-up trucks. All the individual needs were delivered to the earthquake victims directly and firsthand within 24 hours.

This "micro-distribution" program was very swift, and successful and efficient enough to meet the direct needs of each earthquake victim. We delivered more than 50 truckloads of goods via this program, traveling about 118,000 kilometers in all. For a period of more than two months, we continued to reach very small villages, towns and neighborhoods directly and to reach tens of thousands of people as a result.

I would like to thank all those who did not refrain from taking the initiative and mobilizing their capabilities and resources as well as the ENKA Family for its selfless work.





Social Responsibility at ENKA



Since its establishment, it has been ENKA's principle to do business in a manner that is responsive to the needs of the society around it and respectful of nature and the environment. Accordingly, ENKA has made social responsibility and employee volunteering an inseparable part of its corporate culture. With their absolute commitment to sustainability, safety, health and ethics, ENKA projects and subsidiaries offer social responsibility programs that include innovative, practical and awareness-raising solutions that consider the future of local people and natural life in all regions where they operate and enable their customers to achieve their sustainability goals. ENKA conducts its work to fulfil its sustainability commitment and goals through this comprehensive corporate social responsibility structure it has established.

The ENKA Volunteers Platform is continuing to pursue its mission to leave a positive and lasting social legacy to the communities of which it is a part. The Platform runs its activities at ENKA's Headquarters first and foremost, as well as through local groups at the worksites of the projects

and subsidiaries. The work of ENKA Volunteers focuses mainly on the environment, education and disadvantaged groups. During their activities, ENKA Volunteers cooperate with civil society organizations on projects of theirs which supports the UN Sustainable Development Goals.

ENKA Volunteers comply with the rules outlined in the ENKA Volunteers Handbook and the ENKA Code of Business Conduct in all their voluntary work and reflect the ENKA culture, principles and values in all they do. In order to encourage employee volunteering, employees throughout the ENKA Group are allowed to take a day of volunteering leave every month to take part in voluntary projects.

ENKA Volunteers at the 45th İstanbul Marathon

ENKA Volunteers participated in the 45th İstanbul Marathon along with LÖSEV, which provides hope for children with cancer and their families. The donations collected by ENKA Volunteers on behalf of LÖSEV were used to support the educational and healthcare expenditures of children with cancer.

Computer Classrooms in Schools

As part of the "Computers for Village Schools Project" of the Association for Supporting the Recycling of Electronic Waste (EAGD), electronic waste from ENKA offices is recycled and computer classrooms for students at village schools are established.

With the computer classrooms set up in primary schools in the provinces of Kocaeli, Nevşehir and Samsun in October, November and December, students gained new computer classrooms and a significant amount of electronic waste was avoided.

Yandex Headquarters Project

Yandex Project Volunteers have carried out environmental clean-up work at parks near the project site with the leadership of the project management. The project has also had the fences surrounding the nearby Pioneer Park repaired and put them in the service of the general public.

The Yandex Project also had a safe and comfortable walking path built in the neighboring Youth Park for use of the local community. The work was completed in six days at the cost of 420 volunteer person-hours.

Kırklareli 850 MW Natural Gas Combined Cycle Power Plant Project

The project team continues to carry out activities aimed at creating positive value for people residing in settlements close to the project site. To this end, environmental improvements and road works have been carried out in local villages to contribute to easier access and improve public safety. The project has also been providing support in the form of personnel and supplies for the improvement of the public spaces used by the populations of the local villages.

Morava Corridor Motorway Project

In June 2023, Serbia experienced nationwide heavy rainfall and floods which affected many parts of the country, including the region near the Morava Corridor Motorway Project. Flooding caused landslides, which caused serious damage to roads, bridges, agricultural land, residences and workplaces. The Morava Corridor Motorway Project built two barriers on either sides of the village of Grdica to protect 262 homes and 750 residents from flooding. The project also donated sand for use in work to protect residential areas and public facilities from flooding.

In addition, in order to contribute to the positive personal and social development of younger children, the multi-purpose playgrounds of two primary schools near the project route were improved and children were provided with safe play areas.

The project team ensured the provision of basic needs packages to families in need to support the food and hygiene needs of the most vulnerable groups of the people living in the Trstenik region. Furthermore, more than 600 beds were donated to the Krusevac and Kraljevo hospitals and to the civil society organization SOS Children's Village Kraljevo and Red Cross Kraljevo.

North Macedonia Corridor 8 & 10d Motorway Project

Bechtel-ENKA Joint Venture (BEJV) Volunteers collected more than a ton of waste and helped clean up the area as part of the environmental clean-up campaign held in Gostivar on November 4, 2023.

Safety Training at Schools

Students in Aliağa were given Occupational Safety and Environmental Awareness training as the social responsibility project carried out by the SOCAR Electromechanical Works Project.

The Morava Corridor Motorway Project provided road safety awareness training at five schools located close to the project's impact area in order to increase the awareness of primary school students and ensure their safety.

ENKA Real Estate

In cooperation with the Dobrye Veshchi platform, which is active in collecting and up-cycling used products (clothes, textile goods, footwear, toys, etc.), ENKA TC and CCI collected a total of approximately 50 tons of used goods. Thousands of products were delivered to new owners through this campaign. The income generated through the sale of goods collected by the platform was used to support families in need and the purchase of rehabilitation equipment for children with disabilities.

From May onwards, ENKA TC cooperated with the publisher RE:Books to collect more than 16,000 books. Some of the books were delivered to libraries in rural areas, while others were sent for recycling.

ENKA TC and CCI jointly participated in the Happiness Foundation Charity Run organized by the Happiness Foundation, which was established to aid and support children who have lost their families and do not have access to parental care.

EmPATİ Campaign

The EmPATİ Campaign started by ENKA İstanbul Schools Volunteers ensures that cats on the school campus are socialized, sterilized to keep their population under control, provided with shelters, fed and adopted.

Coders of Tomorrow

Students learning robotics and coding at the ENKA Kocaeli Schools have been teaching 8th grade students at selected village schools about the same subjects and supporting their development in these fields.



Our People

Our people are at the heart of ENKA's commitment to "Engineering for a Better Future". It is ENKA's priority to provide a company culture and working environment which ensures the mental, physical and social well-being of all its employees, offering them opportunities for self-development. The talents, hard work, creativity, perspective and vision which its people have brought to ENKA has been the driving force of its success throughout its 66-year history, and ENKA empowers and encourages its employees to engage in innovative thinking, discovery and further development.

It is a part of ENKA's culture to act with respect for human rights and to treat diversity as richness. The **ENKA Code of Business Conduct**, covering ENKA's social accountability and human rights policies, is the main guideline describing both the relationships of employees with each other and the approach of the company towards its employees. At ENKA, all decisions on human resources, such as recruitment and promotion decisions, are implemented entirely in accordance with competence criteria and are free from all forms of discrimination. The employment rights of all the employees of ENKA and its subsidiaries, as established in the relevant legislation, including their rights to retirement and parental leave, are protected throughout all of ENKA's activities.

At ENKA İnşaat projects, depending on the conditions in the country in which ENKA is operating, employees are provided with indoor and outdoor sports facilities, social facilities offering a range of activities, and office and accommodation areas suited to their needs in order to make their working environments comfortable, pleasant and happy. At ENKA İnşaat projects and the offices of ENKA and its subsidiaries, suitable menus are prepared for employees who require or desire specific diets.

⁸ 99.9% of ENKA employees earn a salary above the legal minimum wage.

One of the most important ways in which COVID-19 has affected the business world has been an acceleration in the spread of technology-centred flexible working models. Likewise, employees in the ENKA Group have been offered remote working and flexible working models appropriate to the nature of their work.

Compensation and Benefits

ENKA employees are never paid salaries lower than the official minimum wage set by the laws of the country of operation and the working conditions established by the relevant national legislation are always met.⁸ See **Annex 7** for employee data for the ENKA Group.

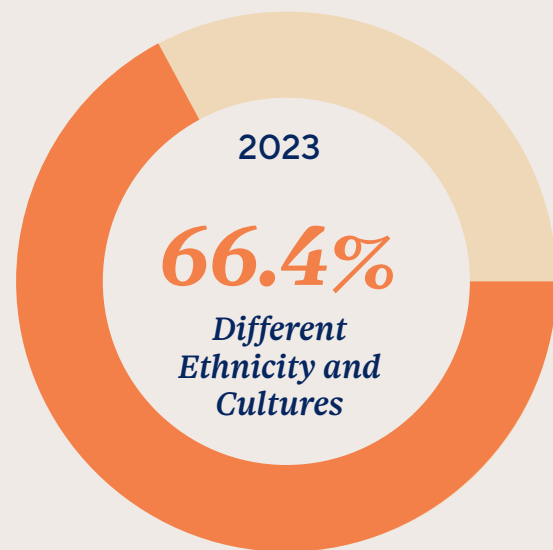
All ENKA employees benefit from a discount to attend events at ENKA Sports, one of Türkiye's leading sports clubs, and at ENKA Sanat, which hosts some of the well-respected performances in Türkiye. Furthermore, sailing training programs are offered to employees every year, giving them the opportunity to become members of the ENKA Sailing Team. Employees at ENKA and its subsidiaries also benefit from discounts to tuition fees for their children at ENKA Schools, with the discount increasing in proportion to the number of years worked at the ENKA Group. Furthermore, since the start of 2019, employees at ENKA İnşaat Headquarters have been provided with a Group Health Insurance policy.

At ENKA Schools, there is a 75% discount in tuition fees for the school staff's children who are studying at ENKA Schools; teachers whose children study at other schools are provided with contributions for their children's education at varying rates. ENKA Schools attach great importance to the individual and professional development of teachers. An academic development contribution is added

to the salaries of teachers who have master and doctoral degrees. In addition, ENKA Schools provide support for the expenses related to the professional development opportunities that teachers want to participate in internationally or nationally.

Diversity, Equity and Inclusion

ENKA aims to ensure diversity, equality and inclusion throughout its value chain. To this end, the company establishes and implements the procedures necessary to allow all its employees to carry out their work in a context of fair treatment and practices and in a working environment in which the principle of equity is put into practice. At the same time, it is working on a daily basis to increase the diversity of its employees and the inclusiveness of its workplaces. These initiatives are not limited to ENKA's own employees; care is also being taken to ensure diversity in the supply chain and to develop a supply network that accommodates women, minority groups and local suppliers.



Diversity and Inclusion

Employees of different nationalities and cultures who have different views on life, ethnic backgrounds and types of experience are employed in all of ENKA's activities. This diversity is one of the key factors that nourish ENKA's flexible, adaptable, solution-oriented and creative character. ENKA has been developing the diversity and inclusiveness of all of its recruitment, employment and other human resources processes with a view to protecting this core value and developing it further.



Employee Engagement and Satisfaction

ENKA strives to provide its employees with a working environment of mutual trust and fair treatment in which they are able to see themselves as an integral part of the company's goals, values and culture. Numerous communication channels have therefore been established through which employees can take part in decision-making mechanisms or forward their requests. One of the most important of these channels is the employee loyalty and satisfaction survey which is conducted throughout the entire ENKA Group. The results of the "ENKA Employee Loyalty Survey" conducted by an independent research company in 2021 pointed to an employee loyalty and satisfaction rate of 91% at ENKA İnşaat.

Following these surveys, the requests and suggestions of the employees are evaluated and activity plans are drawn up at each of the Group Companies. The previous survey, for example, highlighted that the employees of ENKA TC wanted to be more involved in decision-making mechanisms. In response, the management of the company arranged for the establishment of committees on 17 different topics to enable the employees to be a part of these mechanisms.

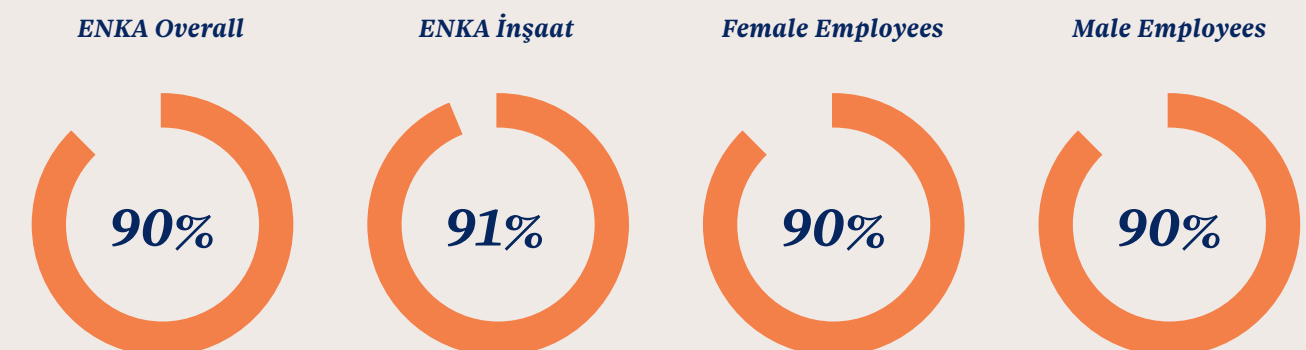
Performance Evaluation

ENKA has begun to extend the system of performance evaluations, which employees at ENKA Headquarters undergo once a year, to projects at the completion stage. The "nine-box talent matrix" method has been chosen for this purpose. All managers evaluate the employees who report directly to them, while the employees evaluate their managers by means of a "Manager Evaluation" questionnaire. During the performance evaluations, employees are evaluated in terms both of their competencies and of their abilities to achieve the business goals. The evaluation of competencies ensures that teams make better use of the employee's strengths and that they are supported in areas in need of development. Following the evaluations, managers hold feedback sessions with each member of their teams, an action and training plan is drawn up regarding the agreed areas in need of development, and these plans are incorporated into the targets for the following evaluation period.

In 2023, approximately 1,650 employees of ENKA and approximately 660 employees of other group companies were included in the performance evaluation system.



Employee Loyalty and Satisfaction Survey Results



Employee Training and Development

In line with its strategic goals and values, ENKA aims to possess high-level skills in all the sectors in which it operates and to ensure that these skills are sustainable. In order to achieve this, ENKA creates a culture which offers incentives for the achievement of the goals of the organization and of those of its employees, thus providing a working environment of highly-motivated and cooperative production.

Under the umbrella of the Academy, management, technical and social skills training programs are delivered so that employees can develop their professional competencies, processes awareness, technical knowledge and leadership and management skills. All of the trainings included in the ENKA Academy's curriculum are developed, produced and delivered in cooperation with experts within the company, third-party training service providers and e-learning content providers.

Both professional skills and social skills training programs were planned and implemented by the ENKA Academy for ENKA and its subsidiaries in 2023. During the reporting period, approximately 488 hours and a total of 6,882 person-hours of training was given in engineering development and social skills. Since its establishment, the ENKA Academy has provided more than 3,700 hours of training to over 14,000 participants.

In developing the ENKA Academy's Training Plan for 2024, account was taken of all the annual training needs surveys conducted in previous years, of additional training requests from department heads, and of the results of employee competence evaluations and training evaluation surveys as well as the annual analysis and evaluations made by the ENKA Academy itself. A range of training programs, seminars and workshops have been planned accordingly.

The ENKA Academy Learning Management System - LMS software continued to be adopted successfully in the systems of many projects and subsidiaries in 2023. The monitoring and management of online employee training operations continues to be carried out efficiently via this platform.

ENKA aims to achieve its goal of continuous development and sustainable growth by offering equal training opportunities to all of its employees, providing each member of staff, from new recruit expert staff to Executive Committee Members, with training opportunities suited to their professional and social skills. In addition to ENKA Academy, Project Training Departments, which are established separately at the projects have provided approximately 12.395 million person-hours of training to date and have contributed to the development of the professional competences of local employees in the countries in which the ENKA operates.



Foreign Language Training

In 2023, ENKA Academy continued to organize English, German, Russian and Spanish language courses for employees at ENKA Headquarters and added courses in Italian as well. The courses in each language were conducted by professional language course companies competent in their fields. In addition to Headquarters' employees, all ENKA projects' employees can choose one of the official languages used in the country where they are based and attend a course in that language for a period determined by the project management, in line with the Foreign Language Training for Projects procedure.

While Cimtas Ningbo provides English language training for its local employees, it also provides Chinese language training to support the adaptation of Turkish employees to the culture and daily life of the country.

Employee Training Provided by ENKA Academy and Subsidiaries' Academies in 2023

Total Training (Person-Hours)



Total Training (Person-Hours)



Training Time Per Employee (Hours)



Training Time Per Employee (Hours)



The training budgets of the ENKA Academy and the academies of the subsidiaries totaled more than USD 220,000 in 2023.

In addition to the in-house training opportunities it provides, ENKA continues to operate its Personnel Incentive and Reward system, which was established to support employees with their postgraduate education, intellectual production and the development of intellectual property rights. In this context, ENKA employees benefit from the following incentive and support programs:

- ◆ Incentives for Master's Degree and Doctorate Education,
- ◆ Financial Support for Master's Degree and Doctorate Education Fees,
- ◆ Financial Support for the "The Future Belongs to Youth" Program,
- ◆ Incentives for Academic Publications,
- ◆ Incentives for Intellectual Property Rights



Bahtiyar Emre Öztürk

Project Human Resources Manager

The United Kingdom has a significant shortage of expert pipe welders for reasons such as the aging of the sector, retirement and the aging workforce, a long-running lack of investment and a lack of continuity in the sector. In order to increase the level of skills and add to the opportunities in this sector, ENKA UK launched a pipe welding apprenticeship program.

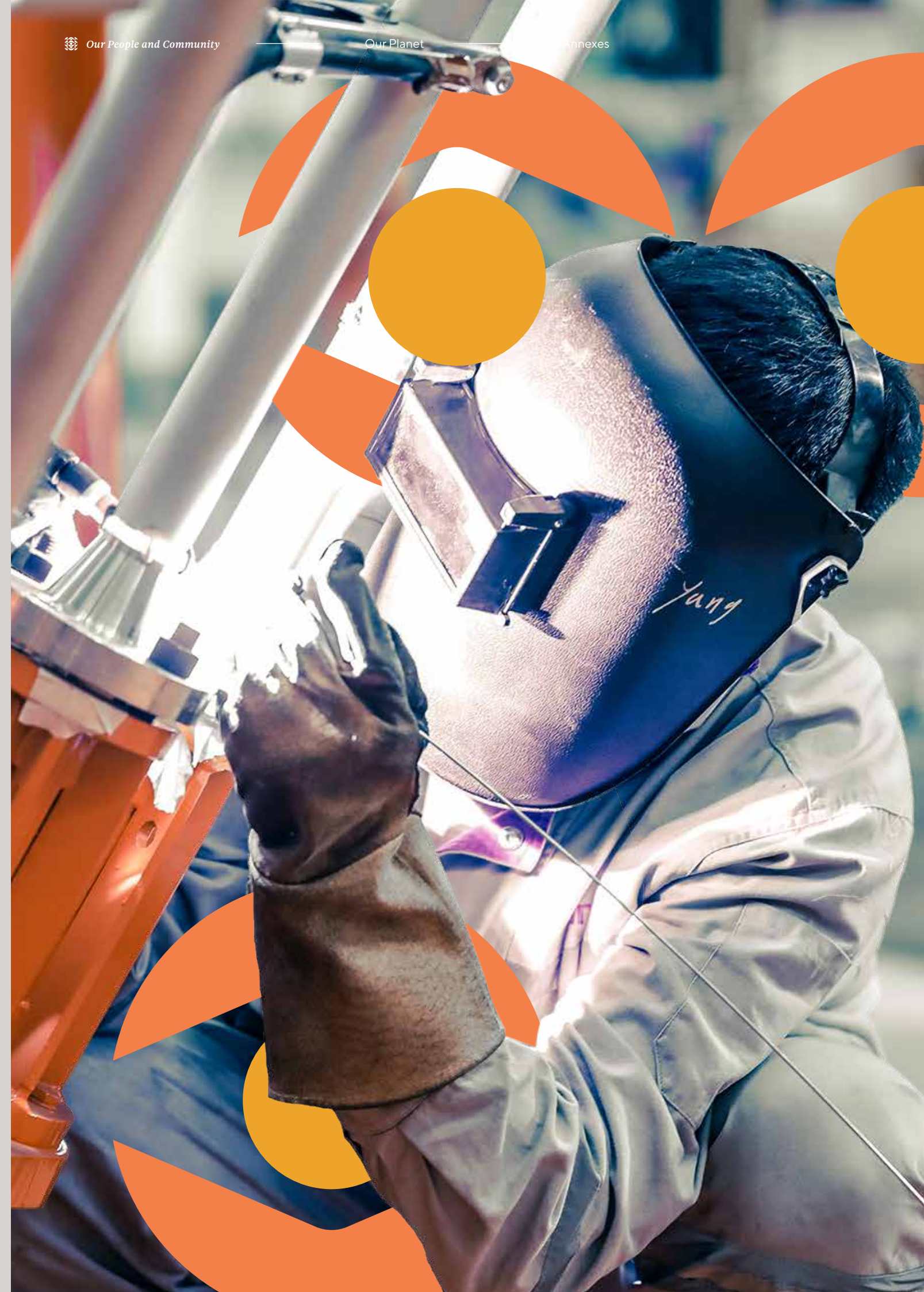
Under the apprenticeship program, the pipe welders who joined our Hinkley Point Project commenced their four-year apprenticeships in early November. Cimtas Pipe facility was added to the current training plan in order to increase their competency. This presented them with an opportunity both to get to know more about ENKA and to acquire an international experience. As a result, the qualified and experienced workers who have been trained will constitute a gain for the sector and a positive legacy for the United Kingdom even after our project has been completed.

ENKA UK is aware of the United Kingdom's Net Zero Strategy and is very pleased to have been able to contribute to the development of the skills of the United Kingdom workforce in support of the nuclear rebuilding programs that form a part of these ambitious plans for the future.

Training for Project Employees

At all ENKA projects, a project-specific training plan is developed and implemented with the aim of ensuring that the members of the site teams at all levels are able to receive the training they need. These training plans consist of four stages: ENKA Code of Business Conduct and orientation, skills development, pre-job quality briefings and HSE. In addition to all the ENKA employees working at the sites, these training activities are also provided for the benefit of employees of the subcontractors and supplier companies working at ENKA's projects. In this context, a total of approximately 990,000 person-hours of on-site training was provided at ENKA projects during the reporting period.

ENKA UK launched a 4-year apprenticeship program for welders as part of the Hinkley Point (HPC) Project. ENKA UK has taken a significant initiative to enable young people in the UK to become apprentice pipe welders by creating a training plan for the first four young people. The students will continue their apprenticeship at the Cimtas Pipe Welding School in Türkiye to receive training and gain experience according to the project codes before starting as apprentices on the HPC Project. If successful, it is planned that this pilot will be extended to provide a tangible legacy to the UK nuclear welder pool.



Occupational Health and Safety

In all of its activities, ENKA's priority is to prevent its employees from suffering any direct or indirect harm due to the work they undertake and to ensure that they return to their homes and families in good health. The approach to Health, Safety and Environment (HSE) is based on this positive HSE culture adopted at the corporate level. In all the fields, sectors and lines of work in which the company is engaged, an active Occupational Health and Safety Management System grounded in this HSE culture is implemented, ensuring that employees can work in environments free from all hazards.

The company's Occupational Health and Safety (OHS) structure is shared with all stakeholders through the **Health, Safety and Social, Environment Policy (HSSE Policy)**, which also constitutes the commitment of the ENKA senior management. The HSSE policy is put into practice systematically by means of internal procedures and the instruments which these procedures require, such as training activities, workshops, plans, instructions, checklists and forms. All these are systematically controlled through internal and external audits, and the audit results are used to review the management system and take appropriate actions in line with the principle of continual improvement. The actions are then followed up and reports are provided regularly to the senior management and other relevant stakeholders.

The Occupational Health and Safety rules, systems, practices and training programs are implemented in such a way to cover all groups of stakeholders in all operations under ENKA's control. Subcontractor employees are also included in all of these practices.

OHS Management System and Risk Assessments

The OHS management systems of ENKA İnşaat projects and ENKA Headquarters are implemented in accordance with the ISO 45001:2018 standard, and all operations of ENKA İnşaat are covered by its ISO 45001:2018 certificate. In addition, Çimtaş Group and ENKA Power companies operate OHS management systems that are in compliance with the ISO 45001:2018 standard.

In its OHS management, ENKA complies with the pertinent laws of the countries in which it operates.⁹ Moreover, in line with the "risk-based approach" of the ISO 45001:2018 standard, the potential hazards and risks associated with the company's activities are identified and examined in detail. The risks and hazards that are identified are eliminated by means of proactive measures. General Risk Assessments are prepared for all ENKA İnşaat projects prior to the project implementation phase. Based on these General Risk Assessments, specific risk assessments and Job Hazard Analyses are conducted for the items of work to be performed. Employees and other relevant parties are included in the preparation of these analyses.

