

ÇALIK ENERJİ
SUSTAINABILITY REPORT 2020

Sustainability Report

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Indicators

As Çalık Enerji, together with all our employees, we operate to build a better future in our country and different regions across the world.

We work to carry our achievements to the future with the value we give to our business and people, society and the environment.

We attach particular importance to the concept of sustainability. To internalize this concept and become the company that takes the most determined steps towards it, we have nominated sustainability ambassadors from each department. These ambassadors provide information flow to the Sustainability Committee and support our sustainability journey with unique projects. We hereby present our Sustainability Report together with the projects of those ambassadors.





As Çalık Enerji, we carry out projects that add value to life in different regions of the world

As Çalık Enerji, we have implemented the "Carbon Emission Measurement" Project for the first time this year to evaluate our impact on the environment and nature in realizing our projects with quantitative data. Over the coming years, we aim to conduct more comprehensive measurements of all our projects and pursue environmental and social activities that reduce our carbon footprint in light of the data obtained.

Cansu Çaman
Sustainability Ambassador
Quality Control Chief



We deploy the core principles of sustainability in our practices.

By covering the different dynamics and practices for each business fields in the report, we highlight critical issues based on the characteristics of these fields.

As Çalık Enerji, we hereby present to our stakeholders the social, economic and environmental impacts of our activities and the studies carried out in these fields in the second Sustainability Report we have published.

Çalık Enerji conducts its business activities in three fields. Our first field of business is renewable energy investments realized through our project companies established in Turkey. The second field of business is electric power distribution and retail services performed through the subsidiaries of YEDAŞ, YEPAŞ, Aras,

Aras EPSAŞ, KEDS and KESCO, as well as natural gas distribution services through the companies Bursagaz and Kayserigaz. Our third field of business is turnkey electric power plant construction projects. By covering the different dynamics and practices for each field of business in the report, we have highlighted critical issues based on the characteristics of these fields.

Within the framework of our sustainability approach, as Çalık Enerji, we aim to create balance and harmony between these three lines of business and to deploy the corporate values and core sustainability principles in our business practices.



Like last year, this report was prepared in accordance with GRI core standards and SASB materiality criteria for the energy sector were evaluated within the study. The utilization of six capitals in our value creation model and the value-created in each field were defined in line with an integrated thinking and reporting approach.

The report shares how Çalık Enerji's business activities contribute to the Sustainable Development Goals (SDG) across governance, environmental, social and economic dimensions. Concerning the SDG, our activities contribute to the execution, planning and measurement stages.

General information on the company and details on the core approach are provided in the introduction section of the report. The report includes information on governance, social, environmental and economic performance as part of the sustainability approach.

Our Board of Directors played an active role in developing our Sustainability Report by overseeing its progress through regular meetings and making recommendations.

This report covers all of the business activities of Çalık Enerji within and beyond Turkey.

The utilization of six capitals in our value creation model and the value-created in each field were defined in line with an integrated thinking and reporting approach.

MESSAGE FROM THE CHAIRMAN

We are stronger with our value-oriented business approach.

TL 5.6 Billion
Net Sales

TL 4.8 Billion
Total Equity

We deploy the fundamental approach of our sustainability journey to all our new investments, projects and how we do business in our operating areas.

Dear Stakeholders,

The year 2020 began with positive expectations for all sectors of the national economy. And yet, with the impact of the global pandemic, we encountered unprecedented social and economic challenges.

In this period, as Çalık Enerji, we put the health and safety of our society, employees and stakeholders before everything else. We have made health our top priority, both in our working environments and in the areas we serve.

The period we have emerged from, was characterized not only by health-related concerns, but also by the uncertainty on a global scale regarding production, investment, foreign trade and consumption. In consequence, considerable fluctuations were experienced. As Çalık Enerji, we did our best to escape these fluctuations with the least possible damage. The results confirm that we have indeed succeeded in our efforts. We continue to walk towards new businesses, new investments and new achievements in all our regions of operation.

Beyond the power of our financial capital, our intellectual, human and relational capital is also among our strengths. In 2020,

with our employees and stakeholders and through the care we give to a value-oriented work approach, we realized internal and external projects that will strengthen our intellectual capital.

Since our establishment, we have acquired versatile operating areas and the ability to do business in different cultures through our activities across diverse geographies. And with our experience in establishing project-based and long-term business partnerships with companies that provide services to the highest standards on a global scale, we have both accelerated our development and strengthened our reputation.

The developments we witnessed during this challenging period have shown us and the entire world that no organization can guarantee its success solely by improving its performance. Rather, the ecosystem itself is essential as it increasingly shapes our lives through interaction over time. On this occasion, we have also seen how accurate the sustainability journey we embarked upon as Çalık Enerji in 2019 has been. With this start, our priorities began to expand our perspective on areas of interaction, helping us develop infrastructure and approaches that will ensure long-term success and performance by considering the dynamics



of our sector. We deploy the values of our sustainability journey to all our new investments, projects and the way we do business in our operating areas. With an innovative perspective and great motivation, we continue our efforts to pursue developments that respect the environment and maximize the efficient use of resources in all fields, from project applications to procurement and from production to logistics. In doing so, we have continued to obtain successful results.

To ensure a livable world, the private and public sectors and civil society must act together. The United Nations Sustainability Goals guide us on what needs to be done by 2030 to secure that livable world. Çalık Enerji supports achieving the goal of a better world by contributing to these goals. We have determined how we have contributed to these goals and continue to do so. We work towards a livable world goal by establishing relations and links between those aims and Sustainable Development Goals.

In this report, based on the continuous development approach, we are pleased to share our sustainability journey's milestones with our stakeholders. We continue to add value to our country and the wider world with the broad perspective gained by our activities across diverse geographies, with the extensive experience of our competent and development-embracing human resources and the area of influence we have extended with our stakeholders.

I would like to individually thank all our business partners and employees who have entrusted us with this strength and with whom we continue to march in step together.

Best regards,

AHMET ÇALIK
Chairman

We strive for a livable world by establishing relations and links between our goals and the Sustainable Development Goals.

We adopt sustainability as a business model and corporate culture.

TL 2.0 Billion
EBITDA

35%
EBITDA Margin

During the pandemic, our priority was to protect the health of all our stakeholders, especially our employees and again, to ensure the continuity of our business.