Measures are taken in accordance with the risk management hierarchy for the identified risks. The steps followed for any identified risk include; elimination, substitution, engineering controls, administrative controls and provision of personal protective equipment. Following the completion of measures identified by project management teams and HSE department, it is ensured that the risks are at an "acceptable" level and the risks and the measures to be taken are communicated to all employees.

⁹ Turkish Law No. 6331 on Occupational Health and Safety and Federal Law No. 197 of the Russian Federation, as well as all regulations within the context of these laws, are followed.

Occupational Health and Safety Committees

ENKA and its subsidiaries attach great importance to the participation of employees in OHS processes. To this end, OHS and HSE committees are established to ensure the participation of employees and these committees meet at least as often as or more frequently than specified by the relevant laws. During these meetings, HSE and OHS performances of the relevant period and identified risks are reviewed, requests and feedback are discussed and actions to be taken for the following period are determined. The committee participants consist of the persons¹⁰ specified by law and meetings are held in a transparent and participatory environment. Special attention is paid to ensure that employee representatives are selected through elections to be part of the committees and the opinions and suggestions of the employee representatives are taken into consideration in the decisions made.

In all ENKA projects, HSE Committees are established with the leadership of the project management and project HSE departments. These committees hold regular "Zero Incident Team Meetings" on a weekly and monthly basis to review the HSE performance of the project and decide on the main actions that need to be taken. The number of employee representatives on the committees is proportionate to the total number of employees on the project.

At ENKA and its subsidiaries, all stakeholders have the authority to "Stop Work", regardless of their position, title or status. Activities that might

cause damage to employees or the environment are halted without question. It is strictly prohibited to impose any sanction or retaliation against an employee who uses their authority to stop work, and the authority to stop work is safeguarded by the company procedures. The authority to stop work is considered as an important opportunity for identifying and rectifying aspects of systems that are open to improvement. This authority is reminded again in all trainings and meetings and employees are encouraged to use this authority.

At ENKA and its subsidiaries, all stakeholders have the authority to "Stop Work", regardless of their position, title or status.

¹⁰ Employer representative, OHS experts, the workplace doctor/nurse, a human resources expert, an administrative officer, employee representatives, representatives of the labour union if any, and other relevant experts depending on the agenda.

OHS Incident Investigations

ENKA believes that all accidents are preventable. All incidents, including fatal incidents, are meticulously investigated in order to prevent their recurrence. The investigations are carried out by an independent commission consisting of the HSE Department, the relevant technical experts and, when necessary, officials from the corporate Legal Department. The direct, triggering and root causes of the incidents are identified, and the necessary measures are taken in line with the risk control hierarchy.

If, as a result of the incident investigation, a deficiency is discovered in a procedure or in the relevant risk analyses, then the technical and system procedures or risk analyses in question are reviewed and updated and the employees are informed of the changes. In accordance with the HSE Communication Procedure, important matters that come to light during an incident investigation are shared with all ENKA projects by means of "Lessons Learned" files, and a request is issued for action plans to be drafted. In this way, the lessons learned are passed on to the whole company, and the other projects are prompted to act proactively.

At the projects, besides the Safety Task Assessment and Risk Reduction Talks (STARRT), incident-specific stand-down meetings are held in the project; the incident, its causes and issues to be considered are

shared with all employees. In addition, the Project Training Plans are reviewed in the wake of any incident, and if the factors that caused the incident are not covered by the training program, the contents of the training are revised and arrangements are made for all those concerned to undergo the training again.

Should lack of leadership or behavioral factors are among the identified root causes of an incident, ENKA Corporate HSE Leadership Program Training is provided again. For behavioral issues, the Project Behavior-Based Leadership Program is reviewed. Items related to the incident are added to the "Self-Verification" checklists, and checks are carried out to confirm that the issues in question are monitored during site audits.

HSE statistics and performances of all projects are reported to senior management in a 6-month consolidated report. In these reports, fatal incidents are discussed in detail, and then the actions taken and compliance with these actions are reported. These outputs are also evaluated, while targets for the next year are determined by the senior management. ENKA has determined 12 Critical Activities by examining all serious incidents it has experienced in the last 15 years and applies a zero tolerance policy for these topics.

Health, Safety and Environment Management at ENKA

There are HSE units which operate under the most senior manager in the organisation in order to maintain and continuously improve the existing HSE culture. The monitoring and operation of all HSE processes are under the control of these units. These units consist of professionally competent and experienced professionals. In the Headquarters of ENKA İnşaat, the HSE Department works under the Chairman of the Board of Directors. HSE Departments established in all projects, report to both the project management and the Corporate HSE Department organizationally. As a result of this organizational structure, the HSE performances of projects are regularly monitored and their compliance with ENKA HSE goals and standards is ensured.

Incentive programs are implemented throughout ENKA to maximize the contribution of employees to HSE processes. In addition, a "Behavior-Based HSE Program" and "Observation Cards" are used to keep employees involved, and employees are always accorded the right to speak about how their activities can be made safer.

ENKA's **HSSE Policy**¹¹, which is the commitment of ENKA's management and is a cornerstone of HSE management, is publicly available on ENKA's corporate website. All employees receive training on this policy during their orientation training. In addition to the policy, HSE procedures and instructions and the results of risk assessments are regularly communicated to all employees regularly as part of the training program. Furthermore, project employees can access up-to-date information related with HSE issues from the HSE bulletin boards in the projects. Internal announcements are made through "HSE Newsletters" within the company.

In order to further strengthen OHS practices at Çimtaş facilities, artificial intelligence has been utilized. Cameras at certain points of the facilities were supported by artificial intelligence, enabling early detection of OHS violations and necessary improvement activities were carried out.



¹¹ https://www.enka.com/allfiles/media/posters/HSSE_POLICY_ENG.pdf

HSE Trainings

ENKA believes in and benefits from the power of training to protect, promote and improve its HSE culture. In addition to the trainings defined by legal regulations, comprehensive training programs are implemented according to the training needs of ENKA and its subsidiaries. These programs define topics and frequency of trainings that employees should receive according to their profession and responsibilities. For an ENKA employee, the training marathon begins with the orientation training provided on the first day of work at the company. This is followed by “Hazard School” training, during which employees are presented with right and wrong examples; field training in the employee’s area of work, and technical and system training, which is repeated regularly. Technical training includes topics on working

in confined spaces, safe use of hand tools and working at height with the aim of ensuring that the activities in question are carried out safely, whereas system training includes courses on the functioning of various systems, particularly the ENKA HSE System, the permit to work system and management systems.

The HSE Training Departments develop and implement training plans specific to the project, in line with the scope of the works to be carried out, in ENKA İnşaat projects. The training courses detailed in these plans are delivered by experienced internal and external trainers. The training of employees from different nationalities in various countries is carried out in the native language of the employee receiving the training.

ENKA İnşaat provided a total of 988,322 person-hours of HSE training in 2023

In 2023, ENKA İnşaat and its subsidiaries provided a total of 1,090,148 person-hours of HSE training

HSE Training Hours by Year (ENKA İnşaat)

Year	Total Person-Hours	Total Specific Trainings (Person-Hours)	Total of All Trainings (Person-Hours)
2023	55,427,899	335,155	988,322
2022	59,331,572	260,886	829,573
2021	50,079,921	257,272	637,011
2020	39,679,496	199,734	827,555
2019	38,872,244	326,525	882,527
2018	47,165,738	274,525	732,225

HSE Training Hours of ENKA Group

	White Collar		Blue Collar	
	Training Duration Person-Hours	Average Training Hours per Person	Training Duration Person-Hours	Average Training Hours per Person
ENKA Group Total HSE Trainings	213,849	48.5	876,299	55.4

Employee Health and Well-Being

In the ENKA projects, comprehensive field clinics and infirmaries are set up to provide a 24/7 service to protect the health of employees. These clinics employ health personnel who are experts in their fields and are provided with all the equipment that may need to be used in an intervention. All the services provided in the clinics are available free of charge, including to subcontractor employees. In addition to work-related health problems, all employees can apply to these clinics with their other health complaints and receive treatment completely free of charge.

Realizing that mental health is just as important component of employee safety and well-being as physical health and safety, ENKA has started to emphasize its work in this area. To this end, risks to employees’ mental health are addressed as part of risk assessments. Priority is attached to assessing the risks that may arise due to the conditions, climate or professional challenges in the countries where activities are conducted, and to identifying ways of dispelling these risks. With the training programs and coaching system set up as a result of these assessments, structures are starting to be put in place to raise the awareness of employees about dealing with stress and to shield employees experiencing mental health issues from discrimination and labelling. In addition, ENKA’s Sustainability, Ethics & Compliance, HSE and Quality policies safeguard a “Speak Up” culture which encourages employees to express themselves, thereby providing a working environment in which employees feel safe

mentally as well as physically. Over and above meeting the basic needs of employees, this working environment is supported by employee accommodation facilities and social areas and facilities that meet international standards, offering opportunities for various social activities and sports, and designed with employee satisfaction and well-being in mind.

The hygiene and safety of the food and nutrition products provided to employees are monitored closely at ENKA and its subsidiaries. The food engineers assigned to projects are actively engaged in the provision of safe and nutritious food. Through regular food safety and hygiene audits, every precaution is taken to prevent any health issues from arising and ensure employee satisfaction.

All ENKA units carry out risk assessments – just like the risk analyses conducted in the case of COVID-19 – for other global health challenges, including HIV/AIDS, tuberculosis and malaria. The precautions to be taken in the light of these risk analyses have been clearly identified. These precautions include policies like making tests available and providing opportunities for treatment, and the effectiveness of these policies is continuously assessed. The said precautions protect employees from possible infections. Moreover, the procedures applied to employees who are infected serve to keep the spread of the disease in question to a minimum.



OHS Performance

Lost Time Incident Frequency Rate is calculated by using the formula (number of lost time incidents/ total working hours) *200,000 while Lost Time Incident Severity Rate is calculated by using the formula (number of lost days / total working hours) *200,000. These formulas provide the number of incidents per 100 employees and severity rates of lost time incidents. While calculating the recordable incident frequency ratio, incidents at the first aid level are excluded; all incidents requiring medical treatment, restricted work cases, lost day incidents and incidents involving fatalities were included.

The lost time incident ratio is calculated based on calendar days. Lost times are calculated starting from the day following the incident.

ENKA regularly compares its HSE performance with the figures given by international institutions and platforms and keeps a close watch on general statistics and trends. These comparisons enable it to check once again how close it is to its targets, and to observe the changes in the general trend, based on internationally-accepted data. The calculations for 2023 revealed that ENKA's OHS statistics were much more positive by comparison with the trend in the sector due to the HSE system which it has established.



ENKA Group's lost day and incident statistics are provided in [Annex 8](#).

ENKA Lost Time Incident Frequency Rate (2023)	0.07
Lost Time Incident Frequency Rate - US Bureau of Labor Statistics Data (2022)*	1.0
ENKA Recordable Incident Frequency Rate (2023)	0.32
Recordable Incident Frequency Rate - US Bureau of Labor Statistics Data (2022)*	2.4

* 2023 data has not been announced yet.

More on Our Global Sustainability Targets

Target	2022 Performance	2023 Performance
We aim to have women employees comprise 35% of all ENKA Group white collar employees by 2030.	27.9%	28.4%
All ENKA İnşaat projects are expected to complete at least 2 social responsibility projects in their lifetime.	Target has been met.	Target has been met.
We intend to conduct an employee loyalty survey once every two years and to increase satisfaction ratio to 90% by 2030.	90%	Employee loyalty survey was not conducted in 2023.
Being the most important of our stakeholders, we genuinely care about our employees and intend to increase our training investment per year by 5% every year until 2030.	30.5% increase was achieved.	20.9% increase was achieved.*
Health & safety of our employees is a core value in every work activity we conduct. We will continue to work in accordance with our Zero Incident Policy with no compromises at all.	Target has been met.	Target has been met.
We encourage our employees to take part in corporate volunteering and aim to have 5% of our white collar employees participate in corporate voluntary projects.	2%	2.5%
In order to spread sustainability studies, we will continue supporting development of youth by sponsoring student assemblies at least 2 times every year.	There has been an achievement above this target through 6 events attended & sponsored by ENKA İnşaat and other collaborations of ENKA subsidiaries.	There has been an achievement above this target through 6 events attended & sponsored by ENKA İnşaat and other collaborations of ENKA subsidiaries.
Intending to generalize corporate volunteering and voluntary approach in our community, we aim to conduct at least 5 voluntary work projects every year.	10 projects were conducted.	15 projects were conducted.
We will ensure that each and every student in ENKA Schools to participate in at least 1 social responsibility project every year.	Target has been met.	Target has been met.
ENKA Foundation intends to increase voluntary community investment amount by 20% by 2030.	Compared to 2021, 94% increase was achieved.	Compared to 2022, 78.7% increase was achieved.
As ENKA Group we aim to collaborate at least 5 times every year with NGOs and other organizations that conduct sustainability studies.	There has been an achievement above this target through 17 collaborations by ENKA Group.	There has been an achievement above this target through 18 collaborations by ENKA Group.

* This calculation was made based on Turkish Lira equivalents due to USD/Turkish Lira exchange rate changes.

05

Our Planet

#ResilienceInAction



While developing strategies and policies for sustainability and the environment, ENKA acts in the awareness that its operations and supply chain activities have impacts on the environment and the ecosystem, as in all human activities, and therefore aims to reduce its environmental impacts and go one step further by employing its technical capacity and engineering experience to create positive impacts. In this respect, ENKA shares its commitments and targets with all its stakeholders via its **Sustainability Policy**, its **Environmental Management Approach and Policy**, and its **Sustainability Strategy**. In compliance with these commitments, ENKA conducts its activities in accordance with the sustainability targets which it has set for the years 2030 and 2050. ENKA also conducts a detailed sustainability risk and opportunity assessment process, including climate-related issues, underpinning all these efforts.

In managing the environmental impacts of its operations, ENKA complies with legal requirements and in line with the international standards and sectoral and global good practices which it monitors, it also establishes systems that go well beyond these legal requirements. When working in countries with standards that are less advanced than ENKA's own environmental requirements, priority is given to establishing environmental management systems that are exemplary and compatible with ENKA's objectives beyond the country's standards. In this way, while ensuring that its operations are in harmony with the environment and nature, it contributes to the achievement of sustainability and environmental targets of its customers. These systems installed by ENKA are in compliance with the ISO 14001:2015 Environmental Management System Standard and all operations of ENKA İnşaat (100% of the scope) are covered by the external audit certificate demonstrating this compliance.

Before commencing any activity, ENKA first conducts a sustainability assessment which considers all the possible economic, environmental and social impacts, and takes the appropriate precautions. Criteria related to the protection of the environment, sustainability and climate are taken into account when decisions are made on matters such as whether to make an investment, start a project or enter into a partnership. These criteria incorporate the results of risk and opportunity assessments and the actions which are

*The sustainability and climate change strategy, risks and opportunities are **managed with a holistic perspective** that addresses the whole of the value chain.*

to be taken to address these results. As part of the company's environmental management executed during the activities, the impacts resulting from use of natural resources, impacts on soil, impacts on water resources, air emissions, greenhouse gas emissions and climate change impacts, soil erosion, impacts on flora and fauna, impacts on local biodiversity and endangered species, impacts arising from waste, environmental impacts of dust, noise, vibration and impacts resulting from contingencies are assessed, appropriate measures are determined and their effectiveness during the activity is measured and monitored.

Through its HSE departments, sustainability departments and management representatives, ENKA develops plans to manage all the environmental impacts that may arise from its activities. It then manages the impacts by dividing responsibilities among all the relevant teams. The environmental engineers and experts employed in these departments monitor the pre-determined indicators and provide regular reports on environmental performance. In order to ensure that ENKA's environmental performance is

compliant both with the company's own standards and with local and international standards, the corporate and project departments inspect all activities regularly and actions are taken in accordance with corrective action plans for any cases of noncompliance. In 2023, in the light of the corrective actions determined as a result of audits conducted at ENKA's projects and subsidiaries, revisions were made to the projects' Project Sustainability Plan documents and to the Sustainability Manuals developed by ENKA subsidiaries, and improvements were made in the work of the projects and subsidiaries on targets and

performance indicators in the area of regarding sustainability and climate. Moreover, all these activities are also monitored at the level of the Board of Directors.

The Vice President who leads ENKA's Corporate Sustainability and Compliance Department and the HSE Department reports to the Chairman of the Board on the performance and outputs of all the management systems that incorporate the ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, and ISO 27001:2013 standards and mutually support one another. The Chairman of the Board has undertaken the responsibility to ensure the conformity of the company's performance in terms of sustainability, combating climate change and environmental management. During this process, the Sustainability Committee, the Early Identification of Risks Committee and the Risk Management Working Group provide consultancy to the Chairman of the Board. As part of the Management Systems, all processes are audited, audit results are reported to the relevant units which take necessary corrective and improvement actions. The effectiveness of the activities carried out by the relevant units is monitored. The Corporate HSE Manual, which describes the company procedures, is provided to all employees either physically or electronically, or through training. Representatives of ENKA and its subsidiaries are also provided information in this regard during Sustainability Committee meetings in which relevant issues are covered.

The sustainability and climate change strategy, risks and opportunities are managed with a holistic perspective that addresses the whole of the value chain. ENKA involves its customers, suppliers and other stakeholders in its sustainability and environmental initiatives with the awareness of collaborations and joint efforts will make a real difference. Accordingly, ENKA ensures that all the suppliers and subcontractors with which it

cooperates show the same sensitivity to the environment in their work, by providing them with training opportunities and carrying out audits. The environmental approach and performance which ENKA demands of its suppliers is clearly stated in the supplier contracts, the ENKA Supplier Code of Conduct and the procedures concerning the selection, evaluation and auditing of suppliers. The company's sustainability and climate change strategy is integrated into the general strategies of the company by means of an integrated risk management process. Besides the potential risks that arise from all the company's activities and projects, this process also entails the proactive identification and management of the opportunities that might be encountered with respect to sustainability and climate. Assessments are conducted regularly and strategic decisions are taken so as to be able to reduce risks and make maximum use of opportunities. All these efforts enable ENKA to achieve its sustainability targets, reduce its environmental impacts and increase its contribution to society. This approach also makes it possible to reinforce ENKA's short, medium and long-term climate strategy and to respond quickly and effectively to changes in the market.

ENKA carries out various activities to identify, measure, and eliminate or reduce its environmental impacts. A part of these activities is training provided to employees and relevant stakeholders. In 2023, a total of 8,000 person-hours of environmental training was provided by ENKA İnşaat to raise the awareness of employees and to inform them about their environmental responsibilities and about the environmental protection activities carried out by the company. In 2023, no significant fine or sanction was imposed on ENKA due to noncompliance with environmental laws or regulations in the course of its operations. The performances of ENKA and its subsidiaries in terms of their environmental targets – which are set in accordance with an assessment of their fields of activity and impacts – are monitored regularly, and the actions needed to reach these targets are taken accordingly.

In 2023, a total of 31,240 person-hours of HSE and sustainability training were provided to all employees working at the Kırklareli 850 MW Natural Gas Combined Cycle Power Plant Project. At the Yandex Headquarters Project, BREEAM training was organized for the project management team, employees and the engineers and architects at the ENKA Design Center.



Climate Action

ENKA aims and has pledged to make a significant contribution to the decarbonisation of the global economy and the fight against climate change. In this direction, ENKA aims to achieve zero net emissions by 2050. As the first milestone towards fulfilling this commitment, it has announced its long-term sustainability targets for 2030 and is working to achieve these targets. ENKA is carrying out activities in numerous areas – and especially in energy efficiency, innovation and renewable energy – to reduce its direct and indirect impacts and risks in terms of the environment and the climate and to prevent greenhouse gas emissions as far as possible.

ENKA's efforts to fulfill this commitment benefit from its integrated governance structure, into which its sustainability strategy and risk management are incorporated. The main units within ENKA through which climate change risks are managed are the Early Identification of Risks Committee, the Risk Management Working Group, the Sustainability Committee and the Corporate Sustainability and Compliance Department. In addition to these structures, the project management teams at ENKA projects have the responsibility to identify and manage these kinds of risks in their own projects. When assessing climate-related risks, ENKA addresses them within a broad framework that encompasses the risks that might arise from the impact of its activities on the climate and the risks that might arise from the impact of climate change on ENKA's operations. The decisions taken under this risk management mechanism embedded in the ENKA company strategy are also addressed at the level of the Board of Directors.

ENKA's transition risks and physical risks related to climate change are handled as part of the company's enterprise risk management structure. ENKA carefully follows various risks that are accepted within the scope of transition risks such as legal and technological developments and carries out various practices for identified risks. ENKA implements appropriate policies and strategies with the awareness that effective management of all ESG risks, including climate change, is important for reputation, value chain management, external investment and financing.

ENKA closely monitors both acute and chronic physical effects of climate change which are increasing worldwide day by day. Among these impacts, the intensity of acute effects such as extreme climate events, heatwaves and heavy rains have increased in recent years especially in our country and in all regions where ENKA operates. As part of its procedures for assessing the resilience of its strategy in the face of these growing risks, for identifying risks and opportunities and for updating its targets, ENKA conducts a range of scenario analyses for all its operations while keeping a close watch on climate events. The use of climate scenarios makes it possible to reinforce strategies to manage the potential impacts of future climate change. ENKA draws on the Sustainable Development Scenario published by the International Energy Agency (IEA) in matters related to energy and in the identification of transition risks. In the assessment of physical risks, Intergovernmental Panel on Climate Change's (IPCC) Representative Concentration Pathways (RCP) 2.6 and RCP 8.5 scenarios have been used primarily, followed by the RCP 4.5 and RCP 6 scenarios. In addition, during the evaluation of the resilience of the sustainability and climate strategies and determination of targets, ENKA has

benefited from the “Paris Aligned Well-Below 2°C” scenario given in the Climate Scenario Catalogue developed by the World Business Council for Sustainable Development (WBCSD) in response to the request of the Task Force on Climate-Related Financial Disclosures (TCFD). Additionally, the reports and guidelines of the Carbon Disclosure Project (CDP) and the Science Based Targets initiative (SBTi) are monitored with respect to the identification of environmental impacts, the effective management of water resources and the life cycle approach to value chain emissions. In all ENKA İnşaat projects, assessments are carried out for the environmental and social impacts of the project. Specifically, in the projects where work activities are conducted in close proximity to water bodies, watershed regulations and management are considered and additional emergency procedures are intently applied against incidents such as flooding. ENKA continues its work to achieve the target of net zero emissions by 2050 which it made public in the final quarter of 2022, benefiting from the UN Sustainable Development Goals, the recommendations of the TCFD and the findings of the IPCC, as well as to attain the intermediate targets for 2030 which constitute a part of the roadmap it has drawn up to reach this overall target. Accordingly, sustainability and climate workshops were held in 2023 for the North Macedonia Corridors 8 and 10d Motorway Project, the Kırklareli 850 MW Natural Gas Combined Cycle Power Plant and the Shotton Paper Mill Projects. Project-specific sustainability and climate targets were identified and action plans and performance indicators were developed in order to achieve these targets. In addition, follow-up workshops were held to evaluate the performance of the Yandex Headquarters Project, which organized its first sustainability and climate workshop in 2022, against the targets that were set, and to review the targets in view of the latest developments.

ENKA’s performance in 2023 with respect to these targets, set in the context of ENKA’s risk-based thinking approach, is provided in this report in “*Our Sustainability Performance*” section and in the tables at the ends of the chapters.

[*For more information on ENKA’s goals for 2050, please click*](#)



Energy Efficiency and Renewable Energy

ENKA is striving to reduce energy consumption and ensure energy efficiency in all its operations. For this purpose, it has been measuring and reporting on its energy consumption – including all the group companies – since 2016. Work is being done to increase energy efficiency in the buildings of ENKA and the group companies and all construction projects are also assessed with this point of view.

In order to reduce energy and fuel consumption, ENKA is committed to ensure energy efficiency for procured products and services, new investments and designs, production and in all processes. Accordingly, Çimtaş Steel, Cimtaz Pipe and the ENKA Power Plants have received the ISO 50001 Energy Management System certificate. In 2023, as part of the work being carried out on compliance with the ISO 50001 Energy Management System Standard, training on the implementation of the standards and internal auditor training were organized at ENKA Headquarters and at ENKA’s Real Estate subsidiaries. The ISO 50001 Energy Management System is planned to be extended throughout the ENKA Group by 2030.

In accordance with its Sustainability Strategy and its updated targets, ENKA continues its efforts to make greater use of renewable energy and to increase its investments in renewable energy in its own facilities. Accordingly, a 5,700 kWp DC, 4,600 kWp AC rooftop solar power plant has started to generate electricity at the Çimtaş Steel facilities. The 4,974 kWp capacity solar power plant established at Çimtaş Shipyard has been put into operation and has started to produce energy. Similarly, Cimtaz Pipe has put its 4,430 kWp solar energy project into operation. Moreover, Cimtaz Ningbo has begun to operate a 1.6 MWp rooftop solar power plant project, which supplies half of the electricity it consumes, and the company has broadened its sustainability initiative by acquiring

a Renewable Energy Certificate (REC) for the remainder of its electricity consumption which it obtains from the grid. With respect to the solar power plant project being carried out, also in 2023, at the İstinye Campus of the ENKA Foundation (130.9 kWp) and ENKA İstanbul Schools (524.7 kWp), the installation of the panels on the school roof had been mostly completed by the end of the year. ENKA intends to continue its investments in renewable energy in the years to come.

The plant at ENKA Kocaeli Schools, which was ENKA’s first investment in solar energy, produced a total of 84,825 kWh of solar power in 2023 with a power capacity of 63.8 kWp, meeting approximately 28% of the school’s annual electricity consumption. This first solar energy investment, at ENKA Kocaeli Schools, was expanded in 2023 with an additional investment of 131 kWp generating capacity.

The fuel and energy consumption of the ENKA Group in 2023 is summarised in [Annex 9](#). The total energy consumption of the ENKA projects and subsidiaries covered by this report was 41,269 TJ. The amounts of primary energy consumed annually are given in the table on the next page.

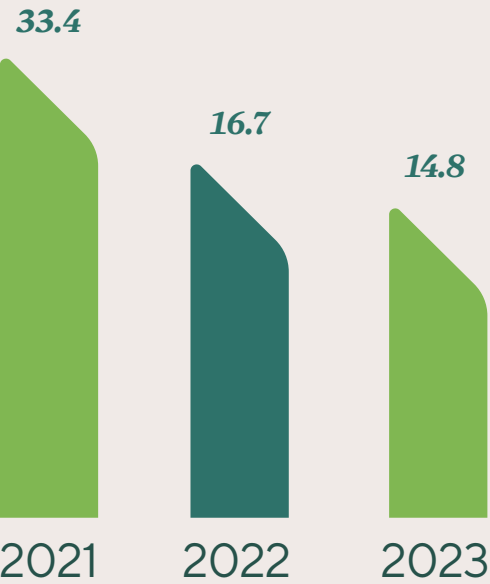
In 2023, the total energy consumption of ENKA Group decreased by approximately 19% compared to the previous year. The biggest factors behind this reduction are that the amount of power produced by the ENKA Power plants was less than in the previous year and that significant amounts were invested in renewable energy. In addition, the power and fuel efficiency initiatives and projects carried out by the construction projects and subsidiaries helped to reduce company-based energy consumption.

TJ	2021	2022	2023
Fuel Consumption	68,779	49,143	39,616
Electricity Consumption	1,093	1,177	1,147
Consumption for Heating Purposes and Steam Consumption	621	541	506
Total	70,493	50,861	41,269

In the calculation of energy intensity, all the internal energy expenditures (fuel, electricity, heating, cooling and steam) of the subsidiaries and projects in the scope of the report have been taken into account and included in the calculations.

Terajoules of energy expended per US dollars of annual revenue was used as the indicator of intensity. ENKA’s energy intensity in 2023 was calculated as 14.8 TJ/ USD million.¹²

Energy Intensity by Years
(TJ / Million USD)



Reduction of Emissions from Machinery and Equipment

In order to minimise the greenhouse gas emissions from the vehicles and construction machinery used on its projects, ENKA İnşaat has been renewing its machinery park with environment-friendly equipment. Priority is given to vehicles with low-emissions in the equipment procurement plans that are drawn up every year. As a result of the efforts made in the past six years, items of low-emission machinery and equipment account for 87% of the total machinery and equipment park. In addition, the park contains 609 electrical and hybrid-class construction machinery. Efforts are being made to increase the ratio of low-emission items each year and to procure environment-friendly machinery and equipment.

¹² Only includes the revenues of the companies covered by this report.

Greenhouse Gas Emissions

ENKA is aware of its responsibility for transparency in the reporting of its greenhouse gas emissions, and no ENKA company under the management control of ENKA or which has a significant environmental impact has been excluded from the scope of its reports. The calculations are based on the ISO 14064-1 standard and the GHG Protocol Corporate Accounting and Reporting Standards, and IPCC, DEFRA, US EPA, T.C. ETKB, Climate Transparency Report, IEA and IRENA data have been used for the conversion factors.

ENKA’s carbon footprint calculations cover: ENKA İstanbul Headquarters; ENKA Power’s Adapazarı, Gebze and İzmir Plants; Çimtaş Steel, Module & Shipyard, Precision Machining, Cimtas Pipe and Ningbo; ENKA Pazarlama; the real estate subsidiaries (ENKA TC, CCI, MKH & OMKH, MosENKA, ENKA Invest and ENKAMOS Region); the Yandex Headquarters Project in Russia; the Hinkley Point C Nuclear Power Plant Project and Shotton Paper Mill Project in United Kingdom; Kırklareli 850 MW Combined Cycle Power Plant Project; the Morava Motorway Project in Serbia; Corridors 8 & 10d Motorway Project in North Macedonia; the Tengiz Base Operations and Maintenance Works and Tengiz Third Generation (3GP) Project in Kazakhstan.

Direct (Scope-1), indirect (Scope-2) and other indirect (Scope-3) greenhouse gas emissions from 2023 activities of ENKA were included in the calculation. Greenhouse gas emissions resulting directly from ENKA’s activities are categorised as “Scope-1 direct greenhouse gas emissions”, while greenhouse emissions due to energy consumption from externally sourced electricity, heat and steam are categorised as “Scope-2 indirect greenhouse gas emissions due to energy consumption”.

The calculation of “Scope-3 other indirect greenhouse gas emissions” takes account of the purchase of raw and intermediary materials, capital goods, emissions from procured fuel and energy that are not included in Scopes-1 and 2, the disposal and recycling of waste (including wastewater), employee transport (shuttles/buses), business travel (flights), the delivery of sold products to customers and emissions caused by the disposal of sold goods at the end of their life span. Tables showing Scope-1, Scope- 2 and Scope-3 values and intensities of ENKA Group for the last three years are presented in [Annex 10](#). Scope-1, Scope-2 and Scope-3 greenhouse gas emissions from ENKA operations in 2023 are shown in the graph on the next page.

In 2023, there was a decline in the total Scope-1 emissions of the ENKA Group. The biggest factor in this decrease is that the energy production activities of ENKA Power plants were less than the previous year. In addition, the fuel conservation and energy efficiency initiatives and projects carried out by the projects and subsidiaries helped to reduce company-based Scope-1 emissions. In Scope-3 emissions, a reduction was achieved by means of processes such as the transition to renewable sources of energy, route optimization and improvements in stock management and production planning. With respect to Scope-2 emissions, efforts are also being made to reduce the greenhouse gas impact of ENKA’s operations to a minimum through investments in renewable sources of energy and the use of alternative sources of energy. As a result of these efforts Scope-2 emissions were reduced despite the increase in the number of companies and construction projects covered by the report.

Scope-1, Scope-2 and Scope-3 Greenhouse Gas Emissions (tCO₂e)



Air Emissions

Air-pollutant emissions arising from the activities of the ENKA Power and Çimtaş Steel facilities are carefully monitored using Continuous Emissions Monitoring Systems (CEMS) in keeping with the parameters established by the regulations. The ENKA Group also monitors and reports on the SO₂, PM and NO_x emissions from the ENKA Power Plants, which are not subject to continuous measurement under the Regulation on the Control of Industrial Air Pollution. The cumulative air pollutant emission figures for 2023 are shown in the following table.

Air Pollutant Emissions

Pollutant	Emission (ton)
NO _x	859.4
SO _x	1.9
VOC	11.7
PM10	2.6
CO	72.6



Climate and Energy Efficiency Efforts in 2023

ENKA Group is undertaking a variety of efforts in the areas of energy conservation and efficiency in order to lower its energy consumption and carbon emissions. ENKA is committed to reducing its carbon footprint and energy consumption and accordingly prioritizes nature-based solutions. As defined by the World Bank, nature-based solutions are actions to protect, sustainably manage or restore natural ecosystems that address societal challenges such as climate change, human health, food and water security and disaster risk reduction effectively and adaptively, simultaneously ensuring human well-being and biodiversity. The most prominent among these efforts are summarised below.

ENKA is one of the sponsors and a member of the Steering Committee for the research report on “The Role of Forests and Sinks in Combating Climate Change in Türkiye” being developed by the TÜSIAD in order to contribute to work on the adoption of sustainable forest and land management approaches in Türkiye and on the exploitation of the potential of sinks which are critical to the balancing and reducing carbon emissions, and the development of policies in this regard.

The World Wildlife Fund (WWF) holds an “Earth Hour” event every year. This year, the “Earth Hour” appeal from WWF-Türkiye was held on March 25th to commemorate those lost in the major earthquake that occurred in February. Millions of people supported the event by switching off the lights in their homes and workplaces. ENKA and its subsidiaries switched off their lights for an hour in support of the event.

The conversion of the lighting of the ENKA Group’s buildings and of the camps and offices of the ENKA construction projects to LED lighting continues. As part of this work, the Morava Corridor Motorway Project camps and the Yandex Headquarters Project office were set up using LED lighting, while about USD 15,000 was invested in the conversion of the Tengiz Project to LED. At ENKA Adapazarı Schools, the lighting fixtures of the primary school building were replaced with LED alternatives.

Yandex Headquarters Project

A contribution was made to improving the ecosystem in the region of this project by planting 4,000 trees to make possible the reforestation of a 4-hectare area of land in the Kaluga that has lost its forest status.

Furthermore, the employees on the project were provided with training on “Measures to Reduce Emissions”, an important step towards reducing project emissions that are caused by the use of machinery and equipment. Machinery and equipment operators in particular took part in this training, which constitutes an important step towards achieving the project’s sustainability and climate targets.

Shotton Paper Mill Project

The consumption of 19.2 MW of electricity was avoided in 2023 by means of improvements to the lighting systems in the project offices and the use of sensor systems.

ENKA Headquarters

A smart system started to be used at the Meeting Center at ENKA Headquarters to reduce the amount of electricity consumed by air conditioning equipment. The system makes it possible to control multiple systems remotely at the same time. In this way, the operating hours of all the air conditioners in the building have been brought under control, ensuring that they operate only for the necessary periods of time. Limits set for the desired levels of heat to ensure that the room temperatures are maintained at normal seasonal levels.

ENKA Real Estate Companies

To reduce energy consumption and carbon emissions, work was carried out on the optimization of equipment work programs, the revision of equipment automation algorithms, the conversion of lighting fixtures to LED, the modernization of meters, the replacement of missing meters and the installation of motion detectors in common spaces. Additionally, an energy policy and energy manual were developed as part of the work on compliance with the ISO 50001 Energy Management Systems Standard.

ENKA Power

Non-greenhouse gas aerial emissions are being reduced at the ENKA Power plants by using dry low-nitrogen oxide (DLN) combustion technology as the combustion technology in the gas turbines.

Cimtas Pipe

Natural gas consumption was reduced by 35% by double-loading the heat treatment furnace.

Gain: 278 kWh/ton

Çimtaş Steel

- ◆ The energy losses of the MIG/MAG welding and rolling machines used throughout the factory were reduced.
- ◆ The amounts of materials expended and energy consumed during tower manufacturing were reduced by improving the forms of the weld bevels.
- ◆ A reduction in diesel consumption has been achieved by reducing the movement of cranes and modular transporters in the tower manufacturing areas. In addition, the number of mobile lighting units used in these areas has been reduced.
- ◆ Energy gains have been achieved through pressing and blasting machine optimization.

**Gain: 110,425 kWh/year
and 900 m³ natural gas/year
+ 4,800 litres of diesel fuel/year**

Çimtaş Shipyard

- ◆ Energy savings have been made by reducing the energy consumption of the MIG/MAG welding machinery used throughout the shipyard, reducing the use of rollers and revising the submerged arc welding process.

- ◆ Fuel savings have been made by optimizing the movements of forklift trucks in the wind tower projects.

- ◆ The movements of cranes have been reduced to a minimum through the introduction of a wheeled sling pot in the manufacturing hall.

Gain: 105,446 kWh/year

Çimtaş Precision Machining

- ◆ Even though the volume of production rose by 50% in 2023 by comparison with 2022, the increase in energy consumption was only 10%, so that the amount of energy expended per product fell to an all-time low.
- ◆ Energy was saved by optimizing the paint curing time.

Gain: 4,260 kWh/year

ENKA Kocaeli Schools

In a project to generate electricity from the two-directional currents in the straits of İstanbul and Çanakkale which was prepared by students for the TÜBİTAK High Schools Research Project Competition, an attempt was made to generate electricity by using the current to move a rotor to be fixed under water.

In addition, a project was developed to investigate the biodiesel production capacity of the Halotolerant Bacillus Australimaris at various salt concentrations. Biodiesel was produced by using the lipase enzyme obtained from the halotolerant bacteria developed at various salt concentrations to break down the lipids in waste vegetable oil.

ENKA Adapazarı Schools

In a project developed by students for the TÜBİTAK 2204-D Climate Change Research Projects Competition, it is planned to use windcatchers, a traditional architectural element used for natural airing and cooling in many cultures in the past, as an environment-friendly alternative to air conditioners for providing interiors with cool, clean air.

ENTAŞ

ENTAŞ received a "Sustainable Aviation Fuel with Lufthansa" certificate on behalf of ENKA for balancing the carbon dioxide emissions stemming from the burning of jet fuel on the flights of ENKA employees on Austrian Airlines, Brussels Airlines, Lufthansa and SWISS with Sustainable Aviation Fuel (SAF). This was a first for Türkiye. In this way, ENKA compensated for 76 kg of carbon dioxide resulting from the flights of its employees.



Sustainability Corner

I took my first step into corporate business life in 1993 as an intern at ENKA. I have now clocked up an unbroken 30 years with the company. For the past two years, I have been serving as Director of Real Estate and Investment. As such, I manage the operations of our real estate subsidiaries and their project development / investment processes. Besides this, I am performing the function of General Manager at ENKA TC, a real estate subsidiary of ENKA.

ENKA is one of the major actors that drive the commercial real estate sector in the Russian Federation. As of today, the total area of the commercial properties which we own and operate has reached 1.4 million square meters. The properties in our portfolio include A-class office buildings, multifunctional shopping centers and a five-star hotel complex. In our buildings, while we host about 2,000 tenants, including some of the world's largest companies from various sectors, we are providing employment to approximately 65,000 people in our own organization and through our tenants, who are among our most important stakeholders.

We conduct the processes related to the development and management of commercial real estate using our own resources. As the ENKA Real Estate Group, we aim to grow in a way that conforms to our ESG principles and sustainability criteria, transferring the experience which we have acquired in this sector in our region to other parts of the world.

It has been a long while, we have all become aware that an approach which prioritizes solely

large profits is insufficient if one wishes to be a permanent and sought-after actor and to create high value in the real estate sector. Alongside this aim, an approach which centers on people and the environment has come to the fore. We place great importance on these issues in the projects which we develop and in the buildings included in our portfolio. What we are now witnessing, moreover, is that conformity to these criteria, and to sustainability, is increasingly turning from a "nice to have" quality to a "must have" in local legislation and in the eyes of public.

The value of commercial real estate projects is measured in terms of Net Operating Revenue. In order to raise this figure, it is essential to be able to increase revenues and reduce operating, maintenance and renovation costs. This is where the importance of ESG principles and sustainability in our sector becomes clear. During the leasing processes we manage, we have observed that buildings based on ESG criteria and sustainability are more preferred by tenants, their rental rates are higher and these rates have the potential to increase.

In addition to what I have mentioned, for real estate investors who need additional resources in the sector; ESG criteria and sustainability are important as they provide the opportunity to obtain project financing and benefit from possible incentives.

The real estate sector in the geography we work in has spent the last 2 years under the shadow of economic and geopolitical disturbances. Throughout this period, we have been striving first and foremost to maintain our activities and



Sustainability Corner

keep them profitable and sustainable. Besides this, we have also been focusing, together with our stakeholders and employees, on improving aspects of our work that are related to environmental and social matters and making them more systematic. Together with our colleagues, we have been conscious of our responsibilities to the environment and society when managing our buildings and have sought to offer high-quality services in line with ESG principles. To this end, we at the ENKA Real Estate Group have determined the strategic targets which we aim to achieve by 2030. Some of our most important targets are to reduce our carbon footprint, to adopt environmental approaches in our existing real estate projects and in those we develop in future, and to optimize our resource consumption with the aid of new technologies and systems.

To put this in more concrete terms, we have set ourselves a goal of reducing our carbon footprint by 27% by 2030 (in comparison with our benchmark year of 2018). We identified the measures to be taken and the action plans to be adopted to achieve this target in a study which we undertook approximately two years ago. In accordance with our targets and the measures we have taken, we achieved the following in 2023:

- ◆ We reduced our Scope-1 and Scope-2 emissions by 15% in comparison to 2018. We also started to consider the option of purchasing renewable energy as a way of reducing our carbon footprint further.

- ◆ We highlighted the idea of using decorative elements and furniture made from recycled materials in the interior and exterior decoration of our buildings.

- ◆ We started to replace the electric vehicle charging stations which we have in many of our buildings with new types of station that will reduce charging times from 4-6 hours to 40-60 minutes.

- ◆ We prepared and published a "Sustainability Guideline for Tenants" for the benefit of our tenants, who are one of our most important stakeholders. This guideline reflects our company's sustainable development principles and it contains practical recommendations to our tenants on repairs and furnishings, the optimization of indoor energy/water resource consumption, and waste management (minimizing the proportion of waste that is not sorted out). One of our top priorities at the ENKA Real Estate Group is to ensure that the recommendations and suggestions made in this guideline are implemented to the maximum extent possible, thus increasing the proportion of tenants who share our ESG vision.

- ◆ We started to work with a local innovation agency on reducing our negative impacts on the environment. With the aid of this agency, we became acquainted with start-up companies with initiatives in the areas of waste management, energy management and innovative practices, including artificial intelligence applications, and were able to test the products they have developed and analyze the results together. We

also started to adopt those applications which we feel we can make use of in the processes which we manage. To give a specific example, we tested an application which uses the technique of Electric Field Vector Mapping (EFVM) to identify the points in the roof insulation of our buildings which are causing water leaks and are in need of repair, and started to use this application regularly. We have found that this application makes it faster and easier to locate the points at which leaks are occurring, and that the expenditure we make for this purpose is much lower than if alternative methods were used.

- ◆ We began the compliance and certification process for the ISO 50001 Energy Management Standard. The adoption of this standard will contribute to an improvement in the energy performances of our real estate companies and buildings and a reduction in our operating costs. Indirectly, it will help to reduce our carbon footprint as well.

- ◆ At one of our real estate companies, ENKA TC, we introduced an innovative orientation program intended to enable both new recruits and employees whose positions and responsibilities have changed to adapt more rapidly to the new departments and processes. Based on this adaption program, which is specific and different for each employee, meetings are organized among managers and employees from different departments and joint visits are paid to the buildings in the portfolio. Moreover, we launched an internal training initiative through which the company's employees are able to share their own professional experience with other employees within the company, especially new recruits.

- ◆ We organized 38 voluntary activities in our shopping centers for donations and educational purposes. Meanwhile we continued to support social projects. We headed up a project to deliver used clothing and books, which we collected from our stakeholders in the same buildings, to people in need and libraries in remote towns and villages. Another of our activities which I would like to mention here is the role we played in the development of our stakeholders by organizing a football tournament to support athletes in the Federation of Blind Footballers.

I would like to share one more aspect: In our commitment to sustainability, we place great emphasis on empowering our stakeholders, particularly our employees, with the skills of adaptability and resilience. This enables them to anticipate risks proactively and respond swiftly and flexibly to any challenges that may emerge. We are dedicated to relentlessly advancing our efforts in continuous improvement and development along these principles.

Murat Duran

Director of Real Estate and Investment

Water Management

ENKA is well aware that climate change, the increase in the population and changes in consumption habits are making it more and more difficult to access reliable supplies of clean water. Conscious of the risks in water management and access to water, the company has adopted a responsible approach to water management in accordance with its Sustainability and HSE Policies and in compliance with the requirements of the ISO 14001 standard. Accordingly, it is working to increase its efforts in water recycling and re-use and to reduce the amount of water withdrawal. It is also pursuing its activities to extend responsible water management to the whole of its value chain.

The Aqueduct Global Water Risk Atlas provided by the World Resources Institute (WRI) is used to annually assess the water risks, stress and shortages in the many different regions of the world where ENKA operates. When evaluating the sustainability and climate change risks and opportunities before embarking on new investments and operations, ENKA includes an assessment of the risks and opportunities with respect to water management and security.

Before initiating an operation, and at regular intervals thereafter, assessments are conducted to determine the condition of the water resources in the area, the level of water stress and the quality of the drinking and wastewater, and actions are taken to address any areas for improvement that are identified. In addition, projects aimed at reducing water consumption are developed and implemented in suitable ENKA activities. Regular training is also given in all ENKA Group companies to raise awareness among employees, information is disseminated to encourage greater consciousness about water management, and proposed solutions for reducing the consumption of water are shared.

The practices implemented during the course of the year made an important contribution to water efficiency. ENKA is also continuing to conduct activities to reduce water withdrawals, increase water efficiency, improve monitoring systems, re-use and recycle water and harvest rainwater in order to improve its water performance in line with the long-term water consumption reduction targets which it has adopted for 2030. In this way, the management of matters related to water management is integrated into the company’s strategies.

Water consumption, withdrawal and wastewater discharge points of ENKA’s operations varies depending on the source of the water (e.g., underground water, surface water, municipal water, sea water), the conditions in the region concerned, the scope of the work and the requirements of the project. ENKA interacts and cooperates in various ways with all relevant stakeholders including the local communities, local authorities and NGOs. Accordingly, for all its solutions, ENKA obtains the necessary permits from the local authorities in the area and internal and external audits are conducted to ensure conformity with their requirements. In addition, ENKA develops plans over and above the requirements of the relevant legislation for the preservation of all the water resources which are located in the vicinity of its operation, or which may be affected by its activities, and takes all the administrative and physical precautions which these plans call for. All these activities are also followed up at the level of the Board of Directors.

The main activities in which water is consumed on ENKA’s projects are watering to prevent dust, tests, the manufacture of materials such as concrete and asphalt in plants, and the use of water for domestic purposes. All wastewater is discharged

in compliance with the relevant legal discharge limits and the specifications of customers, and periodic analyses are conducted to monitor conformity. Discharges are made on the basis of the most stringent of all the standards that may apply. Depending on the scope of the project, the sector-specific standards of international financing institutions (e.g. World Bank, IFC) may also be followed. If the region in which ENKA is working has a sewage system, then use is made of this system. Otherwise, the wastewater is discharged into various receptive environments after being treated in accordance with the relevant discharge quality parameters.

A comparison of the water consumption data for 2023 with the data for 2022 indicates that the total amount of water withdrawn reduced by about 33%, thanks to the efforts made to save water, and the fact that the amount of power produced by the ENKA Power plants being less than the previous year. This reduction was achieved despite the increase in the number of companies and construction projects included in the scope of the report.

The pollutant loads in the wastewater generated by ENKA’s operations in 2023 are presented in the table below.

Amount of Wastewater Pollutant Loads*

Pollutant	Unit	Pollutant Load
Chemical Oxygen Demand (COD)	tons/year	344.2
Biochemical Oxygen Demand (BOD)	tons/year	153.4
Total Suspended Solids (TSS)	tons/year	158.1

* The increase by comparison with last year’s data is due to a miscalculation in the preceding report.

Wastewater, even if it is discharged into a sewage network, is tested by means of an accredited laboratory in order to observe the quality of the water discharged. The data on the wastewater is examined in detail, especially in terms of its pH, COD and BOD values and the levels of Nitrogen, Phosphorus, TSS and coliform bacteria.

The amounts of water withdrawal and discharge by source is presented in [Annex 12](#).





Water Efficiency Efforts in 2023¹³

Tengiz Oil Field Development Works

A total of 17,067 m³ of water was recovered and re-used in 2023 as a result of the use of a package treatment system to treat the water used in the camp area.

Yandex Headquarters Project

The sludge settling system which has been set up at the tire-washing stations located at the entrances to the project used by vehicles enables the same water to be re-used for the washing process. As a result, 2,900 m³ of water was recovered and re-used in 2023.

Morava Corridor Motorway Project

A total of 4 settling basins have been constructed in the equipment workshop within the Project's Krusevac camp so as to be able to re-use the water used for washing vehicles. These are a sludge settling basin, oil and diesel settling basins and a clean water basin. In this way, the wastewater undergoes preliminary treatment in the settling basins before it is transferred to the discharge system, preventing any potential pollution.

CCI

Besides the smart building systems and periodic maintenance work, a water use monitoring system was put into operation that makes it possible to monitor the water consumed in the buildings in real time. Thanks to this system,

water savings were made, while the replacement of the water meters in the mechanical rooms led to the elimination of all leakage losses and excess consumption. As a result of this work, water consumption in 2023 fell by 7% in comparison with 2022 and by 22% in comparison with the base year, 2018.