Dear Stakeholders,

We have concluded a year in which we once again saw the sheer significance of the sustainability concept for all of us. We have witnessed together that, significant improvements can even be achieved in dealing with global crises such as the pandemic, when all parts of society come together and exercise common sense. The lockdowns we experienced during the pandemic demonstrated just how many positive results could be achieved when we act together on climate change, social and economic inequality and environmental challenges.

We are going through a critical period that places a burden on all of us, especially in terms of climate change. Combating the climate crisis and pursuing environmental sustainability have become strategic priorities that governments and all individuals, societies, institutions and organizations should consider. Companies that do not include these topics into their strategies, that fail to adopt a cyclical economy and that identify success solely through financial data are unlikely to be among the competitive players of future.

As Çalık Enerji, we have considered sustainability among our core values in all our operating regions and business fields since our establishment. We strive to address it in all its dimensions. With all the resources at our disposal, we support the collective effort in line with the Sustainable Development Goals that we have adopted as a global guide by signing the United Nations Global Compact in 2019. We hereby present our social, environmental, economic and governance-related performance and our overall progress to you, our stakeholders, in our second Sustainability Report.

WE QUICKLY ADAPTED TO THIS CHALLENGING PERIOD AND RAISED OUR PERFORMANCE

During the pandemic, our priority was to protect the health of all our stakeholders, especially our employees and to ensure business continuity. With the onset of the pandemic, we have increased our level of preparedness for possible issues while having commissioned the highest level of occupational health and safety practices in all our business fields. Based on the responsibility of operating in a crucial field such as energy, we rapidly updated our operations and business processes in line with the requirements



of this new period. Thanks to our agile management understanding, our corporate values including sustainability and the achievements resulting from our digital transformation journey, we have successfully weathered this period that has tested the strength of all sectors and companies.

Adopting sustainability as a business model and corporate culture, Çalık Enerji approaches the future with a clear vision for pursuing this value. As a company that invests significantly in renewable energy, we strive to be a stakeholder that contributes to solving environmental

problems. In this reporting period, we again took essential steps and lead the sector in line with our commitment to create sustainable values for our operational geography and our world.

WE DEVELOPED OUR VALUE CREATION COMPETENCIES WITH OUR SUSTAINABILITY AMBASSADORS

We aim to transfer our sustainability approach, one of our corporate values, through forthcoming projects of notable impact to all our stakeholders. In this context, at the beginning of 2020, we launched the "Sustainability Ambassadors

Adopting sustainability as a business model and corporate culture, Çalık Enerji approaches the future by establishing its vision on this value.

We work in accordance with human rights.

We identified our development areas by calculating our carbon footprint at our five locations, including our Head Office, Ankara Office, Polatlı GES, Sarpıncık RES and Adacami HPP.

Program" consisting of our volunteer employees to coordinate our sustainability efforts. Very swiftly, our Sustainability Ambassadors implemented crucial projects ranging from the reduction of our climate and environmental impact to the enhancing of our digital competencies and improvement of our purchasing/ supply chain. I sincerely believe that our employees, who are at the heart of our successes and our value creation processes, will continue to play a lead role in enhancing our sustainability and achieving our strategic goals.

One of our key projects during the reporting period was the study conducted to evaluate our environmental performance according to measurable criteria. We determined our development areas by calculating our carbon footprint at our five locations including our

Head Office, Ankara Office, Polatlı GES, Sarpıncık RES and Adacami HPP. In the coming period, we plan to expand the scope of our carbon footprint measurement, thereby further reducing our environmental impact values with the remedial actions to be taken.

In all of our work, human rights rank among our indispensable principles and we support the development of human rights within our sphere of influence. In 2020, within the scope of our sustainability compliance efforts, we prepared and announced to our stakeholders our Human Rights Policy in parallel with our goal of developing exemplary practices by respecting universal norms and legal regulations in all our operating regions. We expect the values we underline in this policy to guide our employees, as well as our business partners and suppliers.

We contribute to the development of social life.

As a company, the way to protect our assets and reputation and ensure our business continuity is to adhere to legal regulations and the principles of business ethics. In 2020, as Çalık Enerji, we accelerated the Ethics and Compliance studies and increased the awareness levels of our employees regarding their obligations.

AS A CORPORATE CITIZEN, WE STRIVE TO REMAIN PART OF THE SOLUTION

Since our establishment, we have also been contributing to the development of social life towards a better future. In this context, we continue our support of non-governmental organizations such as UNICEF, TEMA and Purple Roof that produce highly inclusive studies in a broad domain of impact. In the coming period, we will accelerate our efforts to implement initiatives that address social issues, focusing on solving them in the areas we identify as priorities.

We will continue to take decisive steps on our sustainability journey to increase the environmental, social and economic value created. I would like to express my gratitude to all our stakeholders who have trusted and supported us on this path.

Best regards,

ONUR YÜCEKAL
Çalık Enerji CEO

In the coming period, we will accelerate our efforts to implement initiatives that address social issues with a focus on solving them in those areas we have identified as priorities.

WHO WE ARE

We bring the energy of nature to the people.

As Çalık Enerji, we have continued our business activities as part of Çalık Holding since 1998. Since our establishment, we have ranked among the world's leading energy companies by providing people the energy of nature through successful projects conducted across a wide area including the Middle East, Central Asia, Africa and Europe to create a better and more sustainable future.

Main Business Fields of Çalık Enerji

- EPC Contracting Operations
- Renewable Energy Investments (IPP)
- Distribution and Retail Services

Our Mission

Building a better future with all our energy across various regions in cooperation with our employees.

Our Vision

Growing into the most commercially successful and preferred energy company in target countries.



Corporate Values



Sustainability

We value long-term, continuous success and respect the environment.



Reputation

Our good reputation comes before anything else.



Fairness

At work and in our principles, we are a family that is motivated by what is right and fair.



Work from the Heart

No matter what, we put our hearts into what we do for our company, to achieve our goals and to realize projects we firmly believe will add value to people's lives.



People-Oriented

We devote all our energy to improving people's lives. Our priority is always the development and happiness not only of our employees and customers but of all the people touched by the value we generate.



Innovation

We continuously develop and improve our solutions and business models, identifying those that will differentiate us.



Agility

We have the flexibility and speed to meet every challenge.

WHO WE ARE

Çalık Sustainability Manifest

We dream of a world,

Where we can play a part, and even inspire positive change...
Where we can look at today with happiness and pride,
and toward tomorrow with hope and confidence...

We work with great drive

and keen awareness of our social responsibility
to make this dream come true.

We embrace sustainability as a guiding principle

in order to add value to the world with
financial, social, environmental and cultural benefits.

We focus on innovation;

we shape our solutions and business models
according to current conditions and
transcend time with digital breakthroughs.

We aim to continuously improve the welfare

of our home country and operating countries and
increase the quality of life without compromising
occupational health and safety - one of our core principles.

We value nature,

we preserve our natural resources for future generations, reduce
waste and increase efficiency,
support the circular economy, and
implement projects that will reduce our environmental footprint.

At Çalık Holding, we focus on people and

prioritize initiatives that positively impact human life.

We uphold equality and justice,

regardless of religion, language, race, or gender.

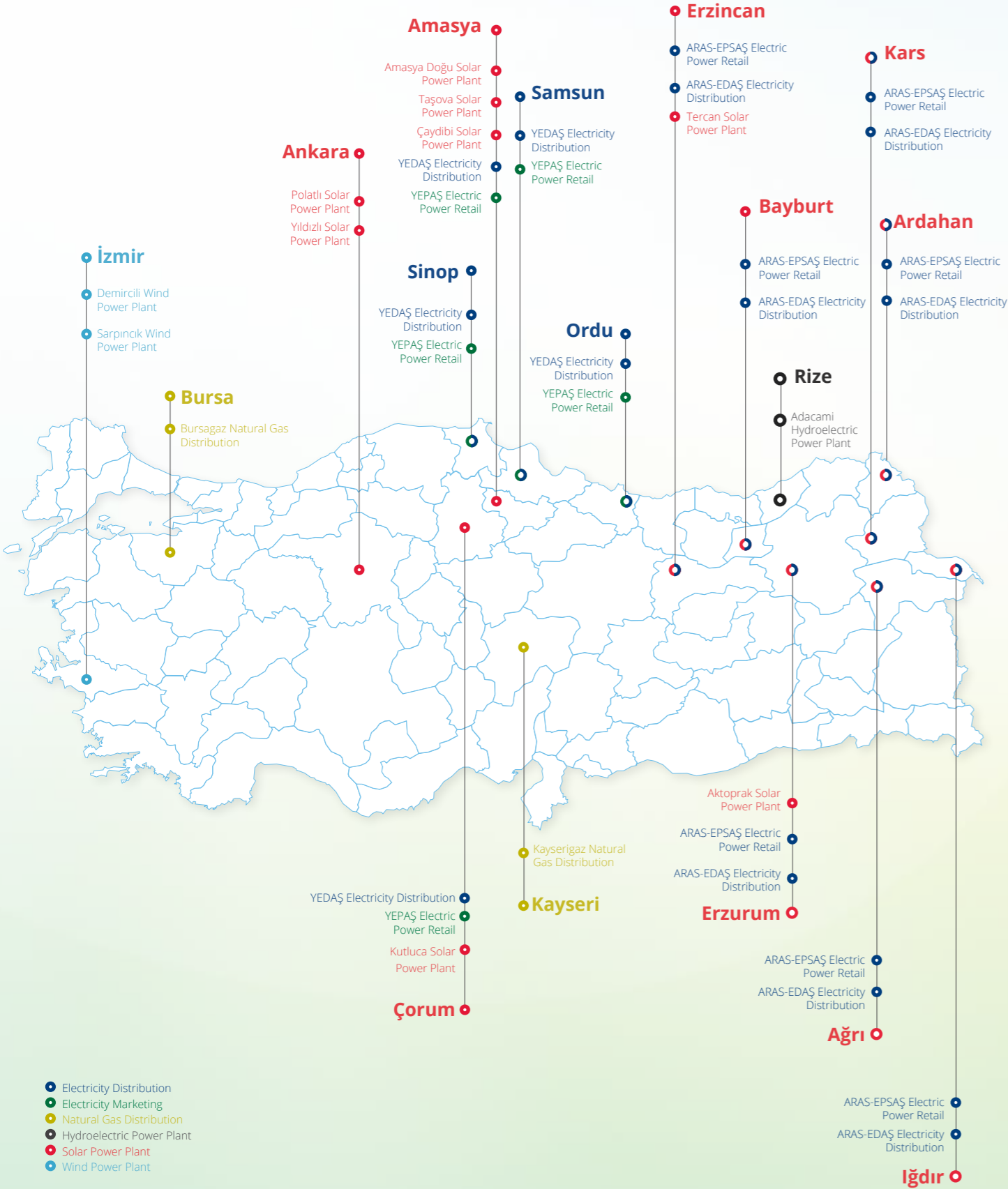
We believe that a more livable future is in our hands.

And we also know this fact;
every step we take with a heartfelt commitment to our
sustainability principle equates to
VALUE FOR LIVES, VALUE FOR THE FUTURE!