ENKA Power

In 2011, in order to minimise the water impacts of its electricity generation activities at its power plants in Adapazarı and Gebze, ENKA converted the water demineralisation facilities from an ultrafiltration system to a reverse osmosis system, thus increasing water efficiency and minimising the amount of groundwater used. Besides the saving on groundwater, the amount of wastewater produced in the system, the consumption of chemicals, the indirect logistic emissions arising from the procurement of chemicals and the amount of contaminated waste produced were all reduced. The water monitoring system was also improved, and loss of water in the system was prevented by carrying out regular maintenance of the well and equipment.

Specifically:

- ◆ The commissioning of the reverse osmosis system extended the regeneration (renewal) periods 21.5 times, so reducing the amount of valuable and limited well water used.
- ◆ The amount of wastewater decreased due to the reduction in the use of water.
- ◆ With respect to hazardous chemical substances, the consumption of hydrochloric acid was reduced by 89% and the consumption of sodium hydroxide by 92%.

Through this project, a saving of 19,826 m³ was made in the amount of water used in 2023 by comparison with the amount that would have been used if the facilities had not been converted to the reverse osmosis system.

Meanwhile, the closed loop cooling system used at the ENKA power plants ensures the efficient use of water resources, since it operates by means of reusing the water without constantly withdrawing water from the natural environment.

The İzmir Power Plant, for its part, started to use demineralised water obtained from sea water by means of a desalination system as of August 2011, instead of water from a dam. As a result of this change, approximately 250,000 m³ per year of dam water was conserved and consequently the formation of about 50 tonnes of sludge cake annually was prevented. With the transition to the desalination system, the regeneration periods in the ion exchanger units

were extended from one washing for every 516 m³ of production to one washing per 10,000 m³. This led to a substantial reduction in the consumption of hydrochloric acid and sodium hydroxide, chemicals used in the regeneration process. Moreover, the amount of demineralised water used for regeneration purposes was reduced approximately 20 times over.

ENKA Kocaeli Schools

The "Power Generation by Filtering Wastewater at Source" project developed by students for the TÜBİTAK Research Project Competition aimed to generate electricity by filtering and treating the rainwater and wastewater categorized as grey water collected in mass housing estates and to help to build a generation sensitive to water pollution and similar matters and conscious about these issues. The system developed had the objectives both of ensuring water efficiency and of producing electricity.



¹³ A total of 500 smart meters belonging to 9 companies (Cimtas Pipe, Çimtaş Module & Shipyard and Precision Machining, CCI, ENKA TC, ENKAMOS Region and all the ENKA Power plants) are being used to ensure that water consumption can be monitored in ENKA's subsidiaries. These are located at the main points of consumption, and particularly in operations like real estate buildings where consumption needs to be measured in separate sections.



Harun Doğan

Project HSE Manager

With the Kırklareli Combined Cycle Power Plant Project now under construction, we at ENKA have taken on an important mission for the growth and development of the surrounding region. Our initiatives to leave a clean and livable world to future generations are making further progress as a result of our sustainable waste management policy.

In 2023, a total of 2,093 person-hours of training were provided to 1,164 people in resource use, recyclable waste and the use of water. In addition, a hazardous waste collection area has been built of reinforced concrete within our project site where hazardous waste is collected and prevented from contacting the soil. A separate storage area has been set aside for recyclable waste such as plastic, packaging, iron, paper and wood waste. We keep track of the entire process through to the disposal of the waste and record it in our own system. All our waste management stakeholders are licensed firms and all necessary permits are obtained. While managing these procedures, we also conduct periodic analyses and hold meetings with the project management to assess how to reduce waste at source.

One of the most important decisions taken at these meetings was to provide the necessary financing for the revision of the wastewater from the domestic treatment facility already established in our project to the reuse water in order to reduce the amount of water used during the construction phase of the project and to start the relevant work. The water we

will obtain with this revision, which we will put into operation in January 2024, is planned to be used as concrete irrigation, field irrigation to combat dust, and irrigation water for our afforestation project, which is also among our plans in the future. With this project, we aim to significantly reduce water use. As ENKA Kırklareli Project, we do our part to establish a sustainable future and use all our resources to raise awareness of the local communities and our employees.



Waste Management and Circular Economy

Aware of the critical role which the circular economy approach and waste management play in the fight against environmental pollution and climate change, ENKA has adopted an integrated approach which is compliant with the local legislation in the places in which it operates, with international standards and with ENKA's own Sustainability and HSE policies, and which minimizes waste, promotes resource efficiency and maximizes recycling and re-use. Waste management is shaped in compliance with the requirements of the ISO 14001:2015 Environmental Management System and in line with the vision of continuous improvement and the principles of the circular economy. It is conducted under "Waste Management Plans" drawn up in adherence to the principles of waste hierarchy. ENKA works to extend its responsible approach to waste management throughout the value chain, to establish it as a common value and to reduce environmental pollution.

ENKA, whose primary goal is to reduce and eliminate the waste generated during its operations at the source, invests in new technology and equipment in order to reduce the possible environmental impacts caused by waste generation, increase resource efficiency and prevent waste generation. In cases where it is not possible to prevent waste generation, it prioritizes

maximizing recycling and reuse rates by increasing the efficiency of waste reduction and waste separation systems at the source. The amounts of waste that cannot be recycled are recorded regularly and are disposed of with appropriate methods through licensed waste disposal companies. Resource use, waste management and environmental impact are among the prequalification assessment criteria in product or service procurement processes. In addition, in order to increase the environmental awareness of all employees, employees are periodically informed about environmental pollution and waste management and environmental training is provided in this context.

In all operations the waste that results from the company's activities is separated at source by type and the amounts are regularly measured and monitored. The amounts of waste generated at ENKA's subsidiaries and projects in 2023, and the means by which they were disposed of, are summarised in the table in [Annex 13](#).

Details of the leakages and spillages that occurred during the reporting year are given in the table below. All of the leakages were in the Tier-I and Tier-II categories. In all cases, the leakages and spillages were dealt with in accordance with the legislation.



ENKA Group Leakage and Spillage Incidents

	TIER-I Less than 2 litres	TIER-II Between 2 litres – 20 m³	TIER-III More than 20 m³
Amount of Leakage & Spillage	2 litres	383 litres + 11.35 m³	0
Number of Leakage & Spillage Incidents	2	26	0

Life Cycle Approach at Çimtaş

At Çimtaş, all the environmental impacts of a product throughout its life cycles are assessed, and projects are developed which encompass all processes including design, procurement, production and the use of the product by the customer and disposal.

Impact assessments have revealed that the greatest impact occurs at the stage of the production of raw materials. In order to reduce the impact arising from the production of raw materials, a circular economy perspective has been adopted, and projects have been developed to minimise the environmental impacts of products throughout their life cycles right from the design stage by designing them in such a way as to increase resource efficiency and reduce the amount of waste generated. Recyclable materials are selected as raw materials for products where this is possible.

Lean production techniques are applied for production processes, and all possible precautions are taken to minimise the use of natural resources and hence to reduce the resulting environmental impacts. Attention is paid to the environmental aspects of resources consumption and impact assessments are conducted. Consumptions are analysed, and kaizen and improvement studies are carried out with a view to reducing the levels of consumption to a minimum.

Energy assessment is conducted when purchasing new machinery and equipment, and machinery and equipment with the lowest possible consumption are selected. Energy consumption assessments of existing machinery and equipment are conducted, improvement opportunities are searched and possible technological and/or operational improvement studies are carried out. When

purchasing chemicals, the effects of the chemical substance on the environment and human health are investigated and the least harmful chemical substances are preferred.

To prevent and minimize the negative impacts on the environment of all waste from operations, waste is separated at the source and subsequently reused, recycled, and disposed of as specified in the legislation in force.



Waste Reduction Efforts in 2023

Morava Corridor Motorway Project

The hazardous and non-hazardous waste generated at the equipment yards in Adrani and Krusevac are separated by type at its source. In consequence, less waste is sent to the waste storage sites and waste such as oils, iron, batteries and tires, which can be put to various uses, can be recovered for other sectors. Since 2020, 28,000 kg of waste construction iron, 17,140 kg of waste tanks and 10,840 kg of waste tires have been sold and made available to the circular economy.

The project has a fleet of machinery and equipment consisting of 1,311 items, most of which use hydraulic systems. The project recently set up a recovery unit which cleans the hydraulic fluids and prepares used fluids for re-use, thus preventing the waste of these fluids.

In addition, waste tires and brake drums are re-used by employing them in the landscaping of open spaces.

In 2023, the project also launched a "Resource Management Campaign" to raise awareness about effective waste management and involve the employees more actively in this process. The campaign included posters displaying best practices in waste management, workshops and a photography competition. The winner of the photography competition was rewarded with an electric scooter for sending in a photograph which illustrated an innovative way of using waste as a resource.

Yandex Headquarters Project

A Material Efficiency Plan and Green Procurement Plan are being used on the project which aim to ensure compliance with BREEAM standards, increase material efficiency, preserve the materials which enter the project site and reduce the consumption of energy and other resources, and which serve as a guide for the project in these respects.

By making it obligatory for all wood products to be used in the project, including paper, chipboard, and timber, to be FSC certified; it is ensured to contribute to the prevention of unauthorized and unplanned tree cutting.

Approximately 90% of the wood, scrap metal (rebars, cables and other metal waste) and cardboard waste generated by the project is separated out and sent for recycling. Similarly, the waste engine oils produced on the project are collected and delivered to a certified waste oil firm to ensure that they are recycled. The great majority of the project's concrete waste is separated and re-used through certified firms. Furthermore, about 20 tons of rock wool was recycled as part of efforts to increase the quantity and variety of the products recycled on the project.

Tengiz Oil Field Development Project

Use was made of the waste bread collected up in the project canteen as animal fodder. Over a period of 3 months, about 3 tons of waste bread was collected, and the amount of waste generated each month was reduced by 60%.

The volume of waste was reduced by 75% by means of the food waste dryer used in the project canteen.

Kırklareli 850 MW Combined Cycle Power Plant Project

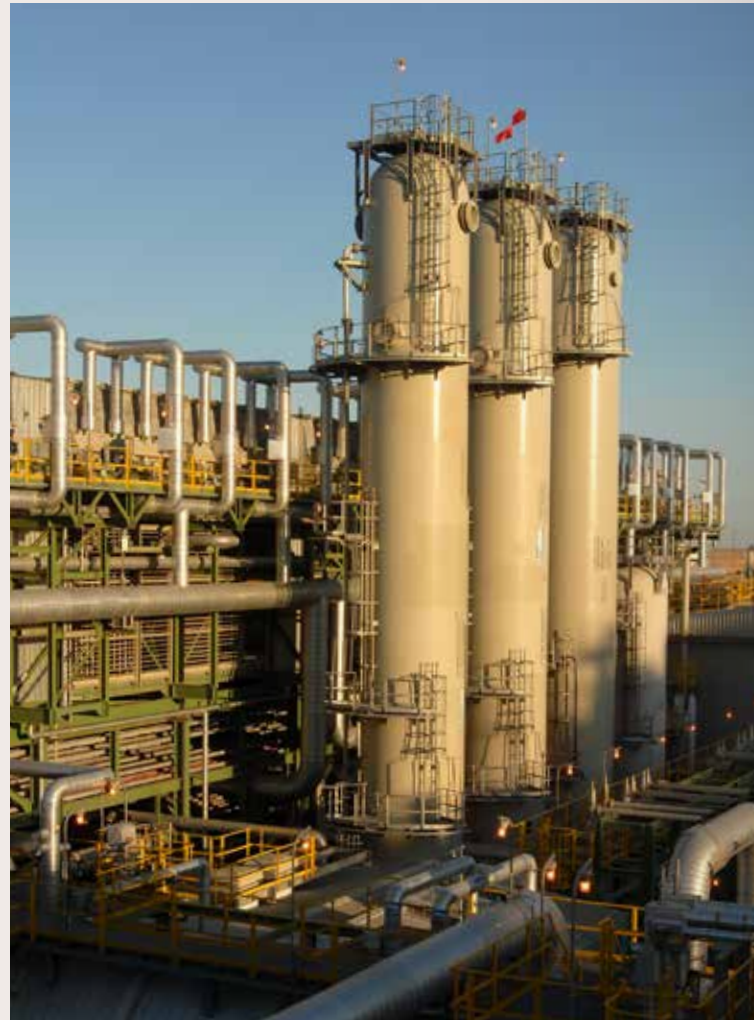
The project's waste management structure was planned with a "zero waste" perspective. Accordingly, zero waste training has been provided periodically to all the employees as part of their environmental and sustainability training. In the course of 2023, a total of 520 person-hours of training was provided on this topic.

Cimtas Pipe

The amount of wood used for packaging was reduced from 0.87m³ per frame to 0.57m³ per frame. In this way, a 35% improvement was achieved per frame. On an annual basis, approximately 3,840 trees were saved. The packaging waste potentially generated on customers' sites was reduced by the same ratio.

ENKA Adapazarı Schools

Students developed a project to inform the authorities about the environmental pollution caused by the burning of waste materials generated during the tractor construction process at the tractor factory in the city and to raise awareness about recycling methods that will reduce the resulting damage.



ENKA İstanbul Schools

During the year, about 4 tons of wastepaper were collected and donated as part of the continuing cooperation with the TEMA Foundation.

ENKA Kocaeli Schools

A project was carried out on the production of shape-memory plastic materials from sustainable bioplastic obtained from rice stalks with the aim of increasing the biodegradability of a plastic product by using the straw and shells that are left over after harvesting rice, and which may be considered to constitute waste, in place of the filling materials used in the plastics sector. The project won first prize in the Environment and Energy Technologies category in the 2023 Teknofest finals.

Biodiversity

ENKA aims to make a positive impact through its actions to restore, maintain and enhance biodiversity and to prevent any potential negative impact. ENKA avoids all kinds of activities that could have a negative impact on local biological diversity. In accordance with its *Biodiversity Policy*¹⁴, it takes all the necessary measures to protect the existing flora and fauna and manage any impacts it may have on them in all of its activities. These measures include the development of Environmental Impact Assessment (EIA) reports for the projects to be carried out, the identification of the flora and fauna within the project impact area, and the identification of measures to be applied to protect them. These measures are implemented throughout the duration of each project and required monitoring and measuring activities are carried out in line with the project-specific Biodiversity Management and Action Plans. The major activities carried out for the protection of biodiversity at ENKA İnşaat projects in line with the Biodiversity Management and Action Plans in 2023 were as follows.

Nassau Cruise Port Marine Works Project

When commencing the Nassau Cruise Port Marine Works Project on the Prince George Wharf in the Bahamas, ENKA ensured that the sea turtles that are of great importance for the region's ecosystem and the local culture were transported to safe locations. In the same way, the trees on the project site which are classed as protected species (31 Mahogany trees, 2 Guaiacum trees and 1 Guapira tree) were identified before the construction work begun and were transported to the premises of various state schools on the island and planted there. All trees have been confirmed to be alive after transplanting.

Corals are known as critical components of the tropical marine ecosystem of the Bahamas as they are able to build reef structures that support high biodiversity. Corals that were detected in the impact area of the project were removed from the seabed and harbor walls and relocated at suitable alternative habitats. With the support from experts of Perry Institute of Marine Sciences (PIMS), approximately 700 reefmaking stony corals (*Pseudodiploria* sp., *Orbicella* sp., *Porites astreoides*) ranging in size from 10 cm to 1 m were removed from the seabed and harbor walls and transported to suitable habitats.

Monitoring program for displaced corals has been maintained at various time intervals. The program includes monitoring of corals after relocation, the health status of reconnected coral colonies, colonization at the resettlement region, the number of reef fish associated with the resettlement region, and the number of surviving colonies. Within the scope of the project, more than 1,965 coral colonies were relocated between November 2020 and February 2021. Of these colonies, 50 were tagged and then measured and monitored. Among the tagged colonies, 46% were found to be healthy, 16% were found to have been affected by SCTLD¹⁵ and 2% were found to have been dislodged and lost. The monitoring and photomosaic studies showed that SCTLD had the greatest impact on the health of the corals, but that 1,001 of the corals transported had not been affected by this disease and were in healthy condition.

¹⁴ <https://www.enka.com/sustainability/home/health-safety-environment/environment-management-approach-policy/>

¹⁵ Stone Colony Tissue Loss Disease

Morava Corridor Motorway Project

Since 2019, the Morava Corridor Motorway Project has been managed in accordance with the outputs of the Environmental and Social Impact Assessment (ESIA) study drawn up in line with the requirements of the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA).

A habitat mapping study was conducted in order to be able to analyse the potential impact in the project area. The mapping process identified the zones corresponding to three main habitat classifications – namely; critical, natural and modified – along with their subcategories.

Based on the habitat map, ground-truthing, degradation and pre-construction screening studies were conducted by experts on the site before any field activities commenced. Through ground truthing, the impact assessment for the use of the area is being monitored constantly, allowing for any negative environmental impact to be minimised. The degradation and pre-construction site screenings result in reductions in the environmental impact of the project through activities such as:

- ◆ The creation of a buffer zone around any area in which an active nest or litter is found for any type of fauna or a protected species is identified;
- ◆ The adoption of impact reduction measures for biodiversity under expert supervision;
- ◆ Screening of invasive plant species to eliminate the invasive species that are present and prevent them from spreading, and
- ◆ The relocation and monitoring under expert supervision of aquatic organisms found in lakes, ponds and waterways.

Situation analysis studies carried out on the basis of the site screenings that have been performed since the beginning of the project indicated that an area of 4.44 million m² had evolved from being a critical or natural habitat to a modified habitat even before the construction of the project. This finding

is an indication that the project has had a less negative impact on the natural vegetation pattern. Meanwhile, 21 different invasive species were identified by the site screenings within the project area. For these species, experts on the topic devised a management plan, and a total of 212 person-hours of training for the invasive species were provided to project employees in 2023. Since the beginning of the project, 3,858.41 m² of critical natural habitat and 409,984.99 m² of natural habitat has been restored operationally.

In 2023, while preparations were being made for the relocation of a power line as part of the project, an active bird's nest was discovered on one of the electricity pylons that was to be displaced. In order to prevent any damage to the nest, the area was declared a protected zone until the fledglings had left the nest, and the power line was relocated to a new spot. Monitoring and measurement work continues within the impact area of the project. Reports are made regularly and audited in the framework of the annual audit plans.



Tengiz Projects

Within the projects carried out in the Tengiz region of Kazakhstan, biodiversity management works are carried out in accordance with both the regulation of the Republic of Kazakhstan and the requirements of the IFC. In the Tengiz region, which is located within the habitats of 34 mammalian, 350 invertebrates, 10 reptiles and 192 bird species, the Step Eagle (*Aquila Nipalensis*), an endangered species, has been observed. Consequently, a decision was taken under which all the power lines installed for activities in the Tengiz region have been specially designed to prevent birds being electrocuted. In addition, weekly field inspections are carried out throughout the bird migration season to record any significant bird activity within or in the vicinity of the work site, with a view to taking any measures necessary to reduce the potential impacts of the project. Meanwhile, in-project training courses are delivered to raise the awareness of the employees about such matters. In 2023, moreover, a birds' nest management plan was drawn up.

Hisarönü Bay Cleaning Operations

Since 2011, ENKA has been supporting the cleaning efforts carried out by DenizTemiz/ TURMEPA Association in the Hisarönü Bay in the district of Marmaris in Muğla, Türkiye. DenizTemiz Association/TURMEPA contributes to reducing the environmental footprint of marine tourism and rebuilding the fish population by collecting thousands of tons of liquid waste by mobile waste collection boats in the bays frequently visited by yacht and touristic boat owners. These efforts also support the following Sustainable Development Goals (SDG): Clean Water and Sanitation (SDG 6), Climate Action (SDG 13), Life Below Water (SDG 14), Life on Land (SDG 15) and Partnerships for the Goals (SDG 17).

The TURMEPA D-MARİN, a liquid waste collecting boat, continued its activities with the support of ENKA Foundation at regions in Hisarönü Bay which are highly visited by yacht and boat owners. Hisarönü Bay is a valuable region in the Mediterranean basin, especially in terms of the protected sea meadows (*Posidonia oceanica*) as well as many economic and endemic fish species living in their habitat. Among these fish species in the region are red mullet (*Mullus barbatus*), Mediterranean barracuda (*Sphyraena sphyraena*), greater amberjack (*Seriola dumerili*), coral (*Pagellus erythrinus*), dentex (*Dentex dentex*), striped red mullet (*Mullus surmuletus*), Atlantic bonito (*Sarda sarda*), swordfish (*Xiphias gladius*) and scallops (*Epinephelus aeneus*).

The unique biodiversity of the Mediterranean is at great risk of becoming fragile due to several reasons, including increasing tourism pressure, drought, global warming, rising sea level, coastal erosion. The wastewater which some boats discharge into the sea is damaging to biodiversity by causing the oxygen level of the seawater to decline.

The wastewater collection service offered by TURMEPA, with the support of ENKA, ensures that discharge of wastewater into the sea is prevented, that the marine ecosystem remains healthy, and that the marine system creates a healthy and clean environment for marine life. In the course of the summer season, 23,021 liters of waste was collected with the support of the ENKA Foundation. This amount is equivalent to the wastewater generated daily by 120 people. Collection of such wastewater ensured to keep 200,000 liters of seawater clean and provided support to flora protection activities.

Environment-Friendly Projects

In line with its sustainability policy and strategy, ENKA has developed a systematic, target-based roadmap, elaborated in accordance with its risk-based thinking approach and supported by collaborations. Accordingly, in all its risk and opportunity assessments for investments, or related to investments, ENKA evaluates the conformity of the investment in question with its sustainability strategy and so works to put environment-friendly projects into effect.

Having started out with the goal of ensuring that its activities have no negative impacts on human health and nature, ENKA makes maximum use of its expertise, science and technology in its investments. Particularly over the past ten years, ENKA has carried out projects on converting its old buildings into more environment-friendly new buildings that also meet modern requirements. Among these projects, the Kuntsevo Plaza Project, which was commissioned for operation in 2015, won the first Russian Green Building Certificate (the Green Standard) in 2013 and the Kashirskaya Plaza Multifunctional Trade Project, which was completed in 2018 in Moscow, has also received the Russian Green Building Certificate.

Fourteen of the projects which ENKA has completed to date have been awarded LEED or equivalent green building certificates. The ongoing Yandex Headquarters Project is being built in accordance with the Building Research Establishment Environmental Assessment Method (BREEAM) standards.

Besides designing and constructing all the projects which it undertakes safely, on budget and on time, ENKA analyzes their environmental and social impacts and assesses and manages the risks and opportunities with respect to sustainability

and climate change. In this way, it has come to be regarded by its customers as a business partner capable of contributing to their own sustainability strategies and targets. While working on key projects for supplying cleaner energy, transforming cities through greener buildings and constructing resilient infrastructure, the company is also cooperating with its customers for the sustainable development of societies and reducing environmental impact.

In the fight against climate change, the energy sector's transition to a low-carbon growth process and the acceleration of efforts in this direction play a vital role. However, considering the future of the energy sector, for safe energy supply, it is crucial to use of relatively clean-burning, constantly available and more reliable types of fuel efficiently, such as natural gas. ENKA considers natural gas as an important transition energy and uses its power plant design, engineering and construction experience for transition from coal and to transform open single-phase cycle natural gas power plants into much more modern and efficient dual-phase combined cycle power plants. This way, electricity production per unit of fuel and plant efficiency are increased and environmental impacts are reduced, and a secure energy supply is ensured. ENKA also prioritizes efficiency and low emission criteria in all of its energy projects.

With its availability, natural gas plays a vital role for the first step of decarbonization of the power generation, since natural gas releases almost half the greenhouse gas emissions compared to coal. With its expertise as an EPCC contractor, it is ENKA's strategy to support the transition of the energy sector to a low carbon system and shift from coal through contracting combined cycle natural gas power plant projects.

ENKA aims to turn every one of its projects into an opportunity for climate response. At the planning stage of every project, ENKA sets sustainability goals that encompass Scope 1 and Scope 2 reduction targets, and develops best practices for reducing Scope 3 emissions. As a result, it is carrying out sustainable EPC projects.

In 2023, ENKA's wholly owned subsidiary Town Up 8 LTD undertook the construction of a 40 MW solar power plant project in Burgas, Bulgaria as its own investment. The Kameno Solar Photovoltaic Power Plant investment project will be implemented on a 470,000 m² site and will be completed in about 15 months.

Also in 2023, a consortium of ENKA (Entrade GmbH), Técnicas Reunidas and FCC Industrial signed an engineering, procurement and construction (EPC) contract for the Stade Liquefied Natural Gas (LNG) Regasification Terminal Project to be built in Germany. The contract encompasses the design and construction of a new storage and regasification terminal for liquefied gases, featuring unloading facilities at a new modern energy port being constructed in Stade. The terminal will make utilize the waste heat from a nearby existing industrial facility and will therefore operate without any CO₂ emissions. The project is an important element of Germany's energy policy, the objectives of which include the diversification of its natural gas supply with liquefied natural gas (LNG) and green gases and simultaneous preparations for the wider use of hydrogen in the market.