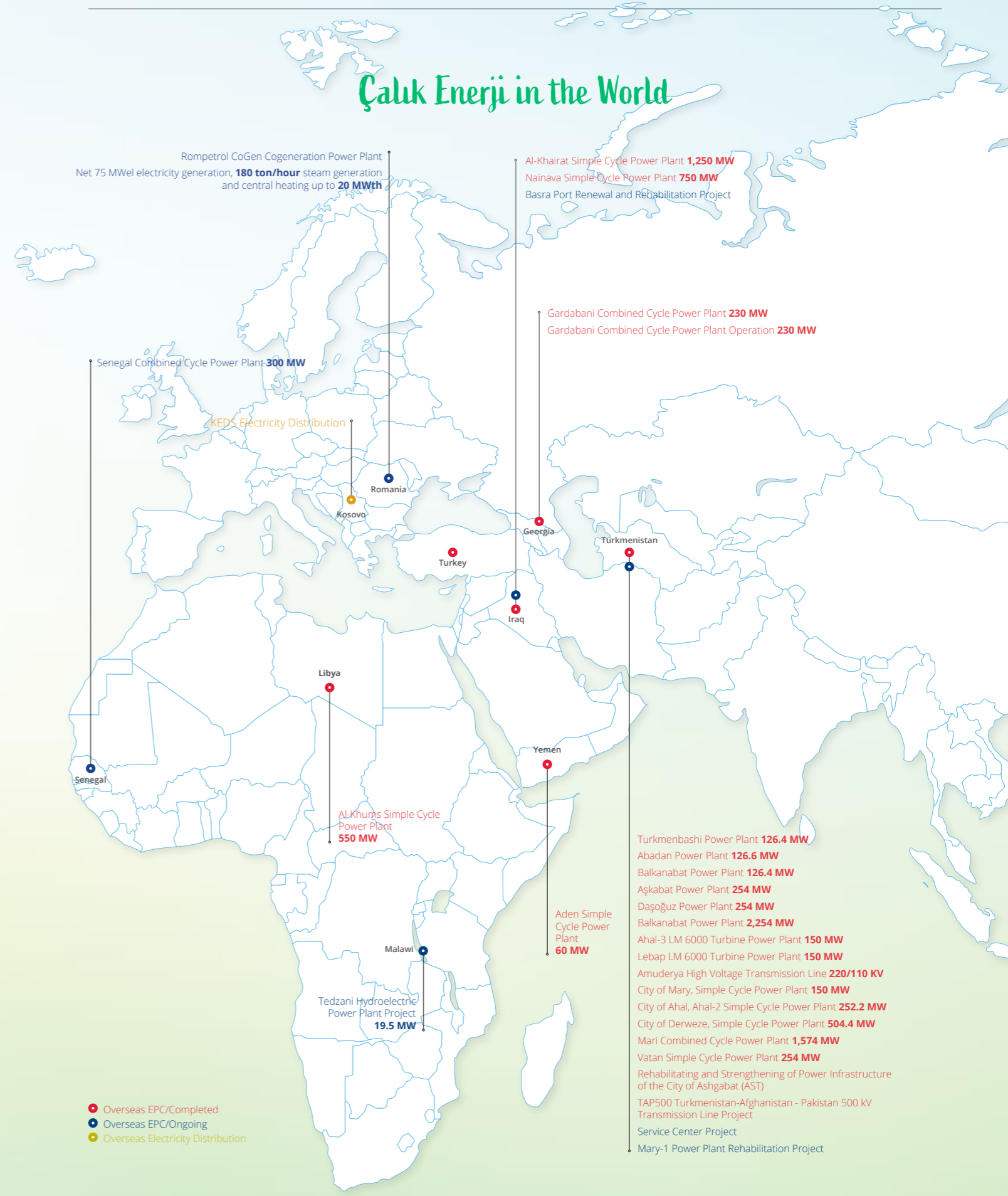


WHO WE ARE

Çalık Enerji in Turkey



Çalık Enerji in the World



WHO WE ARE

Fields of Activity

We expand our EPC capacity with our business partnerships.

We conduct our EPC projects in a wide geography of countries such as Turkmenistan, Senegal, Romania, Georgia, Iraq, Libya and Malawi.

EPC PROJECT EXECUTIONS (ENGINEERING, PROCUREMENT AND CONSTRUCTION)

As Çalık Enerji, we have 23 years of experience in establishing turnkey power plants. As a company that is constantly improving its engineering, construction, procurement and logistics capabilities through said experiences, we carry out the following projects in the field of EPC Works:

- Combined and Simple Cycle Power Plants,
- Renewable Energy Plants,
- Thermal Power Plants,
- Pumping Stations,
- Compressor Stations,
- Switchyards,
- Oil and Gas Plants,
- High Voltage Transmission Lines.

Our business partners in EPC projects include the world's leading international companies such as Mitsubishi, General Electric (GE) and Honeywell. These partnerships greatly contribute to the development of our EPC capacity as well as our organizational structure.

We conduct our EPC projects in a wide geography of countries such as Turkmenistan, Senegal, Romania, Georgia, Iraq, Libya and Malawi. Our projects are of key importance in terms of meeting energy demand in these countries. We successfully complete our EPC projects in accordance with the standards required by the employer countries.

RENEWABLE ENERGY INVESTMENTS

We contribute to meet the energy needs of our country by producing completely from local and renewable sources with the renewable energy investments we implemented in Turkey. Our current power plants in operation are solar, wind and hydroelectric power plants. Our portfolio includes 8 solar power plants, 1 hydroelectric power plant and 2 wind power plants, and as of the end of 2020, our total installed capacity is 138 MW.

DISTRIBUTION AND RETAIL

We manage our electric power distribution and retail services through our subsidiaries YEDAŞ, YEPAŞ, Aras, Aras EPSAŞ, KEDS and KESCO, and our natural gas distribution services through the companies Bursagaz and Kayserigaz. Quality, leadership and sustainability are our main goals in all business processes in line with our vision for corporate and operational perfection in our distribution and retail activities.

Our portfolio includes 8 solar power plants, 1 hydroelectric power plant and 2 wind power plants, and as of the end of 2020, our total installed capacity is 138 MW.



YEDAŞ Total Regional Consumption (GWh)

'18	4,946
'19	4,810
'20	4,962

We created our business model in line with our competencies.

We aim to transfer our sustainability approach to practices in all our operating regions and business fields.

As Çalık Enerji, we created our business model and strategy in line with prevailing market conditions for all our business lines and competencies.

We aim to transfer our sustainability approach to practices in all our operating regions and business fields. With this approach, we signed the United Nations Global Compact in 2019. In our sustainability journey, we align our developmental steps with our strategies and aim to improve our performance by measuring these accordingly. Our second Sustainability Report contributes to identifying our developmental areas and exhibiting the projects we realized in 2020.

RENEWABLE ENERGY INVESTMENTS

Based on the growth targets stipulated for 2023, Turkey's energy demand is estimated at 385 TWh. The national energy policy also aims to have reduced dependence on foreign resources by that year. Within this scope, the goal is to increase the ratio of renewable energy resources in total electricity generation by 2023.

The International Energy Agency's outlook on electricity demand shows that:

- Electric vehicles will become more popular,

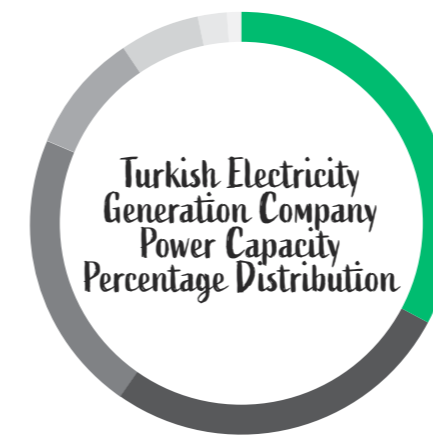
- Electricity demand will increase in manufacturing, the service industry and households due to an increased demand resulting from the growth of the middle class.