ENKA has undertaken the prefabrication and installation works of piping systems for the conventional turbine island at the new Hinkley Point C nuclear power plant being constructed in southwest England, which will generate carbon-



Elizaveta Velieva

Sustainability, ESG and BREEAM Associate at EcoStandard Group

Our team provides consulting and support for BREEAM certification of a large business center in central Moscow with ENKA as the general contractor.

Sustainability runs deep at ENKA. They prioritize not only BREEAM standards but also their own established green principles. During construction up to 95% of construction, waste has been sent for recycling and disposal. ENKA always makes efficient use of construction materials, e.g. by collecting mineral wool residues and transporting them to the manufacturer for recycling. ENKA pays great attention to safety on the construction site and taking care of employees and visitors. Conducts constant safety inspections at all parts of the site, collects feedback, and responds to any comments and requests from employees. ENKA has developed its own sustainability and environmental policy, which defines measures to reduce the use of resources and methods to prevent light pollution.

ENKA is a responsible contractor, fulfilling all the requirements of BREEAM and even more! Through the application of the principles of sustainable construction and compliance with the requirements of the BREEAM standard, ENKA creates buildings that not only meet modern environmental and social standards, but also contribute to reducing the burden on the environment. This promotes the creation of a favorable environment for future generations, as well as improving the quality of life of the inhabitants of the constructed buildings.

neutral electricity and contribute to a varied and balanced supply of energy for the United Kingdom.

When the ongoing Dradenau Combined Heat and Power Plant Project in Hamburg is completed, it will have a very high net fuel efficiency of 92%. The project incorporates various heat exchangers for heat recovery and utilization. At peak load, the plant will be able to provide 360 MW of thermal energy for district heating or 182 MW of electricity plus 210 MW of thermal energy.

This high fuel efficiency is made possible with a very high level of heat integration, which results in extremely low emissions per kWh of energy utilized. Heat Recovery Steam Generators (HRSG) are fitted with duct firing and the Gas Steam Generator (GSG) is designed with fresh air firing and electrical steam generator provides extra flexibility. The plant can provide the highest district heating load even with low electricity demand. Furthermore, the Dradenau plant is also designed such that it will be able to store 2,400 MWh thermal energy in the form of hot water storage. The plant design is also carried out in such a way enabling that 30% of Hydrogen can be mixed with natural gas, which is its normal fuel. In such a project, which will already have a very high efficiency, carbon emissions will be minimized with introduction of the process of mixing the Hydrogen with natural gas. All these flexible design features will enable a sustainable district heating system with very high reliability.

The scope of the Produced Water (PW2) Facility Project completed in Iraq in 2023 includes the detailed engineering, procurement, construction and commissioning works for three water treatment unit trains, a produced water tank, a control building, transfer pumps and all auxiliary

systems. Petroleum mixed with water comes out from the drilling wells in the project region. Petroleum containing wastewater has many components, including primarily oil and grease, sulfide, metals and suspended and dissolved solids, and these substances pose a threat to the soil, water and air, and living organisms in particular. Under normal conditions, such wastewater is returned to the desert environment by the oil drilling or processing parties, whereas in this project the wastewater will be sent to the PW2 facility at which petroleum products and water will be separated to send the petroleum to the oil processing facility through a separate line. The sludge in the remaining water will be settled in tanks and will be separated as waste. Thus, the remaining water can be returned to the system as recovered water and reused in the oil drilling process. By returning the water to the system again, it will be prevented to withdraw clean water from the river each time for the oil drilling process.

ENKA also includes sustainability criteria in its decision-making processes in business development activities. It takes its sustainability strategy and targets for combating climate change into consideration when selecting the tenders it will enter and the projects for which it will bid. In this context, it is looking out for opportunities to add solar power, energy storage, carbon capture and storage, and hydrogen projects to its project portfolio.

ENKA's support of the transition to renewable energy and a low carbon economy, which contributes to a more sustainable future, continues with the production of wind turbine towers and parts at Çimtaş Steel. Çimtaş holds a position as one of the Europe's most important suppliers of turbine towers. In 2023, its success in this field upgraded ENKA into first place in the Engineering

News Record (ENR) – Wind Generation category. Çimtaş manufactured a total of 105,000 tons of wind products at its facilities in Gemlik and Gölçük in 2023, of which 90% was exported, principally to North and West Europe and the Balkan countries.

Besides the manufacture of wind towers, Çimtaş also produces parts for wind turbines. The number of rotor and stator sets – low-tolerance, precision-machined parts used to convert energy in wind turbines – which it manufactured reached 1,130.

Thanks to the in-house investment in solar power carried out at the Çimtaş Steel facilities, the level of greenhouse gas emissions per unit of production has been reduced significantly for all Çimtaş Steel projects, and the company has come to supply its customers with more environment-friendly, sustainable products.

ENKA's Real Estate Companies has published "*Sustainability Guideline for Tenants*" to keep track of its tenants with the life cycle approach and encourage them to take part in sustainable and environment-friendly practices.





Our Sustainability Performance

Target	2030 Target	2022 Value	2023 Value
Increasing the number of facilities with ISO 50001 Energy Management System certificate.	26 facilities	5 facilities	5 facilities

ENKA Headquarters Targets

Target	2022 Value	2023 Value
Investing in energy consumption reduction initiatives.	841,195 TL	200,000 TL

ENKA İnşaat Project Targets

Project	Target	2023 Target	2022 Value	2023 Value
Yandex Headquarters Project	Reducing Scope-1 greenhouse gas emissions.*	15%	10%	15%
	Reducing Scope-2 greenhouse gas emissions.*	51%	51%	51%
	Increasing the amount of waste recycled per person-hour spent. (m ³ /person-hour)	0.015	0.010	0.014
	Increasing the amount of water reused at the tire washing stations located at the exit of the project site.	2,000 m ³	1,800 m ³	2,900 m ³
	Increasing the number of employees who received the Code of Business Conduct training at the project.	90%	White collar 87.2%	White collar 94.8%
			Blue collar 89.6%	Blue collar 100%
	Increasing the number of female employees working at the project.		White collar 19%	16%
			Blue collar 1.5%	2.1%

*For the base values, consumption values of similar projects completed before 2018 were used.

Project	Target	2023 Target	2024 Target	2023 Value
Shotton Paper Mill Project	Reducing the amount of electricity consumed in the project office.	19 MW / 38% reduction*	30.45 MW / 19% reduction	19.2 MW / 38% reduction

* For the base values, projections and calculations determined during the planning phase prior to project start were used.



Çimtaş Group Targets

Target	2030 Target	2021 Value	2022 Value	2023 Value
Reducing the intensity of Scope 1 and 2 greenhouse gas emissions per ton produced.*	34% reduction	0.29 tCO ₂ e/ton	0.29 tCO ₂ e/ton	0.25 tCO ₂ e/ton
Investing in renewable energy generation at facilities.	Total capacity of 14.8 MWp DC / 12.3 MWe AC	-	5.7 MWp DC / 4.6 MWe AC	16.7 MWp DC / 13.5 MWe AC
Improving machinery & equipment and optimizing processes for the transition to less energy-intensive processes.	-	9 improvement projects	18 improvement projects	16 improvement projects
Increasing process water recycling, reuse and rainwater harvesting.	-	1,432 m ³ (recycled water + rainwater)	2,336 m ³ (recycled water + rainwater)	1,150 m ³ (recycled water + rainwater)
Keeping domestic water consumption below 15 liters/person-hours.	-	11.2 liters/person-hours	17.4 liters/person-hours	17.8 liters/person-hours
Investing in R&D to develop low-carbon products.	-	18.3 million TL	46.5 million TL	26.5 million TL
Ensuring waste reduction.	-	-	Compared to 2021, non-hazardous waste decreased by 20% and hazardous waste increased by 4%.	Compared to 2022, non-hazardous and hazardous waste decreased by 13%.

*The base year is 2021.

Real Estate Subsidiaries Targets

Target	2030 Target	2018 (Base Year) Value	2021 Value	2022 Value	2023 Value
Reducing Scope 1 and 2 total emissions.	77,831 tCO ₂ e	110,300 tCO ₂ e	141,498 tCO ₂ e	99,101 tCO ₂ e	93,946 tCO ₂ e
	27% reduction	-	-	10% reduction compared to the base year	15% reduction compared to the base year.
Reducing water withdrawal with rainwater harvesting systems and operational mitigation measures.	6.5%	-	-	1%	2%

ENKA Power Targets

Target	2021 Value	2022 Value	2023 Value
Keeping greenhouse gas emissions released per unit of energy produced below 400 gCO ₂ e/kWh.	367.7 gCO ₂ e/kWh	373 gCO ₂ e/kWh	378 gCO ₂ e/kWh
Ensuring energy efficiency in facilities by maintaining the ISO 50001 Energy Management System certificate.	Certificates were obtained for all 3 facilities.	Certificates are valid for all 3 facilities.	Certificates are valid for all 3 facilities.
Reducing water withdrawal and consumption of the power plants.	3,888 m³ of savings achieved.	20,056 m³ of savings achieved.	19,826 m³ of savings achieved.

More on Our Global Sustainability Targets

Target	2022 Performance	2023 Performance
To decrease our blue water footprint, we plan on realizing at least 2 projects that aim water reuse within ENKA Group.	2 projects were conducted.	4 projects were conducted.
Working with diligence, we are committed to never encountering a Tier III (>20m³) environmental incident in any ENKA subsidiary.	Target has been met.	Target has been met.
Addressing the needs of our planet, we intend to conduct at least 2 projects within ENKA Group to increase renewable energy use.	4 projects were conducted.	8 projects were conducted.
We strive to decrease our carbon footprint and commit to contributing to carbon offsetting by supporting at least 1 forestation project ever year.	2 projects were conducted.	2 projects were conducted.
As ENKA Group, we intend to never compromise from our policy that banned plastic bottle usage.	The policy of banning plastic bottles has been gradually reapplied.	The policy is being reintroduced throughout ENKA Group.

 06

Annexes

#ResilienceInAction



Annex 1: Independent Assurance Statement



KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
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Independent Limited Assurance Report

To the Board of Directors of Enka İnşaat ve Sanayi A.Ş.

We were engaged by Enka İnşaat ve Sanayi A.Ş. (hereinafter “Company” or “ENKA”) to provide limited assurance on whether the “Selected Information” within the scope of Annex 8: ENKA’s Lost Day and Occupational Incidents Performance, 2023, Annex 9: Distribution of ENKA’s Fuel and Energy Consumption in 2023, Annex 10: ENKA Group 2023 Scope-1, Scope-2 and Scope-3 Emissions and Intensities, Annex 12: Amount of Water Withdrawal and Discharged Water by Source between the pages 184, 185, 186, 187, 188, 189, 191, 192 of the Sustainability Report (hereinafter “the Report”) has been prepared by ENKA for the year ended 31 December 2023, in all material respects, in accordance with the Global Reporting Initiative Standards (“GRI”).

The scope of our assurance is limited to the Selected Information listed for ENKA below which are reported on pages 116, 126, 128, 184, 185, 186, 187, 188, 189, 191 and 192 of the Sustainability Report:

- Energy and Fuel consumption (TJ)
- Greenhouse Gas Emissions (Scope 1 and Scope 2) (ton CO₂e)
- Water Withdrawal by Source (m³)
- Employee and Subcontractor Incident Frequency Ratio
- Number of Work - Related Deaths

Management’s responsibilities
Management’s responsibilities Management is responsible for the preparation and presentation of the Report for the Selected Information in accordance with the definition of GRI, and the information and assertions contained within it; for determining ENKA objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Management is responsible for preventing and detecting fraud and for identifying and ensuring that ENKA complies with laws and regulations applicable to its activities.

Management is also responsible for ensuring that staff involved with the preparation and presentation of the description and the Selected Information are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units.

Our responsibilities
Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information and Assurance Engagements on Greenhouse Gas Statements (ISAE) 3410, issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement.

The firm International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Anonim Şirketi



Şirin Soysal,
Partner
İstanbul, 15 April 2024

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. A Turkish corporation and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative, a Swiss entity.

Annex 2: ENKA 2023 Financial Indicators**

Net Sales Income	3,225,929,051 USD
Liabilities	1,984,051,820 USD
Own Resources	7,423,474,862 USD
Economic Value Directly Produced*	
Construction	2,041,974,205 USD
Real Estate Rental	323,586,193 USD
Trade	276,523,548 USD
Energy	701,446,787 USD
Total	3,225,929,051 USD
Economic Value Distributed	
Sales, Distribution and Marketing Costs	24,406,297 USD
General Administrative Expenses	136,550,301 USD
Benefits to Employees	
Salaries	322,772,000 USD
Social Security Expenditures	85,607,000 USD
Other Benefits	7,865,000 USD
Total	416,244,000 USD
Total Tax Expenditures	186,436,721 USD
Tax Reductions	
Income Tax	39,557,431 TL
Social Security Premiums	8,107,149 TL
Corporation Tax	185,887,029 TL
Total	233,551,609 TL
Payments to Capital Owners	
To Holders of Ordinary Shares	2,130,130,000 TL
To Holders of Preference Shares	35,615,000 TL
Total	2,165,745,000 TL

*As the percentage figures are pre-elimination of double-counting between business segments, their total exceeds 100%.
**Based on the financial statements prepared in accordance with the Turkish Financial Reporting Standards (TFRS) put into effect by the Public Oversight, Accounting and Auditing Standards Authority (KGK).

Annex 3: Stakeholder Communication of ENKA

Stakeholders	Communication Platform	Communication Frequency
Employees (ENKA employees, other employees working on behalf of ENKA)	Websites	Continuous
	Social Media	Continuous
	Newsletters	Continuous
	ENKA Academy	Continuous
	Employee Loyalty and Satisfaction Survey	Once in every two years
	Ethics and Compliance Audits, Audits	Periodic
	Ethics Hotline, Other Reporting Mechanisms, Project Grievance Mechanisms	Continuous
	Information Security Incident Notification Form	Continuous
	Employee Volunteering Program	Continuous
Customers (Investors, Project Owners, etc.)	Customer Satisfaction Survey	Upon the completion of projects
	Websites	Continuous
	Social Media	Continuous
	Annual Reports	Once a year
	Sustainability Reports, CDP Reports	Once a year
	ENKA Document Management System	Continuous
	Meetings	Periodic
	Ethics Hotline, Other Reporting Mechanisms, Project Grievance Mechanisms	Continuous
Business Partners (Suppliers, Subcontractors, Manufacturers, Joint Ventures, 3 rd Party Auditing Firms, Service Providers, Consultancy Companies, Distributors, etc.)	Websites	Continuous
	ENKA Academy	In line with the training plan
	Online Company Portals (EGVN, EGPS, EGFS, EDMS, etc.)	Continuous
	Evaluation Surveys	Several times a year
	ENKA Code of Business Conduct and ENKA Supplier Code of Conduct	Before starting new contracts/jobs
	Management Systems Audits	Periodic
	ENKA Document Management System	Continuous
	Meetings	Periodic
	Ethics Hotline, Other Reporting Mechanisms, Project Grievance Mechanisms	Continuous
	Audits	Periodic
	Sustainability Reports, CDP Reports	Once a year
Shareholders (Partners, Investors)	General Assembly	At least once a year
	Websites	Continuous
	Annual Reports	Once a year
	Sustainability Reports, CDP Reports	Once a year
	Material Disclosures, Financial Reports, Periodic Disclosures (Public Disclosure Platform – KAP)	As required by the related disclosure
	Meetings	Continuous
	Ethics Hotline and Other Reporting Mechanisms	Continuous
Social Stakeholders (Local Communities, NGOs, the Media)	Websites	Continuous
	Media, Social Media	Continuous
	Annual Reports	Once a year
	Sustainability Reports, CDP Reports	Once a year
	Meetings, Working Groups	Periodic
	Ethics Hotline, Other Reporting Mechanisms, Project Grievance Mechanisms	Continuous
	Events, Panels and Joint Projects	Periodic
	Memberships	Periodic

Stakeholders	Communication Platform	Communication Frequency
Public Institutions (Governments, Local Administrations, Universities and Academic Institutions, Tax Authorities)	Annual Reports	Once a year
	Websites	Continuous
	Periodic Disclosures (Public Disclosure Platform – KAP)	Periodic
	Sustainability Reports, CDP Reports	Once a year
	Meetings	Periodic
	Official Correspondences	Continuous
	Audits	Periodic
	Memberships	Monthly
	Career Days, Events of University Clubs and Societies	Periodic
	Conferences and Panels	Periodic

Annex 4: Memberships of ENKA İnşaat and its Subsidiaries

Organizations that ENKA and its subsidiaries are members of			
<ul style="list-style-type: none">• Foreign Economic Relations Board of Türkiye• Turkish Contractors Association• Turkish Employers' Association of Construction Industries• Turkish Exporters Assembly• Turkish Industry and Business Association (TÜSİAD)• Business Council for Sustainable Development Türkiye (BCSD Türkiye)• Ethics and Reputation Society of Türkiye (TEİD)• British Safety Council• Turkish Investor Relations Society (TÜYİD)• Turkish Road Association (TRA)• Global Compact Signatories Association• Private Sector Volunteers Association (ÖSGD)• The International Powered Access Federation (IPAF)• University Industry Cooperation Centers Platform (ÜSİMP)• Corporate Governance Association of Türkiye (TKYD)	<ul style="list-style-type: none">• Turkish Construction Equipment Distributors' and Manufacturers' Association (İMDER)• Materials Handling, Storage & Industrial Equipment Association of Türkiye (İSDER)• Turkish Statistical Institute (TÜİK)• Soil Mechanics and Geotechnical Engineering Association (ZMGM)• European Federation of Foundation Contractors (EFFC)• International Society of Soil Mechanics and Geotechnical Engineering (ISSMGE)• American Society of Civil Engineers (ASCE)• Deep Foundations Institute (DFI)• People Management Association of Türkiye (PerYön)• SAHA İstanbul Defense and Aerospace Cluster Association• American Welding Society (AWS)• Leadership in Energy and Environmental Design (LEED)• Human Resources Solidarity Association (İKDAY)• Turkish Shipbuilders' Association (GİSBİR)• Kocaeli Free Zone Shipyards Association (KOSTBİR)• Bursa Aerospace and Defense Cluster Association (BASDEC)	<ul style="list-style-type: none">• İstanbul Chamber of Commerce• German-Turkish Chamber of Commerce and Industry• İstanbul Mineral and Metals Exporters' Association• İstanbul Chamber of Industry• Sakarya Chamber of Commerce and Industry• Aegean Region Chamber of Industry• Electricity Producers Association• World Energy Council• Aliğa Chamber of Commerce• Yacht and Boat Industry Association (YATED)• Chamber of Civil Engineers (İMO)• Gemlik Chamber of Commerce and Industry• Kocaeli Chamber of Commerce and Industry• Chamber of Shipping (İMEAK)	<ul style="list-style-type: none">• Steel Construction Institute• US Chamber of Commerce• Ningbo Welding Association• The Committee of Liaoyang Technical School Consultation• Special Equipment Association• American Society of Nondestructive Testing• Green Building Council• CRE Russia (Commercial Real Estate Russia)• Russian Council of Shopping Centers (RCSC)• Moscow Investors Club• Association of European Business• FrontierView CEEMEA• Turkish Employers' Association of Metal Industries (MESS)• Uludag Automotive Industry Exporters' Association (UİB)

Annex 5: Sustainability and Climate Risks and Opportunities

Term of the Risk / Opportunity	Impact of the Risk / Opportunity	Probability of the Risk / Opportunity
Short: 0-2 years	Low: <500,000 \$	Low
Medium: 2-5 years	Medium: 500,000 \$ - 10,000,000 \$	Medium
Long: 5+ years	High: >10,000,000 \$	High

Sustainability and Climate Risks

Main Risk and Opportunity Topic	Definition of the Risks	Consequences of the Risk for ENKA	Climate Relevance of the Risk / Opportunity	Impact of the Risk	Probability of the Risk	Risk Management Activities	Investments Carried Out/Will be Carried Out for Risk Management Activities	Material Issues Connected with Risk	Relevant Report Section
Corporate governance, communication and brand reputation	<p>The increased awareness and expectation of all stakeholder groups concerning sustainability and climate issues leads to the risk of the company losing reputation or harm to brand reputation if the company cannot meet these higher expectations. Requirements of standards and norms for sustainability and climate covering the entire value chain may pose a risk due to value chain impacts not being properly managed. Failure to live up to commitments connected with sustainability and climate may pose the risk of harm to the company's credibility and reputation.</p> <p>The failure of the company to play an active role in sustainability communication and failure to adapt to trends and mega trends may pose a risk to reputation. Increased competition may lead to rapidly changing customer expectations and customer experience risks.</p>	<p>Short term:</p> <ul style="list-style-type: none">- Negative feedback from customers and other stakeholders- Media and social media content that could harm the company's reputation- Customers and other stakeholders perceiving work underway on climate as green washing- Harm to brand reputation as perceived by customers/society and all other relevant stakeholders due to a failure to integrate developments in sustainability standards to the value chain <p>Medium Term:</p> <ul style="list-style-type: none">- Loss of trust among customers- Increased difficulty of attracting talented employees to the company <p>Long Term:</p> <ul style="list-style-type: none">- Financial losses and loss of market share- Loss of trust regarding activities carried out with credit and insurance organizations- Increased difficulty in accessing sustainable financing	<p>Physical risks:</p> <p>Natural disasters which may occur in project host countries due to the impact of climate change and extreme weather events; impacts which may arise from exposure to water stress.</p> <p>Transition risks:</p> <p>Risks associated with market risks caused by changes to the upstream-downstream supply chain; risks associated with increased societal climate change sensitivity regarding carbon-intensive sectors.</p>	Medium	Low	<p>ENKA regularly monitors the expectations of all stakeholder groups through effective and uninterrupted stakeholder engagement and keeps its sustainability and climate strategy up-to-date accordingly. Suggestions and opinions of stakeholders are constantly and timely followed-up both through direct communication and through news / media monitoring. This allows for the early identification of potential risks and communication flaws that could harm reputation and the necessary actions are taken in time to resolve the issue before it turns into a crisis.</p> <p>Activities are carried out to integrate the up-to-date sustainability strategy and targets into all of ENKA's processes.</p> <p>ENKA adopts an integrated risk management approach which covers brand management and reputation risks as well as environmental, social, economic and compliance risks. Furthermore, risk management activities are prepared specifically for each business unit. The risk management process, which is prepared for business units and makes use of special algorithms and scenarios is kept up to date to increase the resilience of the company.</p>	<p>Sustainability communication investments</p> <p>Investment in monitoing the public and media agenda</p> <p>Investment in auditing and monitoring mechanisms</p> <p>Investments towards targets</p> <div>>10,000,000 \$</div>	<ul style="list-style-type: none">• Economic Performance• Customer Satisfaction• Employee Rights and Employee Satisfaction• Ethics and Compliance• Combating Climate Change, Adaptation and Emission Reduction• Risk Management	<ul style="list-style-type: none">• Our Strategic Approach• Our Business and Principles• Our Planet

Sustainability and Climate Risks

Main Risk and Opportunity Topic	Definition of the Risks	Consequences of the Risk for ENKA	Climate Relevance of the Risk / Opportunity	Impact of the Risk	Probability of the Risk	Risk Management Activities	Investments Carried Out/Will be Carried Out for Risk Management Activities	Material Issues Connected with Risk	Relevant Report Section
Economic, political and geopolitical developments	Global-scale economic, political and geopolitical events, their economic and social impacts and associated economic sanctions create several new uncertainties for the business world and come with new risks. This affects business development and processes for obtaining new projects, as well as leading to pauses in ongoing projects and the need for new logistics arrangements for the procurement of materials. The economic and political developments in countries of operations also have the potential to affect the stance and attitude of the local communities to ENKA's activities. Potential changes in finance policies and financial fluctuations, the disruption to the supply and demand equilibrium and financial losses resulting from extreme weather events could present risks.	Short term: <ul style="list-style-type: none">- Impacts to company's reputation- Disruptions to the supply chain- Harm to business partnerships and current contracts Medium Term: <ul style="list-style-type: none">- Disruptions to the supply of products and services- Loss of competitiveness- Implementation of new legislation and changes in national and international carbon pricing policies- Increase in the price of products and materials used and fluctuations resulting from market conditions- Loss of suppliers Long Term: <ul style="list-style-type: none">- Resulting financial losses- Increase in the cost of financing making it more difficult to finance projects and extending the return on investment period	Physical risks: Increased frequency of extreme weather events resulting from climate change; disruptions to the supply chain due to damage caused by heat, precipitation or natural disasters to supply routes; flooding and drought; access to water and water stress. Transition risks: Emissions Trading System and Carbon Border Adjustment Mechanism; changes in markets and energy price fluctuations; access to financing; loss of reputation for customers and investors.	High	Medium	<p>Early Identification of Risks Committee and the Risk Management Work Group monitor all current developments to identify update requirements to the company's internal procedures and processes. The relevance of risks with sustainability and climate are analyzed. Proactive approaches are developed for these risks.</p> <p>The impacts of significant changes in economic and trade sanctions are managed through wider-scale, longer-term procurement plans with contingencies.</p> <p>The same methods are employed to mitigate the effects of price changes connected to the exchange rate fluctuations experienced within the year. Updates are made to contracts management and crisis management and business continuity plans are revised.</p> <p>Through local employment and local procurement efforts, the negative effects of economic and social developments in the host countries on local communities are reduced. Research on alternative resources, renewable energy investments and route optimizations are carried out.</p> <p>An amount of own capital is preserved that will ensure continuity in emergencies, until the critical conditions that impacted sustainability strategies and business continuity disperse.</p>	<p>Third-party consultancy and systems for monitoring developments</p> <p>Local procurement activities</p> <p>Community investment activities</p> <p>Auditing activities</p> <p>Risk monitoring activities</p> <p>Investment in renewable resources</p> <div>>10,000,000 \$</div>	<ul style="list-style-type: none">• Economic Performance• Ethics and Compliance• Product and Service Quality• Contribution to the Local Economy and Local Employment• Social Investment Programs and Social Responsibility• Risk Management	<ul style="list-style-type: none">• Corporate Governance Structure and Committees• Economic Performance• Ethics and Compliance Program• Responsible Supply Chain Management• Community Investment
Employee health and safety	<p>Due to the sectors in which ENKA is active, company employees are at risk of suffering physical or mental harm directly or indirectly from the tasks they undertake. There is especially a risk of short and long-term health impacts in lines of work which require physical labor.</p> <p>In addition, employees may be affected by geographical circumstances, climate conditions and the security situation in the region for as long as they are within ENKA's premises.</p> <p>In psychosocial terms, work related stress, workload and the lack of a work-life balance could potentially impact the mental health of employees and present risks.</p> <p>Inability to adjust to occupational health and safety approaches which are changing with the rapidly increasing use of artificial intelligence practices and robotic processes in line with digitalization and innovation strategies may also present a risk.</p> <p>There may be disruptions to the procurement of personal protective equipment and other OHS equipment due to the impact of extreme weather events on logistical processes or the loss of suppliers.</p>	Short term: <ul style="list-style-type: none">- Impacts to company's reputation- Inability to ensure business continuity- Legal and financial sanctions- Deterioration of safe work environments- Loss of talent due to an inability to ensure employee health and safety Medium Term: <ul style="list-style-type: none">- Loss of business and costumers- Decrease in competitiveness- Becoming less preferred by talented employees; loss of reputation as employer brand- In connection with psychosocial risks: Higher stress at the workplace and a connected increase in the ratio and frequency of errors and accidents- Higher turnover ratio- Project activities taking longer than planned due to risks impacting employee health Long Term: <ul style="list-style-type: none">- Financial and reputational losses- Occupational illnesses, their long-term effects and consequent legal processes- Employees having difficulty adapting to climate conditions and lack of safety measures for the conditions of the region- Natural disasters, extreme weather conditions and regional problems negatively impacting projects and business continuity	Physical risks: Too hot or too cold working environments; risks of hypothermia, heat stroke and freezing; risk of electrocution due to flooding; deterioration of employee health and safety due to inability to access water resources. Transition risks: Legislation and regulations; compliance with legal processes; budget constraints, sectorial changes; changing expectations of employees; regulations concerning technological processes.	Low	Medium	<p>ENKA runs an Occupational Health and Safety Management System which covers all activities, employees and the activities of the employees of subcontractors.</p> <p>Periodic internal and external audits have been performed.</p> <p>Processes are managed and risk assessments are carried out in accordance with the risk management hierarchy and regular trainings are provided to employees for awareness raising.</p> <p>Activities are carried out concerning many prioritized issues, including occupational incidents statistics, near-miss follow-up, occupational illness monitoring and ergonomics.</p>	<p>Investment in risk mitigation and training specifically for employee health and safety</p> <p>Artificial intelligence investments</p> <div>500,000 \$ - 10,000,000 \$</div>	<ul style="list-style-type: none">• Occupational Health and Safety• Employee Welfare and Mental Health• Employee Rights and Employee Satisfaction• Employee Training, Development and Talent Management• Customer Satisfaction• Risk Management	<ul style="list-style-type: none">• Our People and Community• Occupational Health and Safety

Sustainability and Climate Risks

Main Risk and Opportunity Topic	Definition of the Risks	Consequences of the Risk for ENKA	Climate Relevance of the Risk / Opportunity	Impact of the Risk	Probability of the Risk	Risk Management Activities	Investments Carried Out/Will be Carried Out for Risk Management Activities	Material Issues Connected with Risk	Relevant Report Section
Supply chain sustainability	Denotes the natural disasters, climate change and other environmental factors which may negatively impact the operations of the company's supply chain. The crisis management approach regarding these processes and the actions taken to ensure business continuity will create a risk factor if critical equipment and critical employee lists are not defined. Failure to ensure combating and adaptation to climate change, natural disasters and extreme weather conditions have been listed among the most critical risks for the next 10 years in the World Economic Forum's 2023 Global Risks Report. Potential pandemics, current and potential economic and political issues, societal problems, sanctions and natural disasters present risks of major disruptions to the supply chain.	<p>Short term:</p> <ul style="list-style-type: none">- Interruptions to operations- Failure to ensure customer satisfaction and the desired service quality level- Loss of production <p>Medium Term:</p> <ul style="list-style-type: none">- Decrease in competitiveness- Disruptions to the procurement of raw materials and materials- Increased cost of procuring raw materials and materials- Increase cost of logistical operations- Loss of critical suppliers- Sanctions concerning rare metals <p>Long Term:</p> <ul style="list-style-type: none">- Financial losses resulting from loss of customers and markets- Loss of reputation- Limits on the use of current raw materials and rare metals	<p>Physical risks:</p> <p>Extreme weather events impacting all life cycle stages of the products, services and materials supply process; access to water; impact of the rise in the sea level on ports and shores.</p> <p>Transition risks:</p> <p>Emissions Trading System and Carbon Border Adjustment Mechanism, EU Green Deal processes, logistics standards and certification, customs regulations, sustainability standards for supply chains.</p>	Medium	Medium	<p>Thanks to the wide supplier network it has established, ENKA forms the procurement plans for its projects with alternative options. However, ENKA's priority is to support the suppliers it procures products and services from to increase their resilience and to develop mechanisms which will ensure business continuity.</p> <p>To this end, ENKA includes the critical elements of its supply chain in its sustainability and risk management processes.</p> <p>Furthermore, an alternative supplier network is formed against potential supply disruptions through support given to local suppliers.</p> <p>Standards, regulations and certifications which affect the supply and value chains are monitored closely.</p>	<p>Supply chain management investments</p> <p>Local supply chain development activities</p> <div>>10,000,000 \$</div>	<ul style="list-style-type: none">• Supplier Diversity and Local Procurement• Environmental and Social Compliance of Suppliers• Management of Social, Economic and Environmental Impacts on the Local Communities• Risk Management	<ul style="list-style-type: none">• Responsible Supply Chain Management
Compliance with anti-corruption, human rights and conflict of interest policies throughout the value chain	Operating in compliance with the relevant legislation and policies on human rights, combating bribery and corruption and conflict of interest in the company's own processes, as well as throughout its value chain, is of critical importance. Any violation at any point of the value chain could impact ENKA's reputation, brand value and activities and carries the risk of failure of compliance with legal requirements such as the newly in effect Germany Supply Chain Due Diligence Act and the European Union's Corporate Sustainability Reporting Directive (CSRD).	<p>Short term:</p> <ul style="list-style-type: none">- Harm to social reputation- Fines and sanctions arising from failure to comply with relevant local and international legislation and regulations- Disruptions to activities <p>Medium Term:</p> <ul style="list-style-type: none">- Loss of trust among stakeholders- Loss of customers and markets <p>Long Term:</p> <ul style="list-style-type: none">- Resulting financial losses- Negative posts from members of society, employees, non-governmental organizations or rights advocates in relevant fields, public reaction- Climate change increasing the vulnerability of vulnerable communities	<p>Physical risks:</p> <p>Climate change causing right to health, right to life, food security, water security etc. risks.</p> <p>Transition risks:</p> <p>Risk of compliance with legislation and regulations.</p>	Medium	Medium	<p>The Supplier Code of Conduct is published in the common languages used in the supply chain and is communicated actively.</p> <p>Supplier contracts are drawn up to include the necessary details on relevant subjects and the required training is provided.</p> <p>Grievance and whistleblower mechanisms are broad enough to cover the activities of the supply chain.</p> <p>National and international standards, legislation and regulations are monitored.</p> <p>As a signatory of the UNGC, ENKA monitors all issues connected with human rights and their impacts.</p> <p>Risks associated with human rights and anti-corruption are managed in integration with the company's enterprise risk management process.</p>	<p>Ethics and compliance activities</p> <p>Training activities</p> <p>Memberships to relevant organizations</p> <div><500,000 \$</div>	<ul style="list-style-type: none">• Ethics and Compliance• Responsible Supply Chain Management• Risk Management• Customer Satisfaction• Diversity, Equal Opportunities and Non-Discrimination	<ul style="list-style-type: none">• Ethics and Compliance Program• Responsible Supply Chain Management

Sustainability and Climate Risks

Main Risk and Opportunity Topic	Definition of the Risks	Consequences of the Risk for ENKA	Climate Relevance of the Risk / Opportunity	Impact of the Risk	Probability of the Risk	Risk Management Activities	Investments Carried Out/Will be Carried Out for Risk Management Activities	Material Issues Connected with Risk	Relevant Report Section
Technological developments (digitalization), information security and cybersecurity	The company monitors technological developments and sectorial digitalization activities and undertakes innovation work in order to maintain its competitiveness. This situation presents information security and cybersecurity risks in connection with information technologies and digital processes. Failure to protect the company's confidential information and personal data constitutes a risk. Furthermore, there is a risk of failure of compliance with relevant local and international legislation.	<p>Short term:</p> <ul style="list-style-type: none">- Harm to social reputation- Fines and sanctions arising from failure to comply with relevant local and international legislation and regulations- Disruptions to activities- Failure to protect the company's confidential information and personal data- Cybersecurity vulnerabilities <p>Medium Term:</p> <ul style="list-style-type: none">- Loss of trust among stakeholders- Loss of competitiveness- Loss of customers- Inability to keep up with technological developments- Increased cost of cooling equipment used in server rooms and changes to cooling gases used in this equipment <p>Long Term:</p> <ul style="list-style-type: none">- Resulting financial losses- Failure to reach targeted and desired achievements in new technologies- Failure to pick the right time window for technology-based investments- Falling behind in the sector due to delays in technological investments which will facilitate project processes and increase the labor force and labor productivity or a failure to adopt to such technological developments- Long lasting interruptions to communications	<p>Physical risks:</p> <p>Damage to infrastructure due to extreme weather events, cuts to technological services, disruptions to communications.</p> <p>Transition risks:</p> <p>Compliance with legislation, regulations and standards.</p>	High	Medium	<p>ENKA continues to maintain and improve its information security system which is compliant with and certified to ISO 27001 standards.</p> <p>Information security training is provided to all employees in accordance with the identified risks.</p> <p>Information security is included in the scope of internal audits.</p> <p>International good practices and lessons learned are monitored closely to carry out necessary system updates and improvements.</p>	<p>Information security and cybersecurity investments</p> <p>Auditing and consultancy services</p> <p>Emergency plan investments</p> <p>Data management and storage investments</p> <p>Infrastructure investments</p> <div>500,000 \$ - 10,000,000 \$</div>	<ul style="list-style-type: none">• Information Security & Cybersecurity• Risk Management• Innovation, R&D and Digitalization	<ul style="list-style-type: none">• Information Security Management System
Compliance with current, new and emerging national and international standards and legal requirements	Many sustainability and climate policies, regulations, reporting standards and other regulations are being realized or planned in Türkiye and other countries where ENKA operates or with which it has a credit relationship. There is a possible risk that the company fails to monitor the national and international sustainability (ESG) and climate standards and legislation or fails to comply with these standards / legislation; resources not allowing for meeting standards and legal conditions or fails to realize the legal conditions or compliance obligations.	<p>Short term:</p> <ul style="list-style-type: none">- Harm to social reputation- Fines and sanctions arising from failure to comply with relevant local and international legislation and regulations- Disruptions to activities- Loss of customers or market share- Increased need for spending, technological investment or training for compliance with new standards or reporting processes- Risk of limitations to project areas due to significant environmental impact assessment requirements <p>Medium Term:</p> <ul style="list-style-type: none">- Loss of trust among stakeholders- Loss of customers or market share- Operational disruptions <p>Long Term:</p> <ul style="list-style-type: none">- Resulting financial losses- Loss of operating licenses- Failing to reach sustainability targets or having to update targets	<p>Physical risks:</p> <p>Failure to realize compliance processes due to extreme weather events.</p> <p>Transition risks:</p> <p>Process of complying with standards and legislation; emergence of new roles and auditing processes.</p>	High	Medium	<p>Legislation is monitored regularly throughout the company, the company's relevant teams are provided with training and procedures are updated in line with new practices.</p> <p>Internal auditing and control mechanisms are actively used to ensure compliance with legal requirements, ENKA procedures and policies, international standards and customer expectations.</p>	<p>Investment in consultancy services and employment of personnel in relevant positions</p> <p>Training activities</p> <div><500,000 \$</div>	<ul style="list-style-type: none">• Product and Service Quality• Economic Performance• Customer Satisfaction• Ethics and Compliance• Combating Climate Change, Adaptation and Emission Reduction• Risk Management• Diversity, Equal Opportunities and Non-Discrimination• Waste Management• Water Management	<ul style="list-style-type: none">• Our Business and Principles• Our Planet

Sustainability and Climate Risks

Main Risk and Opportunity Topic	Definition of the Risks	Consequences of the Risk for ENKA	Climate Relevance of the Risk / Opportunity	Impact of the Risk	Probability of the Risk	Risk Management Activities	Investments Carried Out/Will be Carried Out for Risk Management Activities	Material Issues Connected with Risk	Relevant Report Section
Employee loyalty, attracting and retaining qualified workforce and talents	Employees not being included in processes concerning sustainability and climate, being excluded from decision making mechanisms or not being adequately informed presents the risk of impacting the company loyalty of the talented employees who want to continue their careers in companies with strong sustainability and climate management. Failure to effectively implement the sustainability strategy and commitments could affect the provision of a workplace where employees can pursue self-development, support for and empowerment of women in business life and especially in STEM fields and the provision of a workplace that is free of discrimination and inequality. The creation of a work environment in which people can be healthy and productive underpins skills management to which ENKA attaches importance. Therefore, the failure to create an environment where employees may exist with all their diversity through human-focused approaches presents the risk that these employees will eventually become competitors. Similarly, it is important for the corporate culture to develop along with next generation transformation. For corporate cultures that fail to adopt to the change, long term survival presents a significant risk.	Short term: <ul style="list-style-type: none">- Damage to employee loyalty and satisfaction- Loss of employee motivation- Emergence of externally dependent sustainability and climate structures due to lack of employee knowledge in these fields and slower pace of action in sustainability work Medium Term: <ul style="list-style-type: none">- Loss of competitiveness- Difficulty in attracting new talent to the company- Impact on product and service quality- Loss of brand reputation and value- Increased cooperation and communication issues among employees who are not included in or informed of processes concerning sustainability and climate Long Term: <ul style="list-style-type: none">- Resulting financial losses- Lower customer satisfaction- Delays in operations- Erroneous practices in processes concerning sustainability and climate- Employees leaving the company positioning as competitors- Stagnant corporate culture limiting the innovation capacity of the company- Failure to deliver sustainability and climate commitments	Physical risks: Extreme weather events and the connected need to reinforce employment conditions; potential damage to working environments and infrastructure. Transition risks: Emergence of new roles in companies; risks to corporate reputation and brand value; rapid changes in employee experiences and needs; need for training and development programs on new skills.	Medium	High	Active work continues on the inclusion of employees in decision making mechanisms and obtaining their feedback. Necessary mechanisms for the provision of equal, fair work environments which are inclusive and free of discrimination have been established and the continuity of the mechanisms is ensured through the ENKA Code of Business Conduct. Training and development programs which support the development and motivation of employees are being provided.	Running academies at ENKA and its subsidiaries Ethics and Compliance Program investments Employee communication activities <div><500,000 \$</div>	<ul style="list-style-type: none">• Employee Rights and Employee Satisfaction• Product and Service Quality• Employee Training, Development and Talent Management• Economic Performance• Customer Satisfaction• Employee Welfare and Mental Health• Ethics and Compliance• Risk Management	<ul style="list-style-type: none">• <u>Our People and Community</u>
Climate change adaptation, physical risks	The Global Risks Report of the World Economic Forum and the UN Secretary-General's warning about the “global era of boiling” have underlined the importance of climate change adaptation and limiting the global warming. Impacts of climate change will reshape business models in the near and the medium future. Climate change adaptation denotes the capability to adjust to the negative impacts related to climate. Companies have to develop their adaptation strategies in this context. Adaptation strategies support the future existence of companies, their sustainable growth and development of sustainable products and services. Furthermore, physical risks connected to climate change are one of the important factors which impact climate change adaptation. Climate change adaptation covers activities which build resilience against the physical risks presented by climate change. Physical risks have direct impacts on living areas, infrastructure and ecosystems. These include risks such as extreme weather events, rise in the sea level and higher temperatures.	Short term: <ul style="list-style-type: none">- Increase in cooling costs- Risk of limitations to project areas due to significant environmental impact assessment requirements- Difficulty/prolongation of environmental permit processes and audits Medium Term: <ul style="list-style-type: none">- Disruptions and shorter work periods due to high temperatures- Disruptions to services due to extreme weather events- Increase in the financial and health impacts of extreme weather events- Increase in energy costs- Increased difficulty in accessing raw materials- Water-intensive and carbon-intensive production activities- Issuing additional commitments in the science-based targets process- Increased difficulty in transitioning to a low-carbon economy- Failure to deliver commitments Long Term: <ul style="list-style-type: none">- Increased difficulty in accessing clean water- Drought and desertification- Lower pace of meeting stakeholder expectations- Facing sanctions- Loss of market share of carbon-intensive sectors- Limitations on and disruptions to energy production from fossil fuel power plants- Inability to meet cooling water needs	Physical risks: Extreme weather events, temperature fluctuations, rise in the sea level, damage to infrastructure. Transition risks: Emissions Trading System and Carbon Border Adjustment Mechanism; more stringent national and international sustainability standards, increase in reporting and index expectations; reputation management; protecting the integrity of the supply and value chains.	High	High	ENKA ensures that its risk management activities are detailed at the local level, covering projects and subsidiaries, in addition to the structure at the headquarters level. Training on sustainability and climate ensures that employees have better capacity to identify risks in these fields. Outputs of risk assessments are used in establishing project working hours, appropriate employee accommodation conditions, machinery and equipment planning, nutrition and clean water access conditions and the planning of many other lines of work. Outputs of risk assessment are also used in formulating emergency plans. Climate change-based risks are considered while establishing insurance policy coverage.	Risk management workshops Training activities Insurance practices <div>>10,000,000 \$</div>	<ul style="list-style-type: none">• Combating Climate Change, Adaptation and Emission Reduction• Management of Social, Economic and Environmental Impacts on the Local Communities• Energy Management, Efficiency and Renewable Energy• Environment-Friendly Materials, Equipment and Buildings• Water Management• Waste Management• Innovation, R&D and Digitalization• Biodiversity and Habitat Management• Risk Management	<ul style="list-style-type: none">• <u>Our Planet</u>

Sustainability and Climate Risks

Main Risk and Opportunity Topic	Definition of the Risks	Consequences of the Risk for ENKA	Climate Relevance of the Risk / Opportunity	Impact of the Risk	Probability of the Risk	Risk Management Activities	Investments Carried Out/Will be Carried Out for Risk Management Activities	Material Issues Connected with Risk	Relevant Report Section
Access to capital and market risks	<p>In addition to the increasing sustainability and climate-related expectations of investors and customers, there is a significant increase in sustainability and climate elements among the expectations and criteria of financial institutions and credit providers. In this regard, there is a risk that the expected performance may not be demonstrated and that it may become difficult to access credit and capital for new projects, investments or activities.</p> <p>The increased weight of sustainability and climate elements among international competition criteria and tender conditions presents the risk that performance failure in this field will negatively impact the competitiveness of the company.</p>	<p>Short Term:</p> <ul style="list-style-type: none">- Difficulty in accessing financing and credit- Loss of international competitive advantage- Loss of competitive advantage in international tenders- Problems with compliance with customer and investor expectations <p>Medium Term:</p> <ul style="list-style-type: none">- Higher risk of difficulty in compliance with legislation on sustainability and higher risk of encountering judicial processes- Increased cost of fossil fuel power plants- Additional costs arising from legislation and regulations for carbon-intensive power production processes- Fossil fuel power plant carbon pricing costs, ETS impacts <p>Long Term:</p> <ul style="list-style-type: none">- Loss of projects or markets due to disruptions to access to capital- Financial value loss of carbon-intensive power plants- Change in market demand for sustainable products- Increased difficulty of credit and financing for projects based on fossil fuels	<p>Physical risks:</p> <p>Damage to infrastructure and assets due to extreme weather events; operational disruptions; impact on financial performance.</p> <p>Transition risks:</p> <p>Changes to standards and legislation and compliance processes; increased demand for sustainable products and services and greater preference for such services; market and investor risks; ESG reporting becoming a criterion for investors.</p>	High	Medium	<p>Early Identification of Risks Committee and the Risk Management Work Group monitor all current developments to identify update requirements to the company's internal procedures and processes.</p> <p>A balanced financial structure between borrowing and own capital is maintained against adverse changes in interest rates and market conditions.</p> <p>Expectations of financial institutions are closely monitored and adjustments are made to internal processes and procedures in line with changing expectations.</p> <p>Most up-to-date practices, lessons learned and innovation are followed-up closely with active participation in common sectoral platforms and the professional chambers.</p> <p>Active business development work is carried out to discover new areas of operations and regions for activities.</p>	<p>Business development activities</p> <p>Consultancy obtained for environmental and social impact analyses</p> <p>Memberships</p> <p>Training activities</p> <div>500,000 \$ - 10,000,000 \$</div>	<ul style="list-style-type: none">• Economic Performance• Customer Satisfaction• Ethics and Compliance• Risk Management	<ul style="list-style-type: none">• Our Strategic Approach• Our Business and Principles

Sustainability and Climate Opportunities

Main Risk and Opportunity Topic	Emerging Opportunities	Impact of the Opportunity	Probability of the Opportunity	Sustainability and Climate Investments Carried out/ Will be Carried Out for the Opportunity	Material Issues Connected with Opportunity
Corporate governance, communication and brand reputation	<p>Short Term:</p> <ul style="list-style-type: none">- Gaining reputation as responsible and leading company in sustainability and climate- Strong communication capacity in environmental, social and governance framework- Meeting the brand value and brand reputation perception requirements at the highest level- Developing the vision for leadership of the sector at the international level <p>Medium Term:</p> <ul style="list-style-type: none">- Higher employee and customer satisfaction- Opportunities for entering new markets and projects- Emergence of new processes which could make a positive impact on stakeholders- Positive differentiation from other organizations in the sector in terms of sustainability work- Increase and continuation of sincere trust in the company among customers and stakeholders <p>Long Term:</p> <ul style="list-style-type: none">- Reinforcing the long-lasting strong employer brand- Opportunities for entering new markets and projects	Medium	Medium	<p>Sustainability communication investments</p> <p>Media communication infrastructure investments</p> <div><500,000 \$</div>	<ul style="list-style-type: none">• Economic Performance• Customer Satisfaction• Employee Rights and Employee Satisfaction• Ethics and Compliance• Combating Climate Change, Adaptation and Emission Reduction• Risk Management
Economic, political and geopolitical developments	<p>Short Term:</p> <ul style="list-style-type: none">- Emergence of new areas of activities- Direct and high-quality investment in alternative resources and renewable energy- Increase in the ratio of local suppliers- Establishment of a structure that can constantly predict and manage conjectural and structural changes that may impact economic profitability <p>Medium and Long Term:</p> <ul style="list-style-type: none">- Opportunities for new sectorial leadership positions in some countries- Use of incentives in some policies concerning adaptation processes- Preparedness for all economic, political and geopolitical developments related to climate change in every field of production and investment- Adoption of the circular economy models- Value chain optimization	Medium	Medium	<p>Market analysis and business development investments</p> <p>Consultancy services</p> <p>Local supply chain activities</p> <p>Memberships</p> <div>500,000 \$ - 10,000,000 \$</div>	<ul style="list-style-type: none">• Economic Performance• Customer Satisfaction• Risk Management