The share of renewable energy is projected to increase in both scenarios that are developed to meet growing demand. The main driver of this approach is the drive to reduce carbon emissions to achieve the 1.5 °C scenario outlined in the 2015 Paris Agreement.

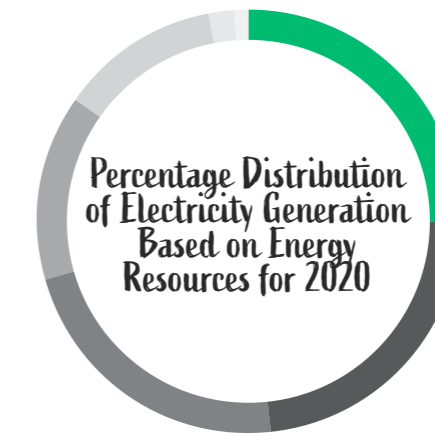
Even in the stated policies scenario for 2040, renewable energy's share (excepting nuclear energy) increases from 25.6% in 2018 to 43.7%.

According to International Energy Agency (IEA) data, electricity demand will increase by 4.5% (1,000 TWh) in 2021 compared to the previous year. It is expected that 80% of the said increase will be due to the People's Republic of China and other emerging markets. The demand for renewable energy sources increased by 3% in 2020 and this demand in all key sectors continues to grow in 2021. The energy sector has taken the lead with an 8% increase in the demand for renewable energy sources. This increase, equivalent to 8,300 TWh, is at a record level.

According to the statistics published by TEİAŞ, percentage resource distribution for capacity and electricity generation of installed power in Turkey is as follows.



- Hydroelectric **32.31%**
- Natural Gas **26.77%**
- Coal **21.19%**
- Wind **9.21%**
- Solar **6.95%**
- Geothermal **1.68%**
- Other **1.89%**



- Hard Coal + Import Coal + Asphaltite **22.13%**
- Lignite **12.37%**
- Fuel Oil **0.11%**
- Natural Gas + LNG **23.13%**
- Renewable + Waste **1.87%**
- Hydro **25.46%**
- Geothermal + Wind + Solar **14.93%**

375.8 TWh
Turkey's Electricity Demand Outlook for 2023

25.46%
Turkey's Hydroelectric Share in Electricity Generation for 2020

43.7%
Turkey's Renewable Energy Share Goal for 2040

23.13%
Turkey's Natural Gas Share in Electricity Generation for 2020

In 2020, the share of natural gas in Turkish electricity generation amounted to 23.13%.

The expectation of Turkey's electricity demand in 2021 is at the level of 375.8 TWh.

According to the chart above, in 2020, 25.46% of electricity is generated by hydroelectric power plants in Turkey and 14.93% by geothermal, solar and wind power plants.

Strategy is one of our core values.

The focus of our investment activities is to generate electricity entirely from renewable energy sources.

As Çalık Enerji, we have focused our portfolio on renewable energy investments in accordance with increasing the share of renewables and decreasing carbon emissions.

The focus of our investment activities is to generate electricity entirely from renewable energy sources. All our current electricity generation investments include hydroelectric, solar and wind power plants. We predict that the world will turn

to renewable energy more in order to meet its growing energy needs from its own resources.

Sustainability is one of our core values. We implemented our renewable energy investments based on this core value. We aim to contribute to the reduction of carbon emissions through renewable energy investments and to create employment opportunities in green energy generation.



OUR DISTRIBUTION AND RETAIL SALES ACTIVITIES

We manage our electric power distribution and retail services through our subsidiaries YEDAŞ, YEPAŞ, Aras, Aras EPSAŞ, KEDS and KESCO, and our natural gas distribution services through the companies Bursagaz and Kayserigaz. Quality, leadership and sustainability are our main goals in all business processes in line with our vision for corporate and operational perfection in our distribution and retail sales activities.

For this purpose, we deploy new technologies in order to realize our business processes in an efficient and safe manner. We aim to act in accordance with this policy throughout our licensing period.

We consider that efficiency and continuous improvement in our business processes are crucial in terms of customer satisfaction and service quality.

OUR EPC PROJECT EXECUTIONS

We realized first efforts for our EPC projects in Central Asia. After having increased our experience in this region, we continued to develop value-generating projects by entering the Middle East, Africa and European markets as well.

We successfully completed our projects in different regions such as Libya and Iraq by ensuring the highest level of security for our employees. Researches for 2020-2023 show that demand for EPC investments will continue to increase in Central Asia, Middle East, Africa and Europe. The growth rate estimated for the Sub-Saharan Africa projects is around 6% annually in the given period. As Çalık Enerji, we aim to support the energy supply of the countries as well as to contribute to the improvement of standards in these countries.

As we expand our activities in the field of infrastructure projects, we are aware that sustainability is one of the most important issues that will affect our approach to doing business. We strive to integrate and disseminate sustainability topics into business processes in different regions. We contribute to the development of projects with a focus on sustainability by providing suggestions to relevant parties in matters that will contribute to the social development of the region, such as environmental protection and human rights, especially during tender bidding processes.

We deploy new technologies in order to realize our distribution and retail business processes in an efficient and safe manner.

Financial Data

(TL MILLION)	2018	2019	2020
NET SALES	5,361	4,240	5,573
TOTAL EQUITY	3,473	3,606	4,751
TOTAL ASSETS	7,278	7,037	8,173
EBITDA	1,442	1,388	1,960
EBITDA MARGIN (%)	27	33	35

Net Sales (TL Million)

'18	5,361
'19	4,240
'20	5,573

Total Equity (TL Million)

'18	3,473
'19	3,606
'20	4,751

Total Assets (TL Million)

'18	7,278
'19	7,037
'20	8,173

EBITDA (TL Million)

'18	1,442
'19	1,383
'20	1,960

EBITDA Margin (%)

'18	27
'19	33
'20	35

Value Creation Model

Inputs **Çalık Enerji, For a Better Future**

- Human Resources**
2,612 employees, local employment in EPC projects
- Financial Resources**
TL 4.8 billion equity, TL 8.2 billion total assets
- Knowledge**
Competency in working in different regions, being active in all fields of the energy market
- Relations**
Relationship and communication with governments and public institutions
- Tools**
Our technology and companies in different countries and cities
- Natural Resources**
Wind, Solar and Hydro



Inputs **Çalık Enerji, For a Better Future**

Outputs

- Energy Generation Plants**
- Electricity**
- Customer Satisfaction**
- Employee Satisfaction**
- Happy Stakeholders**

Outputs

Value Created



Value Created

SUSTAINABILITY JOURNEY

We have integrated the sustainability approach into our core strategy.

In May 2019, we made our commitment to 10 principles by signing the UN Global Compact (UNGC).

Sustainability, ranked among essential core values with fairness, people-oriented working, reputation, work from the heart, innovation and agility, has been a part of Çalık Enerji's activities and business practice since its foundation.



HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.
Principle 2: Businesses should make sure that they are not complicit in human rights abuses.



ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges.
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

In May 2019, we made our commitment to 10 principles by signing the UN Global Compact (UNGC), of which we are pleased to be a signatory.



LABOR STANDARDS

Principle 3: Businesses should uphold the freedom of association and effectively recognize the right to collective bargaining.
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor.
Principle 5: Businesses should uphold the effective abolition of child labor.
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.



ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.



Our first Sustainability Report, which we published in 2020, offered us the opportunity to combine all of our efforts in this field as Çalık Enerji and determine our development areas. Thus, we achieved the integration of the sustainability approach into our main strategy. We have created our value creation model and materiality matrices by correlating our activities with Sustainable Development Goals.

GRI G4 standards and SASB energy sector materiality topics were examined vis-à-vis the existing data infrastructure and our Sustainability Report was prepared based on this data. When preparing our report, we were inspired by the Integrated Reporting approach towards capitals. We identified the resources used and the value we created across each of the capitals to give a more accurate and comprehensive view of our sustainability impact.

In 2020, we conducted efforts to improve the sustainability governance structure and create a more comprehensive database. We devised our sustainability approach in a participatory process with our Senior Management and Sustainability Ambassadors and developed various initiatives to spread the culture of sustainability within our Company. We adopted the principle of transparency, identified materiality topics and reported on them.

Our primary goals are to systematically improve our established partnerships and stakeholder relationships through our commitment to sustainability and to ensure synergy in the communication, sharing and development stages among all parties within the ecosystem.

We manage risks with the materiality assessment.

Çalık Enerji's materiality assessment was conducted with the participation of Sustainability Ambassadors from each department and the evaluation of senior management.

MATERIALITY

We conducted the materiality assessment as an approach to identify primary sustainability topics in company strategy and business processes in order to use opportunities and to manage risks, as well as to determine the reporting standards.

We determined opportunities and risks related to sustainability for Çalık Enerji by the materiality assessment. Çalık Enerji materiality assessment was conducted with participation of Sustainability

Ambassadors from each department and the evaluation of senior management.

Risks and opportunities related to sustainability for Çalık Enerji were identified based on their impacts on our stakeholders, business and industry with a long-term perspective in the materiality assessment process.

As we operate in 3 fields, materiality assessment was first conducted for each field separately and then we consolidated these in order to clarify key points for the company.

■ High materiality and priority ■ Medium materiality and priority ■ Low materiality and priority

Risk/Opportunity		EPC	Renewable	Distribution
Governance	Reputation/corporate trust	High	Medium	High
	Risk management system (Financial and operational)	Low	Medium	Low
	Decision making mechanism and delegation	Low	Medium	Low
Environmental	Water management	High	Medium	High
	Biodiversity	Low	High	High
	Climate change	Low	High	High
	Air quality	Medium	Low	High
	Natural disasters (Precautions)	Low	Low	High
Social	Occupational health and safety	High	High	High
	Employee - local people interaction (Local people perception, creating value)	Medium	High	High
	Competent human resources (Local/outsource)	Medium	High	High
	Engineering capability (In-company competence)	Medium	High	High
	Customer satisfaction	High	Low	High
Economic	Failure to attract human resources due to regional conditions	Low	Medium	High
	Country risk/political risk	High	High	High
	Project management	Low	High	High
	Legislative amendments	High	High	High
	Sustainable profitability	Low	High	High
	Suppliers/sub-contractors/logistics	Medium	High	High
	Digitalization, technological advancement, innovation	Low	High	High
Access to finance	Medium	High	High	



EPC Project Executions Materiality Topics

Occupational health and safety is our priority.

Çalık Enerji's business continuity and ability to undertake other EPC projects depend on ensuring customer satisfaction.

OCCUPATIONAL HEALTH AND SAFETY

The most important priority for our Company in power plant construction projects is occupational health and safety. Construction sites are high-risk areas due to the nature of the work performed. It is crucial to ensure the compliance of our employees to the rules, which enable safe working environment and help the Company to achieve zero-accident goal. Occupational health and safety is important not only for the safety of our employees, which is the most important aspect for us and but also for the elimination of the risk of business interruption or loss of time due to an accident.

CUSTOMER SATISFACTION

Çalık Enerji's business continuity and ability to undertake other EPC projects depend on ensuring customer satisfaction. For this reason, it is important for us to complete projects on time, in compliance with national standards of the employer countries and in good relations with local communities while protecting the environment and contributing to the local economy.

SUSTAINABLE PROFITABILITY

We can ensure the continuity of our company only by doing profitable business. Sustainable profitability can be ensured by having an effective analysis, participating to tenders that are in line with company's profitability expectations, effective and efficient planning after the award of the project, and utilization of the right resources at the right time. Sustainability of our Company is also important for its employees, as well as for local communities and states due to the economic impact in these geographies it operates.

REPUTATION/CORPORATE TRUST

Corporate trust is important for business continuity. We therefore need to have a strong communication with our stakeholders. Our stakeholders consist of both internal and external stakeholders. Starting with our own employees, having a trust-based relationship with employers, social groups in the operating regions, and shareholders has a decisive role on our business continuity. Trust-based relationships can be established by understanding each other's needs, expectations and concerns through two-way communications and deploying participatory solution development processes with stakeholders.

PROJECT MANAGEMENT

The profitability of a project depends on its effective planning and management. Projects cannot be completed in time and within the estimated budgets without correctly planning resources and processes. Continuity and sustainable profitability for the company can be achieved by completing projects in time, in compliance with applicable standards and estimated budgets.

PREVENTING AIR POLLUTION

Construction processes will cause air pollution due to demolition and excavation works as well as concrete plants. This will create negative impacts on the health and quality of lives of local people. It is among our priorities to take necessary measures towards these construction works in order to increase the quality of life of the local people and prevent causing any health problems.