Sustainability and Climate Opportunities

Main Risk and Opportunity Topic	Emerging Opportunities	Impact of the Opportunity	Probability of the Opportunity	Sustainability and Climate Investments Carried out/ Will be Carried Out for the Opportunity	Material Issues Connected with Opportunity
Employee health and safety	<p>Short Term:</p> <ul style="list-style-type: none">- Increased pace and effectiveness of OHS processes through digitalization and automation processes <p>Medium Term:</p> <ul style="list-style-type: none">- Becoming a leading company in occupational health and safety and thereby attracting and retaining employees- Increased employee satisfaction- Increased participation of employees in OHS processes- Leading the sector through activities for the management of psychosocial risks- Increased project productivity through activities to manage psychosocial risks <p>Long Term:</p> <ul style="list-style-type: none">- Increased competitiveness for receiving new projects through increased customer satisfaction- Minimizing the loss of labor force through the reduction in workplace accidents and occupational illnesses- Supporting a creative and innovative work culture through healthy and happy employees- Stronger reputation as a trustworthy and preferred company	Medium	High	<p>Investment in innovation and training specifically or employee health and safety</p> <p>Digitalization and artificial intelligence investments</p> <div>500,000 \$ - 10,000,000 \$</div>	<ul style="list-style-type: none">• Occupational Health and Safety• Employee Welfare and Mental Health• Employee Rights and Employee Satisfaction• Customer Satisfaction• Risk Management
Supply chain sustainability	<p>Short Term:</p> <ul style="list-style-type: none">- Sustainable supply chain management- Sustainable financing and incentive opportunities <p>Medium Term:</p> <ul style="list-style-type: none">- Increased brand reputation- Meeting market needs through alternative suppliers- Strengthening local suppliers and local employment opportunities- Ensuring suppliers identify targets for sustainability and climate- Emergence of products such as green steel on the market- Development of alternative supplier opportunities through green product diversification <p>Long Term:</p> <ul style="list-style-type: none">- Market leadership, impact and value creation- Implementation of supplier transformation programs- Decarbonization of the supply chain- Sectorial and international cooperation	Medium	Medium	<p>Supply chain management investments</p> <p>Local supply chain development activities</p> <p>Auditing activities</p> <p>Memberships and joint projects</p> <div>>10,000,000 \$</div>	<ul style="list-style-type: none">• Product and Service Quality• Ethics and Compliance• Risk Management• Management of Social, Economic and Environmental Impacts on the Local Community• Contributing to the Local Economy• Social Investment Programs and Social Responsibility• Supplier Diversity and Local Procurement• Environmental Compliance of Suppliers

Sustainability and Climate Opportunities

Main Risk and Opportunity Topic	Emerging Opportunities	Impact of the Opportunity	Probability of the Opportunity	Sustainability and Climate Investments Carried out/ Will be Carried Out for the Opportunity	Material Issues Connected with Opportunity
Compliance with anti-corruption, human rights and conflict of interest policies throughout the value chain	<p>Short Term:</p> <ul style="list-style-type: none">- Increasing equality, diversity and inclusivity capacities <p>Medium Term:</p> <ul style="list-style-type: none">- Increasing resilience and compliance capacity- Supporting local communities <p>Long Term:</p> <ul style="list-style-type: none">- New market opportunities	Medium	Medium	Ethics and compliance program investments Training activities <div><500,000 \$</div>	<ul style="list-style-type: none">• Customer Satisfaction• Ethics and Compliance• Risk Management• Management of Social, Economic and Environmental Impacts on the Local Community• Responsible Supply Chain Management• Risk Management
Technological developments (digitalization), information security and cybersecurity	<p>Short, Medium and Long Term:</p> <ul style="list-style-type: none">- Achieving sectorial leadership through innovation and R&D activities, formation of new business lines, opportunity to access new customers and markets- Increased work productivity through adaptation to new technological developments- Reduced operational costs through investments in technology- Ensuring talent diversity, ensuring time for employee development by utilizing technological developments and the use of technological developments for the development of employees	Medium	High	R&D and innovation investments and employment Digitalization and artificial intelligence investments <div>>10,000,000 \$</div>	<ul style="list-style-type: none">• Information Security & Cybersecurity• Innovation, R&D and Digitalization• Risk Management• Ethics and Compliance• Employee Training, Development and Talent Management
Compliance with current, new and emerging national and international standards and legal requirements	<p>Short Term:</p> <ul style="list-style-type: none">- Increase in competitive advantage <p>Medium Term:</p> <ul style="list-style-type: none">- Making room for the development of new services and products which lead the sector- Maintaining high preferability for inventive and support mechanisms <p>Long Term:</p> <ul style="list-style-type: none">- Increased international recognition and trust; increase in international cooperation- Avoiding sanctions through compliance with standards and related savings- Maintaining position as a preferred place to work as an up-to-date and compliant company	Medium	Medium	Investment in consultancy services and employment of personnel in relevant positions Training activities <div><500,000 \$</div>	<ul style="list-style-type: none">• Risk Management• Management of Social, Economic and Environmental Impacts on the Local Community• Economic Performance• Customer Satisfaction

Sustainability and Climate Opportunities

Main Risk and Opportunity Topic	Emerging Opportunities	Impact of the Opportunity	Probability of the Opportunity	Sustainability and Climate Investments Carried out/ Will be Carried Out for the Opportunity	Material Issues Connected with Opportunity
Employee loyalty, attracting and retaining qualified workforce and talents	<p>Short Term:</p> <ul style="list-style-type: none">- Stronger employee loyalty- Emergence of new roles- Increase in employee inclusion in work participation and decision making processes <p>Medium and Long Term:</p> <ul style="list-style-type: none">- Becoming a brand for employees, and maintaining and improving this position- Increased process performance, innovation and R&D activities with the employment of highly talented individuals,- Creating diverse and a healthy working environment with people-oriented approaches, increasing creativity within the organization and supporting sectoral leadership with a sense of loyalty to the organization- Rapid adjustment of the company to changing and increasing international requirements with the increase of employees at the company who are specialized in sustainability and climate	Medium	Medium	<p>Employee orientation programs</p> <p>Employee communication activities</p> <div><500,000 \$</div>	<ul style="list-style-type: none">• Employee Rights and Employee Satisfaction• Ethics and Compliance• Risk Management• Diversity, Equal Opportunities and Non-Discrimination• Employee Training, Development and Talent Management
Climate change adaptation, physical risks	<p>Short Term:</p> <ul style="list-style-type: none">- Investment in renewable energy resources- Energy and resource efficiency- Support for the circular economy <p>Medium Term:</p> <ul style="list-style-type: none">- Localization of the supply chain- Cooperation with stakeholders- Updating emergency plans- Use of alternative resources- Strengthening the risk-based approach to work- Green steel production opportunities- Lowering the potential cost of carbon through sustainable products and services- ETS preparedness <p>Long Term:</p> <ul style="list-style-type: none">- Use of high technology systems- Strengthening automation processes- Utilization of artificial intelligence and robotic processes	Medium	High	<p>Investment in new technology and practices</p> <p>Investment in alternative energy resources</p> <div>>10,000,000 \$</div>	<ul style="list-style-type: none">• Combating Climate Change, Adaptation and Emission Reduction• Management of Social, Economic and Environmental Impacts on the Local Community• Energy Management, Efficiency and Renewable Energy• Environment-Friendly Materials Equipment and Buildings• Water Management• Waste Management• Innovation, R&D and Digitalization• Biodiversity and Habitat Management• Risk Management
Access to capital and market risks	<p>Short Term:</p> <ul style="list-style-type: none">- Ensuring operational efficiency- Opportunities for new markets- Sustainability-focused incentive mechanisms- National renewable energy certification- Investment in the renewable energy market <p>Medium Term:</p> <ul style="list-style-type: none">- Rapid adaptation to sustainability targets and prominence in green investment opportunities- Strengthening brand value- Supplying sustainable products and services to the market- Integration of fossil fuel power plants with renewable energy resources and market share in power storage solutions- Possibility to provide power through hybrid power plants in regions where energy needs cannot be met through renewable resources <p>Long Term:</p> <ul style="list-style-type: none">- Long term improvement in investor and customer confidence- Stronger market position and international leadership	Medium	Medium	<p>Business development activities for the identification of new markets and new investments</p> <p>Investment in renewable energy supply</p> <p>Investment in renewable energy production</p> <div>>10,000,000 \$</div>	<ul style="list-style-type: none">• Economic Performance• Product and Service Quality• Customer Satisfaction• Risk Management• Contributing to the Local Economy and Local Employment• Community Investment

Annex 6: Direct Contribution to Economies in Regions with the Highest Local Procurement

Country	Total Amount
<i>Russia</i>	> USD 220 million
<i>Serbia</i>	> USD 215 million
<i>Germany</i>	> USD 186 million

Annex 7: Employee Data

(Data of the companies included in the report as of December 31, 2023)



	Blue Collar		White Collar	
	Female	Male	Female	Male
Number of Employees	732	15,058	1,506	3,796
Ratio (%)	3.5%	71.4%	7.1%	18%
Total	21,092			

Employee Profile by Age Distribution

Age	Blue Collar		White Collar	
	Number	Ratio	Number	Ratio
< 30	3,852	18.3%	1,293	6.1%
30 - 50	10,314	48.9%	3,399	16.1%
> 50	1,621	7.7%	613	2.9%
Total	15,787	74.9%	5,305	25.1%

Number and Ratio of Employees with Disabilities*

	Blue Collar		White Collar	
	Number	Ratio	Number	Ratio
Number of Employees with Disabilities	70	0.33%	66	0.31%

*This section covers all employees, including overseas projects and subsidiaries. This is not the ratio for Türkiye operations only.

Number of Employees by Contract Type with Gender Breakdown

	Female	Male
Permanent	1,089	5,378
Temporary	1,151	13,474

Number of Employees by Contract Type with Country Breakdown

	Permanent	Temporary
Türkiye	4,485	1,202
Russian Federation	848	3,025
Kazakhstan	106	3,817
Serbia	150	2,714
Mexico	26	929
Mongolia	54	762
Saudi Arabia	113	327
Brazil	38	294
China	170	152
South Sudan	16	295
The Bahamas	23	231
North Macedonia	107	142
Germany	65	164
Libya	69	117
Uzbekistan	113	9
United Kingdom	68	40
Italy	12	57
Turkmenistan	2	62
Paraguay	1	59
Tajikistan	51	0
Greece	9	38
Sri Lanka	3	30
USA	25	0
Other*	40	33
Total	6,594	14,499

*Other countries include: Australia, Azerbaijan, Dominican Republic, Iraq, Canada, Montenegro, Kenya, Kyrgyzstan, Ukraine

Number of Full Time and Part Time Employees with Gender Breakdown

	Female	Male
Full Time	2,412	18,579
Part Time*	70	31

*22 of the part-time employees are in Russia and the rest of them are in Türkiye.



Number of Senior Management Employees by Gender

	Number	Ratio
Female	14	14%
Male	88	86%

Number of Senior Management Employees by Age

	Number	Ratio
< 30	1	1%
30 - 50	57	56%
> 50	44	43%
Total	102	100%

Number of Employees by Employee Category at ENKA İnşaat

	Number	Ratio
Turkish Employees	4,026	25.6%
Local Employees	6,772	43.2%
Subcontractor Employees	271	1.7%
Other Employees	4,632	29.5%
Total	15,701	100%

* Employees employed in the country of operation are categorized as "local". Local employees in the countries of operation and personnel who are citizens of a third country other than Turkish citizens are listed as the "other" category.

Other Information

Ratio of Initial Wage to Legal Minimum Wage	1.35
Turnover Rate (resignation and voluntary retirement)	6.6%
Mandatory Termination Rate (retirement, death, medical disability, dismissal, etc.)	18%
Total Volunteer Work Carried Out in 2023	1,290 person-hours
Ratio of Female Lower-Level Managers	25%
Ratio of Female Mid-Level Managers	7.5%

Annex 8: ENKA's Lost Day and Occupational Incidents Performance, 2023

	2023 Total Person-Hours	67,871,080				
ENKA Group		Female		Male		Total
		Blue Collar	White Collar	Blue Collar	White Collar	
	Number of Fatalities*	0	0	4	0	4
	Number of Lost Time Incidents	0	0	24	0	24
	Lost Time Incident Frequency Rate	0	0	0.07	0	0.07
	Number of Lost Days	0	0	408	0	408
	Lost Time Incident Severity Rate	0	0	1.26	0	1.26
	Number of Restricted Work Cases	0	0	26	0	26
	Number of Medical Treatments	0	0	78	0	78
	Number of First Aid Cases	0	0	290	0	290
	Number of Recordable Incidents	0	0	132	0	132
	Recordable Incident Frequency Rate	0	0	0.407	0	0.407

*Considering the distribution of fatalities in 2023 by business lines; it can be seen that three of them happened in civil projects and one in infrastructure projects. Detailed root cause analyzes of the incidents have been completed; in line with these analyses, improvements were made in the work permit systems in the relevant projects, work methods and work schedules were reviewed, meetings with wide participation were held, and trainings were renewed. Necessary efforts have been made to prevent the recurrence of these incidents, and "Lessons Learned" have been shared with all projects.

	2023 Total Person-Hours	4,014,427				68,885,507
	Incident Type and Ratio	Female		Male		Total (ENKA Group + Subcontractors)
		Blue Collar	White Collar	Blue Collar	White Collar	
Number of Fatalities		0	0	0	0	0
Number of Lost Time Incidents		0	0	6	0	6
Lost Time Incident Frequency Rate		0	0	0.30	0	0.30
Number of Lost Days		0	0	108	0	108
Lost Time Incident Severity Rate		0	0	5.38	0	5.38
Number of Restricted Work Cases		0	0	1	0	1
Number of Medical Treatments		0	0	4	0	4
Number of First Aid Cases		0	0	0	0	0
Number of Recordable Incidents		0	0	11	0	11
Recordable Incident Frequency Rate		0	0	0.55	0	0.55

Annex 9: Distribution of ENKA's Fuel and Energy Consumption in 2023

Company	Fuel Consumption	Energy Consumption		Amount of Energy Sold		Total Energy Generated from Renewable Energy Sources (MWh)	Total Energy Procured from Renewable Energy Sources (MWh)
	Fossil Fuels (TJ)	Electricity (TJ)	Hot Water Consumption for Heating Purposes and Steam (TJ)	Electricity (TJ)	Electricity (MWh)		
ENKA İnşaat	988.4	104.8	-	-	-	-	43.3
ENKA Power	38,160.2	440.9	-	17,762.3	4,933,959.2	-	-
ENKA Real Estate	264.4	451.8	497.3	-	-	-	-
Çimtaş Group	187.9	147	8.3	-	0.2	11,227	1,600
ENKA Pazarlama	14.6	2.8	-	-	-	-	-
Total	39,615.5	1,147.3	505.6	17,762.3	4,933,959.4	11,227	1,643.3

Annex 10: ENKA Group 2023 Scope-1, Scope-2 and Scope-3 Emissions and Intensities

Scope-1 and Scope-2 Emissions by Company

Company/Project	2021	2022	2023
	Scope 1 + 2 tCO ₂ e	Scope 1 + 2 tCO ₂ e	Scope 1 + 2 tCO ₂ e
ENKA Headquarters	707	1,037	1,063
Morava Corridor Motorway Project**	49,521	62,396	23,711
Tengiz 3GP Project	27,600	28,467	21,318
Tengiz Base Operations and Maintenance Works	16,778	15,858	12,853
Yandex Headquarters Project	-	2,036	5,790
Kırkırelili 850 MW Natural Gas CCPP Project	-	-	3,536
Corridors 8 & 10d Motorway Project **	-	-	302
Hinkley Point C Project	-	-	2
Shotton Paper Mill Project	-	-	4
Nassau Cruise Port Project *	5,817	1,849	-
KOS Project*	4,466	-	-
Nizhnekamsk Project*	7,338	-	-
ENKA Power	3,918,019	2,788,893	1,866,538
City Center Investment (CCI)	38,301	21,115	19,477
ENKA Invest	12,588	7,731	7,454
ENKA TC	67,161	54,420	51,372
MKH & OMKH	19,503	13,104	13,068
MosENKA	3,945	2,731	2,575
ENKAMOS Region	-	-	517
Cimtas Ningbo	1,693	2,933	3,248
Cimtas Pipe	5,702	9,939	10,217
Çimtaş Module & Shipyard	7,237	7,544	7,926
Çimtaş Precision Machining	2,416	2,764	2,893
Çimtaş Steel	9,261	9,155	6,092
ENKA Pazarlama	1,285	1,488	1,600
Total	4,199,338	3,033,462	2,061,556

* Projects are completed.

** Since these projects are joint venture projects, 50% of the emission values are reflected in the ENKA report.

Greenhouse Gas Emission Intensity by Company (Scope-1 + Scope-2)

Company/Project	2021 (tonCO ₂ e/ million USD)	2022 (tonCO ₂ e/ million USD)	2023 (tonCO ₂ e/ million USD)
Morava Corridor Motorway Project	450	339.63	122.77
Tengiz 3GP Project	170.93	77.86	67.48
Tengiz Base Operations and Maintenance Works	3,317.12	5,129.44	5,962.65
Yandex Headquarters Project	-	15.62	34.63
Corridors 8 & 10d Motorway Project	-	-	24.74
Hinkley Point C Project	-	-	0.39
Shotton Paper Mill Project	-	-	0.04
Nassau Cruise Port Project*	80.95	25.29	-
ENKA Power Adapazarı	5,039.03	2,066.71	2,738.78
ENKA Power Gebze	4,918.10	2,280.50	2,615.77
ENKA Power İzmir	4,791.64	2,092.98	2,676.99
City Center Investment (CCI)	338.77	177.56	174
ENKA Invest	340.17	202.15	162.19
ENKA TC	632.98	479.64	485.41
MKH & OMKH	534.17	353.66	374.64
MosENKA	412.11	281.27	262.77
ENKAMOS Region	-	-	131.71
Çimtaş Group	73.85	73.15	45.65
ENKA Pazarlama	5.94	6.23	5.91

* Projects are completed.

Greenhouse Gas Emission Intensity Per Employee (Scope-1 + Scope-2)

Company/Project	2021 (tonCO ₂ e/ employee)	2022 (tonCO ₂ e/ employee)	2023 (tonCO ₂ e/ employee)
ENKA Headquarters	1.16	1.79	0.98
Morava Corridor Motorway Project	25.85	23.01	8.28
Tengiz 3GP Project	5.73	6.87	6.85
Tengiz Base Operations and Maintenance Works	99.87	18.12	19.93
Yandex Headquarters Project	-	1.39	2.93
Kirklareli 850 MW Natural Gas CCPP Project	-	-	7.43
Corridors 8 & 10d Motorway Project	-	-	1.21
Hinkley Point C Project	-	-	0.13
Shotton Paper Mill Project	-	-	0.06
Nassau Cruise Port Project	45.45	5.30	-
ENKA Power Plants	12,845.96	9,453.87	5,072.11
City Center Investment (CCI)	348.19	190.23	182.03
ENKA Invest	196.69	120.80	120.23
ENKA TC	219.48	173.87	163.08
MKH & OMKH	72.77	53.05	48.94
MosENKA	74.43	52.52	50.49
ENKAMOS Region	-	-	43.12
Cimtas Ningbo	5.88	8.19	9.67
Cimtas Pipe	7.64	10.52	7.57
Çimtaş Module & Shipyard	27.52	23.21	28.72
Çimtaş Precision Machining	9.63	10.67	9.27
Çimtaş Steel	12.3	11.12	7.58
ENKA Pazarlama	8.08	8.04	8.12

Greenhouse Gas Emission Intensity Per Used Area (Scope-1 + Scope-2)

Company/Project	2021 (tonCO ₂ e/m ²)	2022 (tonCO ₂ e/m ²)	2023 (tonCO ₂ e/m ²)
ENKA Power Plants	35.9	25.55	17.10
City Center Investment (CCI)	0.24	0.13	0.12
ENKA Invest	0.17	0.10	0.10
ENKA TC	0.08	0.06	0.06
MKH & OMKH	0.22	0.15	0.15
MosENKA	0.10	0.10	0.09
ENKAMOS Region	-	-	0.02
Cimtas Ningbo	0.06	0.11	0.12
Cimtas Pipe	0.11	0.18	0.19
Çimtaş Module & Shipyard	0.10	0.11	0.11
Çimtaş Precision Machining	0.17	0.19	0.20
Çimtaş Steel	0.16	0.16	0.11
ENKA Pazarlama	0.06	0.07	0.08

ENKA Group Scope 1, Scope 2 and Scope 3 Emissions by Years

Greenhouse Gas Emissions (tCO ₂ e)	2021	2022	2023
Scope 1	4,025,525	2,888,653	1,926,462
Scope 2	173,813	144,809	135,094
Scope 3	1,567,009	2,377,015	1,162,228
Total	5,766,347	5,412,012	3,223,784

Emission Breakdowns in Accordance with ISO 14064 Standard (tCO₂e)

Company/Project	Category 1	Category 2	Category 3	Category 4	Category 5	Category 6
ENKA Headquarters	364.82	697.98	-	-	-	-
Morava Corridor Motorway Project	19,477.45	4,232.86	17,915.82	27,393.81	-	-
Tengiz Base Operations and Maintenance Works and 3GP Project	30,390.23	3,780.56	6,510.32	260.18	-	-
Yandex Headquarters Project	3,008.03	2,781.97	1,834.06	21,738.82	99.91	-
Kirklareli 850 MW Natural Gas CCPP Project	3,184.66	351.15	688.68	18,917.49	-	-
Corridors 8 & 10d Motorway Project	281.66	20.41	143.55	0.69	-	-
Hinkley Point C Project	2.46	-	0.63	12.35	-	-
Shotton Paper Mill Project	4.43	-	44.33	12,015.24	-	-
ENKA Power Adapazarı	351,477.15	3,164.10	61,465.93	11.62	-	-
ENKA Power Gebze	815,071.97	6,491.73	142,709.08	29.64	-	-
ENKA Power İzmir	683,487.30	6,845.21	133,553.69	40.19	-	-
City Center Investment (CCI)	60.74	19,416.56	2,007.90	740.70	5,383.28	-
ENKA Invest	554.50	6,899.91	717.49	939.18	1,772.64	-
ENKA TC	8,184.24	43,187.21	5,593.06	1,441.62	22,464.62	-
MKH	605.35	8,836.91	914.26	1.35	876.98	-
OMKH	207.61	3,417.78	352.62	770	-	-
MosENKA	18.60	2,556.50	267.92	0.58	487.03	-
ENKAMOS Region	-	517.40	52.58	-	184.46	-
Cimtas Ningbo	175.03	3,073.16	25,555.17	16,290.74	-	-
Cimtas Pipe	4,411.65	5,805.25	8,300.87	66,544.59	-	-
Çimtaş Module & Shipyard	2,220.70	5,705.39	58,597.68	213,606.56	-	-
Çimtaş Precision Machining	137.76	2,755.18	3,852.97	3,472.90	-	-
Çimtaş Steel	1,913.99	4,178.13	113,213.78	109,184.44	-	-
ENKA Pazarlama	1,221.72	378.86	1,886.06	0.03	27,999.75	-
Total	1,926,462	135,094	586,178.43	493,412.70	59,268.48	-
Total (Including flight emissions)	1,926,462	135,094	609,546.69	493,412.70	59,268.48	-

Annex 11: Energy and Emission Performance of ENKA's UK Operations

(This section covers ENKA's ongoing Shotton Paper Mill Project and Hinkley Point C Project activities within the borders of the UK.)