WATER MANAGEMENT

We pay attention to water use while working on EPC projects. Water is an essential resource for construction projects. However, we are also aware that water is a valuable and communal resource in the project region. We try to keep water use under control in all cases with the awareness that water management on construction sites is an important topic.

We try to keep water use under control in all cases with the awareness that water management on construction sites is an important topic.



Renewable Energy Investments Materiality Topics

Our continuity is possible with the profitability of our operations.

We pay attention to protect the environment at construction and operation phases of our power plants.

WATER MANAGEMENT

Water management in renewable energy investments, especially in hydroelectric power plants, is very important. Water management is also as important for the company as it is for the local people who live and do farming around the hydroelectric power plant. Supplying enough water to meet the needs of local people is a requirement to comply with our core values.

BIODIVERSITY

Biodiversity is essential for sustainable future of the world. Ecosystem services provide necessary resources for a successful business conduct. We should protect biodiversity for sustainability of our business. We pay utmost attention to protect biodiversity at construction and operation phases of our power plants (hydroelectric, solar and wind).

CLIMATE CHANGE

Climate change is one of the most important problems world facing nowadays. Climate change affects renewable energy generation activities. Especially for hydroelectric power plants, amount of rainfall, rain frequency, timing and drought are key factors in terms of efficiency and safety of the plants. On the other hand, changes in wind structures and differences in the sunlight due to climate change affect our solar and wind power plants.

OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety is the most crucial priority of construction processes. However, occupational health and safety is also important for operational phase processes of power plants as well. Compliance to the occupational health and safety guidelines is essential to eliminate accident risks. Regular trainings and learning from experiences enables our employees to minimize risks in operational and maintenance processes.

INTERACTIONS WITH LOCAL PEOPLE

We must have transparent and trust-based relationship with the local communities from the construction to the operation phases. In this way, learning about the problems, needs and expectations of local people and finding solutions to the issues together are key for managing the process in a way that produces benefits for all parties.

SUSTAINABLE PROFITABILITY

We must review the profitability of each power plant project in detail after obtaining the necessary licenses, as the continuity of Çalık Enerji is possible when our operations are profitable. We are aware that if operations are not profitable, we would not be able to satisfy the needs of our stakeholders.



LEGISLATIVE AMENDMENTS

The legislation regulates the functioning of the energy market. Therefore, any amendments in the legislation directly affect the operations, profitability and future investments of the company. That is why regulations are important for energy institutions, of which we are also a component.

ACCESS TO FINANCE

Energy investments need important amount of financing. As Çalık Enerji, we have been financing all of our solar and wind power plant investments with our own resources. We utilized external financing in our hydroelectric power plant and electricity distribution company investments. We maintain strong relations with financial institutions in a way as to have access to resources, knowing that the need for these resources at the investment stage of energy investments is high.

We have been financing all of our solar and wind power plant investments with our own resources.

Distribution and Retail Materiality Topics

Our top priority is the safety and health of our employees.

Customer satisfaction is important for the reputation of the company and for continuing its work without issues with stakeholders.

OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety is the most important priority in our distribution and retail companies. Because people are the focus of our services. Each of our business processes, such as maintenance and repair services, transportation for reading meters, contains various occupational safety risks. The health and safety of our employees is our top priority.

CUSTOMER SATISFACTION

Customer satisfaction is key for success in distribution and retail business. Customer satisfaction is important for the reputation of the company and for continuing its work without having problems with stakeholders. Inefficiencies caused by conflicts that we may have with our stakeholders may adversely affect our profitability.

LEGISLATIVE AMENDMENT

The legislation regulates the functioning of the energy market. Therefore, any amendments in the legislation directly affect the operations, profitability and future investments of the company. Regulations are important for us, as well as for all industry components.

REPUTATION/CORPORATE TRUST

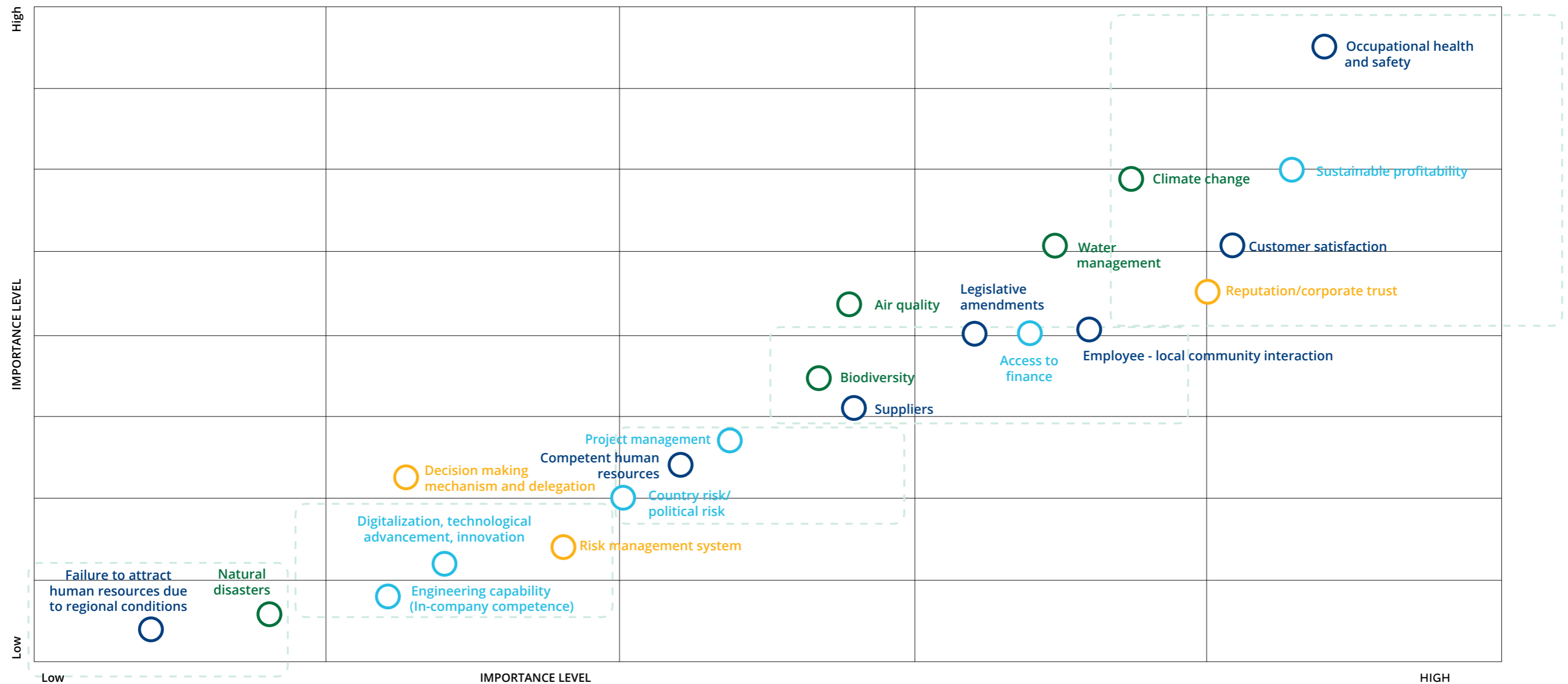
Trust to the company can only be achieved through transparent and two-way communication with stakeholders. Strong communication enables the development of collective solutions that enable an efficient and effective working environment.