	Scope 1 Greenhouse Gas Emissions (tCO ₂ e)
Diesel (stationary sources)	0
Diesel (mobile sources)	4.43
Diesel (mobile sources-off road)	0
Gasoline (mobile sources)	2.46
LPG (mobile)	0
Natural gas	0
LPG	0
Refrigerant Emissions	0
Total	6.89
	Scope 2 Greenhouse Gas Emissions (tCO ₂ e)
Purchased Electricity	0
Purchased Heating	0
Purchased Steam	0
Total	0
Total Scope 1 + 2	6.89
	Energy Consumption (kWh)
Fuel Consumption	25.82
Purchased Electricity	0
Electricity Purchased from Renewable Sources	43,267.7
Steam and Heat	0
Total	43,293.5
	Energy Consumption (TJ)
Fuel Consumption	0
Purchased Electricity	0
Electricity Purchased from Renewable Sources	0.156
Steam and Heat	0
Total	0.156
Energy Intensity (TJ/ million USD)	0.0015
Emission Intensity (tonCO ₂ e/million USD)	0.065

Annex 12: Amount of Water Withdrawal and Discharged Water by Source

Company/ Facility/ Project	Amount of Water Withdrawal by Source**					Wastewater Discharge (m³)	Discharge Municipal Point
	Municipal Water (m³)	Surface Water (Sea, River, Lake, etc.) (m³)	Ground Water (m³)	Rain Water (m³)	Produced Water (m³)		
ENKA Headquarters	12,346	-	-	-	-	12,346	Municipal Wastewater Treatment Plant
Morava Corridor Motorway Project	172,447	-	384,876	-	2,800	172,447	
Tengiz Base Operations and Maintenance Works and 3GP Project	256,094	-	2,385	10,084	-	240,122	
Yandex Headquarters Project	53,076	-	-	-	-	412	Reuse
						53,076	Municipal Wastewater Treatment Plant
Kırkırelili 850 MW Natural Gas CCPP Project ***	-	-	24,150	-	-	2,900	Reuse
						190	Municipal Wastewater Treatment Plant
Corridors 8 & 10d Motorway Project	61	-	-	-	-	61	
Shotton Paper Mill Project	1,405	-	-	-	-	1,405	
ENKA Power Adapazarı	-	-	98,800	-	-	98,800	Receiving Body After Treatment
ENKA Power Gebze	-	-	197,663	-	-	197,663	
ENKA Power İzmir*	-	7,346,449	31,937	-	71,311	4,769,900	Sea
						7,300	Receiving Body After Treatment
City Center Investment (CCI)	147,414	-	-	-	-	147,414	Municipal Wastewater Treatment Plant
ENKA Invest	49,132	-	-	-	-	45,458	
ENKA TC	511,000	-	-	51	-	467,860	
MKH & OMKH	77,281	-	-	-	-	77,281	
MosENKA	15,440	-	-	-	-	15,440	
ENKAMOS Region	17,250	-	-	-	-	17,250	
Cimtas Ningbo	15,918	-	-	-	-	15,918	
Cimtas Pipe	37,236	-	-	363	-	37,236	Reuse
						80	
Çimtaş Module & Shipyards	22,036	-	-	-	-	11,020	Municipal Wastewater Treatment Plant
Çimtaş Precision Machining	13,230	-	-	786	-	13,230	
Çimtaş Steel	1,130	-	40,510	-	-	53	Reuse
						13,515	Receiving Body After Treatment
ENKA Pazarlama	8,901	-	473	-	-	8,901	Municipal Wastewater Treatment Plant
Total	1,411,397	7,346,449	780,794	11,284	74,111	6,423,833	

* The water withdrawal source of ENKA Power Plant İzmir is sea.

** Distribution of amount of water withdrawal by source and by discharge point according to water stress regions are not presented in this table, it is available on ENKA's CDP Water Security answers.

*** The amount of water discharged in the Kırklareli 850 MW Natural Gas CCPP Project is the amount sent to the municipality's treatment plant via sewage tanker.

ENKA Group’s Amount of Water Withdrawal and Discharged Wastewater Over the Years

Year	Municipal Water (m³)	Surface Water (Sea, River, Lake, etc.) (m³)	Ground Water (m³)	Rain Water (m³)	Produced Water (m³)	Total Water Withdrawal (m³)	Waste-water Discharge* (m³)
2023	1,411,397	7,346,449	780,794	11,284	74,111	9,624,035	6,423,833
2022	1,341,472	12,257,200	561,282	7,868	138,411	14,306,233	9,461,258
2021	1,469,562	12,837,200	381,785	8,407	94,680	14,791,634	9,501,323.96
2020	1,030,299	255,808	78,968	1,060	-	1,366,135	1,214,158

*There is no discharge to groundwater.

Annex 13: Amount of Waste and Disposal Methods

Waste by Type (Tons)

Waste Type	Amount of waste generated	Amount of waste diverted from disposal	Amount of waste directed to disposal
Metal	18,605	18,584	21
Plastics	642	642	-
Waste electrical and electronic equipments	9	9	-
Waste batteries	24	23	1
Domestic waste	27,992	17,784	10,208
Paper-cardboard	1,687	1,687	-
Glass	165	165	-
Excavation	17,708	169	17,539
Wood	6,451	6,450	1
Other	3,918	2,074	1,844
Total	77,201	47,587	29,614

Amount of Waste Diverted From Disposal by Recovery Operation (Tons)

Hazardous Waste	
Preperation for reuse	8
Recycling	441
Other recovery options	-
Total	449
Non-Hazardous Waste	
Preperation for reuse	17,194
Recycling	25,768
Other recovery options	4,176
Total	47,138

Amount of Waste Directed to Disposal by Disposal Operation (Tons)

Hazardous Waste	
Incineration (with energy recovery)	458
Incineration (without energy recovery)	14
Landfilling	-
Other	109
Total	581
Non-Hazardous Waste	
Incineration (with energy recovery)	8
Incineration (without energy recovery)	1
Landfilling	29,024
Other	-
Total	29,033

Annex 14: GRI Content Index

Statement of use	ENKA İnşaat ve Sanayi A.Ş. has prepared its Sustainability Report for the period January 1, 2023 - December 31, 2023 in accordance with the requirements of GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Sector Specific Disclosure: Construction and Real Estate CRE3, CRE6, CRE7

GRI Standards	Disclosure	Page Numbers, Explanations and/or Direct Answer
General Disclosures		
GRI 2: General Disclosures 2021		
GRI 2: General Disclosures 2021	2-1 Organizational Details	About This Report, p. 9 About ENKA, p. 14-15, 18-19
	2-2 Entitites included in the organization's sustainability reporting	About This Report, p. 9
	2-3 Reporting period, frequency and contact point	About This Report, p. 9
	2-4 Restatements of information	There aren't any restatements regarding the previous reports.
	2-5 External assurance	About This Report, p. 9
	2-6 Activities, value chain and other business relationships	About ENKA, p. 14-16, 18-21 Economic Performance, p. 17 Governance, p. 22-25 Responsible Supply Chain Management, p. 70-74 Corporate Memberships and Collaborations, p. 44-45
	2-7 Employees	Our People, p. 103-105 Annex 7: Employee Data, p. 182-184
	2-8 Workers who are not employees	Local Employment, p. 90 Annex 7: Employee Data, p. 182-184
	2-9 Governance structure and composition	Governance, p. 22-25 Sustainability Management at ENKA, p. 30-33
	2-10 Nomination and selection of the highest governance body	Board of Directors, p. 22-23
	2-11 Chair of the highest governance body	Board of Directors, p. 22-23
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance, p. 22-25 Sustainability Management at ENKA, p. 30-33
	2-13 Delegation of responsibility for managing impacts	Governance, p. 22-25 Sustainability Management at ENKA, p. 30-33

GRI Standards	Disclosure	Page Numbers, Explanations and/or Direct Answer
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	Board of Directors, p. 22-23 Sustainability Management at ENKA, p. 30
	2-15 Conflicts of interest	Board of Directors, p. 22-23 Ethics and Compliance Program, p. 58
	2-16 Communication of critical concerns	Stakeholder Engagement, p. 42-43 Materiality Process, p. 46-49 Ethics and Compliance Program, p. 56-60 Social Impact Assesment, p. 86-89
	2-17 Collective knowledge of the highest governance body	Board of Directors, p. 22-23
	2-18 Evaluation of the performance of the highest governance body	Board of Directors, p. 22-23
	2-19 Remuneration policies	Board of Directors, p. 22-23 Our People, p. 103
	2-20 Process to determine remuneration	Board of Directors, p. 22-23
	2-21 Annual total compensation ratio	Board of Directors, p. 22-23
	2-22 Statement on sustainable development strategy	Sustainability Management at ENKA, p. 30,32 Sustainability Strategy, p. 38-41
	2-23 Policy commitments	Board of Directors, p. 22-23 Sustainability Management at ENKA, p. 30, 32, 38-41 Ethics and Compliance Program, p. 56-60 Our Planet, p. 120-155
	2-24 Embedding policy commitments	Board of Directors, p. 22-23 Sustainability Management at ENKA, p. 30, 32, 38-41 Ethics and Compliance Program, p. 56-60 Our Planet, p. 120-155
	2-25 Processes to remediate negative impacts	Ethics and Compliance Program, p. 56-60 Human Rights, p. 61-63 Combating Bribery and Corruption, p. 64-65 Control Mechanisms and Risk Management, p. 66-69 Social Impact Assesment, p. 86-89 Our Planet, p. 120-155
	2-26 Mechanisms for seeking advice and raising concerns	Stakeholder Engagement, p. 42-43 Ethics and Compliance Program, p. 56-60, 63, 65
	2-27 Compliance with laws and regulations	Ethics and Compliance Program, p. 56-60 Combating Bribery and Corruption, p. 64-65 Our Planet, p. 120-121,128,136,141
	2-28 Membership associations	Corporate Memberships and Collaborations, p. 44-45 Annex 4: Memberships of ENKA İnşaat and its Subsidiaries, p. 161
	2-29 Approach to stakeholder engagement	Stakeholder Engagement, p. 42-43 Materiality Process, p. 46-49 Annex 3: Stakeholder Communication of ENKA, p.160-161
	2-30 Collective bargaining agreements	Human Rights, p. 63

GRI Standards	Disclosure	Page Numbers, Explanations and/or Direct Answer
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Stakeholder Engagement, p. 42-43 Materiality Process, p. 46-49
	3-2 List of material topics	Materiality Process, p. 47-49
Employee Rights and Employee Satisfaction		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Process, p. 46-49 Our People, p.103-105
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our People, p. 103-104
	401-3 Parental leave	During the reporting period, 220 employees were entitled to take parental leave and 216 employees took parental leave. 149 (69%) employees returned to work after parental leave. Of the employees who returned to work after parental leave, 139 (93%) resumed their jobs twelve months later. These numbers may be affected by the completion of projects due to operating in a project-based sector. Both female and male employees are included in the scope.
Product and Service Quality		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Process, p. 46-49 Product and Service Quality, p. 75
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Health & Safety Impacts of Products and Services, p. 76
Employee Training, Development and Talent Managment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Process, p. 46-49 Employee Training and Development, p. 106-108
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee Training and Development, p. 107-108
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Training and Development, p.106-108
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Process, p. 46-49 Occupational Health and Safety, p. 110-116

GRI Standards	Disclosure	Page Numbers, Explanations and/or Direct Answer
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety, p. 110-116
	403-2 Hazard identification, risk assessment, and incident investigation	OHS Management System and Risk Assessments, p. 110
	403-3 Occupational health services	Employee Health and Well-Being, p. 115
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety Committees, p. 111
	403-5 Worker training on occupational health and safety	HSE Trainings, p. 114-115
	403-6 Promotion of worker health	OHS Management System and Risk Assessments, p. 110 Employee Health and Well-Being, p. 115
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	OHS Management System and Risk Assessments, p. 110
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety, p. 110 Occupational Health and Safety Committees, p. 111
	403-9 Work-related injuries	OHS Performance, p. 116 Annex 8: ENKA's Lost Day and Occupational Incidents Performance 2023, p. 184-185
	403-10 Work-related ill health	Annex 8: ENKA's Lost Day and Occupational Incidents Performance 2023, p. 184-185
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	HSE Trainings, p. 114-115 Employee Training and Development, p. 106-108
Sector Specific Disclosure: Construction and Real Estate	CRE6	Occupational Health and Safety, p. 110
Economic Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Process, p. 46-49 Economic Performance, p. 17
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Performance, p. 17 Annex 2: ENKA 2023 Financial Indicators, p. 159
	201-2 Financial implications and other risks and opportunities due to climate change	Climate Action, p. 123-124
	201-4 Financial assistance received from government	Economic Performance, p. 17 Annex 2: ENKA 2023 Financial Indicators, p. 159
Customer Satisfaction		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Process, p. 46-49 Customer Satisfaction, p. 78
Employee Welfare and Mental Health		
GRI 401: Employment 2016	3-3 Management of material topics	Our People, p. 103-104
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	OHS Management System and Risk Assessments, p. 110 Employee Health and Well-Being, p. 115

GRI Standards	Disclosure	Page Numbers, Explanations and/or Direct Answer
Ethics and Compliance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Process, p. 46-49 Ethics and Compliance Program, p. 56-60
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Combating Bribery and Corruption, p. 64-65
	205-2 Communication and training about anti-corruption policies and procedures	Ethics and Compliance Program, p. 56-60 Combating Bribery and Corruption, p. 64-65
	205-3 Confirmed incidents of corruption and actions taken	Ethics and Compliance Program, p. 58 Combating Bribery and Corruption, p. 64-65 Control Mechanisms and Risk Management, p. 66-69
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Combating Bribery and Corruption, p. 64-65
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights, p. 61-63
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Human Rights, p. 61-63 Responsible Supply Chain Management, p. 70-71 Supplier Assessments and Audits, p. 72-73
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights, p. 61-63 Responsible Supply Chain Management, p. 70-71 Supplier Assessments and Audits, p. 72-73
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	Human Rights, p. 61-63
	412-2 Employee training on human rights policies or procedures	Ethics and Compliance Program, p. 56-60 Human Rights, p. 61-62 Responsible Supply Chain Management, p. 70-73 More on Our Sustainability Targets, p. 81
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Ethics and Compliance Program, p. 56-63 Human rights issues are addressed in all projects and investments undertaken by ENKA İnşaat.
GRI 415: Public Policy 2016	415-1 Political contributions	Combating Bribery and Corruption, p. 64-65 ENKA does not provide any direct or indirect financial or in-kind support to any political organization.
Combating Climate Change, Adaptation and Emission Reduction		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Process, p. 46-49 Climate Action, p. 123-124

GRI Standards	Disclosure	Page Numbers, Explanations and/or Direct Answer
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Greenhouse Gas Emissions, p. 127-128 Annex 10: ENKA Group 2023 Scope-1, Scope-2 and Scope-3 Emissions and Intensities, p. 186-189
	305-2 Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Emissions, p. 127-128 Annex 10: ENKA Group 2023 Scope-1, Scope-2 and Scope-3 Emissions and Intensities, p. 186-189
	305-3 Other indirect (Scope 3) GHG emissions	Greenhouse Gas Emissions, p. 127-128 Annex 10: ENKA Group 2023 Scope-1, Scope-2 and Scope-3 Emissions and Intensities, p. 186-189
	305-4 GHG emissions intensity	Greenhouse Gas Emissions, p. 127-128 Annex 10: ENKA Group 2023 Scope-1, Scope-2 and Scope-3 Emissions and Intensities, p. 186-189
	305-5 Reduction of GHG emissions	Greenhouse Gas Emissions, p. 127-128 Climate Action, p. 123-124 Our Sustainability Performance, p. 152-154
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GRI 305: Emissions 2016	305-7 NO _x , SO _x and other significant air emissions	Air Emissions, p. 128
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GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Process, p. 46-49 Energy Efficiency and Renewable Energy, p. 125-126
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Efficiency and Renewable Energy, p. 125-126 Annex 9: Distribution of ENKA's Fuel and Energy Consumption in 2023, p. 185
	302-3 Energy intensity	Energy Efficiency and Renewable Energy, p. 125-126
	302-4 Reduction of energy consumption	Climate Action, p. 123-124
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GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Process, p. 46-49 Innovation and R&D, p. 80
Diversity, Equal Opportunities and Non-Discrimination		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Process, p. 46-49 Our People, p. 103-105
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Annex 7: Employee Data, p. 182-184

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Information Security & Cybersecurity		
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Contribution to Local Economy and Local Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Process, p. 46-49 Our People and Community, p. 84-85
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Our People, p. 103-105 Annex 7: Employee Data, p. 182-184
	202-2 Proportion of senior management hired from the local community	Local Employment, p. 90 Annex 7: Employee Data, p. 182-184
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Our People and Community, p. 84-85 Social Impact Assesment, p. 86-89 Local Employment, p. 90 ENKA "The Future Belongs To Youth" Program, p. 91-92 Community Investment, p . 92-93
	203-2 Significant indirect economic impacts	Our People and Community, p. 84-85 Social Impact Assesment, p. 86-89 Local Employment, p. 90 ENKA "The Future Belongs To Youth" Program, p. 91-92 Community Investment, p . 92-93
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social Impact Assesment, p. 86-89 Local Employment, p. 90 ENKA "The Future Belongs To Youth" Program, p. 91-92
	413-2 Operations with significant actual and potential negative impacts on local communities	Social Impact Assesment, p. 86-89 Our Planet, p. 120-122 Climate Action, p. 123-131 Water Management, p. 136-139 Waste Management, p.141-144
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	303-3 Water withdrawal	Annex 12: Amount of Withdrawal and Discharged Water by Source, p. 191
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Waste Management		
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GRI 306: Effluents and Waste 2016	306-1 Waste generation and significant waste-related impacts	Waste Management and Circular Economy, p. 141-144
	306-2 Management of significant waste-related impacts	Waste Management and Circular Economy, p. 141-144
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	306-5 Waste directed to disposal	Annex 13: Amount of Waste and Disposal Methods, p. 192-193
Resource Management and Circular Economy		
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GRI 306: Effluents and Waste 2016	306-1 Waste generation and significant waste-related impacts	Waste Management and Circular Economy, p. 141-144
	306-2 Management of significant waste-related impacts	Waste Management and Circular Economy, p. 141-144

GRI Standards	Disclosure	Page Numbers, Explanations and/or Direct Answer
Social Investment Programs and Social Responsibility		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Process, p. 46-49 Local Employment, p. 90 Community Investment, p. 92-93 ENKA Foundation, Arts, Sports and Schools, p. 94-97
Supplier Diversity and Local Procurement		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Process, p. 46-49 Local Procurement, p. 73-74
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Local Procurement, p. 73-74
Crisis Management and Business Continuity		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Process, p. 46-49 Our Strategic Approach, p. 28-51 Our Business and Principles, p. 56-81 Our Planet, p. 120-155
Management of Social, Economic and Environmental Impacts on Local Communities		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Process, p. 46-49 Social Impact Assessment, p. 86-89 Local Employment, p. 90
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social Impact Assessment, p. 86-89 Local Employment, p. 90 ENKA "The Future Belongs To Youth" Program, p. 94-95
	413-2 Operations with significant actual and potential negative impacts on local communities	Social Impact Assessment, p. 86-89 Our Planet, p. 120-122 Climate Action, p. 123-131 Water Management, p. 136-139 Waste Management, p. 141-144
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Environmental and Social Compliance of Suppliers		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Process, p. 46-49 Responsible Supply Chain Management, p. 70-74
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Responsible Supply Chain Management, p. 71-74
	308-2 Negative environmental impacts in the supply chain and actions taken	Responsible Supply Chain Management, p. 70-71 Supplier Assessments and Audits, p. 72-73
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Responsible Supply Chain Management, p. 70-71 Supplier Assessments and Audits, p. 72-73
	414-2 Negative social impacts in the supply chain and actions taken	Responsible Supply Chain Management, p. 70-71 Supplier Assessments and Audits, p. 72-73
Biodiversity and Habitat Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Process, p. 46-49 Biodiversity, p. 145-147
GRI 304: Biodiversity 2016	304-1 Operational sites with high biodiversity value	Biodiversity, p. 145-147

Annex 15: UNGC CONTENT INDEX
(United Nations Global Compact - UNGC)

The Principles	Report Section
Human Rights	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	<i>Sustainability Management at ENKA, p. 30-41</i>
	<i>Ethics and Compliance Program, p. 56-65</i>
	<i>Our People and Community, p. 84-117</i>
Principle 2: Make sure that they are not complicit in human rights abuses.	<i>Sustainability Management at ENKA, p. 30-41</i>
	<i>Ethics and Compliance Program, p. 56-65</i>
	<i>Our People and Community, p. 84-117</i>
Labour	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	<i>Sustainability Management at ENKA, p. 30-41</i>
	<i>Ethics and Compliance Program, p. 56-65</i>
	<i>Our People and Community, p. 84-117</i>
Principle 4: The elimination of all forms of forced and compulsory labour;	<i>Sustainability Management at ENKA, p. 30-41</i>
	<i>Human Rights, p. 56-65</i>
	<i>Responsible Supply Chain Management, p. 70-74</i>
	<i>Our People and Community, p. 84-117</i>
Principle 5: The effective abolition of child labour; and	<i>Sustainability Management at ENKA, p. 30-41</i>
	<i>Human Rights, p. 61-63</i>
	<i>Responsible Supply Chain Management, p. 70-74</i>
	<i>Our People and Community, p. 84-117</i>
Principle 6: The elimination of discrimination in respect of employment and occupation.	<i>Sustainability Management at ENKA, p. 30-41</i>
	<i>Human Rights, p. 61-63</i>
	<i>Responsible Supply Chain Management, p. 70-74</i>
	<i>Our People and Community, p. 84-117</i>

Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges;	<i>Sustainability Management at ENKA, p. 30-41</i>
	<i>Corporate Memberships and Collaborations, p. 44-45</i>
	<i>Innovation and R&D, p. 80</i>
	<i>Our Planet, p. 120-155</i>
Principle 8: Undertake initiatives to promote greater environmental responsibility; and	<i>Sustainability Management at ENKA, p. 30-41</i>
	<i>Corporate Memberships and Collaborations, p. 44-45</i>
	<i>Innovation and R&D, p. 80</i>
	<i>Our Planet, p. 120-155</i>
Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	<i>Sustainability Management at ENKA, p. 30-41</i>
	<i>Innovation and R&D, p. 80</i>
	<i>Our Planet, p. 120-155</i>
Anti-Corruption	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	<i>Sustainability Management at ENKA, p. 30-41</i>
	<i>Ethics and Compliance Program, p. 56-65</i>
	<i>Responsible Supply Chain Management, p. 70-74</i>

Annex 16: SASB Content Index

Topic	Metric	Code	Disclosure Location (Report Section or Other Sources)
Greenhouse Gas Emissions & Energy Resource Planning	(1) Gross global Scope 1 emissions, percentage covered under (2) emissions- limiting regulations and (3) emissions- reporting regulations	IF-EU-110a.1	Greenhouse Gas Emissions, p. 127-128 Annex 10: ENKA Group 2023 Scope-1, Scope-2 and Scope-3 Emissions and Intensities, p. 186-189
	Greenhouse gas (GHG) emissions associated with power deliveries	IF-EU-110a.2	Annex 10: ENKA Group 2023 Scope-1, Scope-2 and Scope-3 Emissions and Intensities, p. 186-189
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	IF-EU-110a.3	Our Planet, p. 120-123 Our Sustainability Performance, p. 152-154
Air Quality	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) particulate matter (PM ₁₀), (4) lead (Pb), and (5) mercury (Hg); percentage of each in or near areas of dense population	IF-EU-120a.1	Air Emissions, p. 128
Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	IF-EU-140a.1	Annex 12: Amount of Withdrawal and Discharged Water by Source, p. 191
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	IF-EU-140a.2	Our Planet, p. 120-123
	Description of water management risks and discussion of strategies and practices to mitigate those risks	IF-EU-140a.3	Water Management, p. 136 Annex 5: Sustainability and Climate Risks and Opportunities, p. 162-181
Coal As Management	(1) Amount of coal combustion products (CCPs) generated, (2) percentage recycled	IF-EU-150a.1	Not applicable
	Description of coal combustion products (CCPs) management policies and procedures for active and inactive operations	IF-EU-150a.3	Not applicable
Energy Affordability	Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers	IF-EU-240a.1	Not applicable (ENKA is not a direct distributor)
	(1) Number of residential customer electric disconnections for non-payment, (2) percentage reconnected within 30 days	IF-EU-240a.3	Not applicable (ENKA is not a direct distributor)
	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	IF-EU-240a.4	Not applicable (ENKA is not a direct distributor)
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	IF-EU-320a.1	Annex 8: ENKA's Lost Day And Occupational Incidents Performance, 2023 p. 184-185

Topic	Metric	Code	Disclosure Location (Report Section or Other Sources)
End-Use Efficiency & Demand	Percentage of electric load served by smart grid technology	IF-EU-420a.2	Not applicable (ENKA is not a direct distributor)
	Customer electricity savings from efficiency measures, by market	IF-EU-420a.3	Not applicable (ENKA is not a direct distributor)
Nuclear Safety & Emergency Management	Total number of nuclear power units, broken down by results of most recent independent safety review	IF-EU-540a.1	Not applicable, ENKA is not a nuclear power unit operator
	Description of efforts to manage nuclear safety and emergency preparedness	IF-EU-540a.2	Not applicable, ENKA is not a nuclear power unit operator
Grid Resiliency	Number of incidents of non-compliance with physical or cybersecurity standards or regulations	IF-EU-550a.1	Ethics and Compliance Program, p. 56-60
	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	IF-EU-550a.2	Not applicable (ENKA is not a direct distributor)
Activity Metric		Code	Disclosure Location (Report Section or Other Sources)
Number of: (1) residential, (2) commercial, and (3) industrial customers served		IF-EU-000.A	Not applicable (ENKA is not a direct distributor)
Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers		IF-EU-000.B	Not applicable (ENKA is not a direct distributor)
Length of transmission and distribution lines		IF-EU-000.C	Not applicable (ENKA is not a direct distributor)
Total electricity generated, percentage by major energy source, percentage in regulated markets		IF-EU-000.D	Annex 9: Distribution of ENKA's Fuel and Energy Consumption in 2023, p. 185
Total wholesale electricity purchased		IF-EU-000.E	Annex 9: Distribution of ENKA's Fuel and Energy Consumption in 2023, p. 185

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