Consolidated Material Issues for Çalık Enerji

Materiality Matrix

GOVERNANCE SOCIAL ENVIRONMENTAL ECONOMIC



Consolidated Material Issues for Çalık Enerji

Corporate reputation is one of our main critical issues.

Profitability is key to the sustainability of the company and enables us to create value for all stakeholders.

OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety is the most material issue in all lines of businesses. The safety of our employees is one of our most important topics. We spend maximum effort to achieve zero accident target through regular trainings and audits.

SUSTAINABLE PROFITABILITY

We could continue to operate, create new job opportunities and contribute to the stakeholders if our projects are profitable. We can provide jobs for our employees and contribute our social environment. Therefore, profitability is key to the sustainability of the company and enables us to create value for all stakeholders.

CUSTOMER SATISFACTION

Main prerequisite of sustainable profitability is business continuity. This can only be achieved by maintaining our projects, ensuring customer satisfaction and undertaking new projects. Customer satisfaction enables us to reach new business opportunities.

REPUTATION/TRUST TO THE COMPANY

Trust to the company which is the prerequisite of reputation, can be achieved by having good and two-way communication with the stakeholder. Trust to the company strengthen the relationship with stakeholders who could communicate its needs, expectations and demand more openly and as a result parties could develop solutions collectively. We therefore keep trust based strong relations with our stakeholders, engage them continuously and work hard to develop satisfactory solutions to the issues raised by our stakeholders. Çalık Enerji spends maximum effort to have constructive relationships with governments, customers, contractors, private sector, supply chain members, employees and local communities in all geographies of operations. Therefore, the company reputation is one of the main topics of critical importance for us.

INTERACTIONS WITH LOCAL COMMUNITIES

Çalık Enerji performs a number of projects in different regions. The company interacts with local communities in each of its operating regions. Our interaction with the local people together with our employees is among our priorities due to



the impact both on the continuation of our activities and the peace and business efficiency in the region. We work with our stakeholders to provide quick solutions to the problems experienced.

LEGISLATION

Both energy production, distribution and retail activities are subject to regulations, and these regulations directly affect both the way of doing business and revenues. For this reason, amendments in the legislation are important for our business continuity. We conduct public relations on this topic through industry associations. We give our opinions at the times requested.

WATER MANAGEMENT

Water is important for hydroelectric power plants. Hydroelectric power plants have a direct impact on the water situation of the region. It is crucial that the water demand of local communities for living, agriculture and also life in rivers during construction and operational phases is met. Because, water is also crucial for the regions to be economically resilient and for continuation of life. We create solutions for meeting the needs of local people while being in close communication with them. In addition, we realize water saving methods in our plants.

We realize efforts on water saving in all our facilities.

Consolidated Material Issues for Çalık Enerji

We continue our efforts in the struggle against climate change.

Climate change also poses a direct risk to the efficiency of our hydroelectric power plants, which operate depending on the adequacy of water.

CLIMATE CHANGE

As Çalık Enerji, we work for contributing to the struggle against climate change and we are also affected from the climate change. By investing in renewable energy, we prevent carbon emissions in electricity generation and contribute to the struggle against climate change. Climate change also poses a direct risk to the efficiency of our hydroelectric power plants, which operate depending on the adequacy of water.

BIODIVERSITY

Protecting biodiversity is crucial for our power plant construction and energy distribution works. We take the necessary care in this regard. Because biodiversity is also important for our business. The water we use for energy generation is also an opportunity provided by biodiversity.

WASTE MANAGEMENT

As Çalık Enerji, we attach great importance to waste management. We plan and realize our waste management efforts within the framework of life cycle analysis

for all our business processes. This analysis determines what type of waste will be generated as a result of which business activities and what type of waste will be recycled or disposed to landfills. Different types of waste are collected in different landfills and relevant authorities are informed regarding the wastes. Recycling or disposal processes are initiated based on this information.

On the other hand, we pay special attention to waste oils in the construction of power plants, in our electricity generation plants and in distribution services. We provide storage and disposal of waste oils by licensed companies.

ACCESS TO FINANCE

Çalık Enerji financed all its solar and wind power plant investments from its own resources so far. Hydroelectric power plant investment and the investments made for our distribution company utilized external financing. External financing may be needed in order to realize investments for our coming projects. This is important for our business continuity, competitiveness and profitability.



SUPPLIERS/SUB-CONTRACTORS/ LOGISTICS

Tüm iş alanlarımızda tedarikçiler, Suppliers, sub-contractors and logistics are important in all our business activities. Having our suppliers follow codes of conduct and supply goods that are at required standards is crucial for our reputation and carrying out the projects smoothly and in time. Sub-contractors work as service providers on many different sites. It is important for these sub-contractors to follow occupational health and safety rules during the provision of these services and establish good relationships with our stakeholders in terms of the business continuity and reputation of our company. Logistics services are important for transporting large materials and equipment to the

construction sites during construction and power plant building processes without damaging the environment. In all these topics, we diligently monitor the processes and try to keep the risks under control.

COMPETENT HUMAN RESOURCES

Effective and efficient execution of works without having problems and in accordance with stakeholders can only be achieved with competent human resources. We therefore deploy a human resources policy focused on attracting and keeping competent employees in the company. We also attach importance to the development of our human resources.

We deploy a human resources policy focused on attracting and keeping competent employees in the company.

STAKEHOLDERS

We provide value-generating and result-oriented stakeholder interaction.

We share our approaches, plans and expectations with our stakeholders and mutually engage on critical issues through stakeholder participation processes.

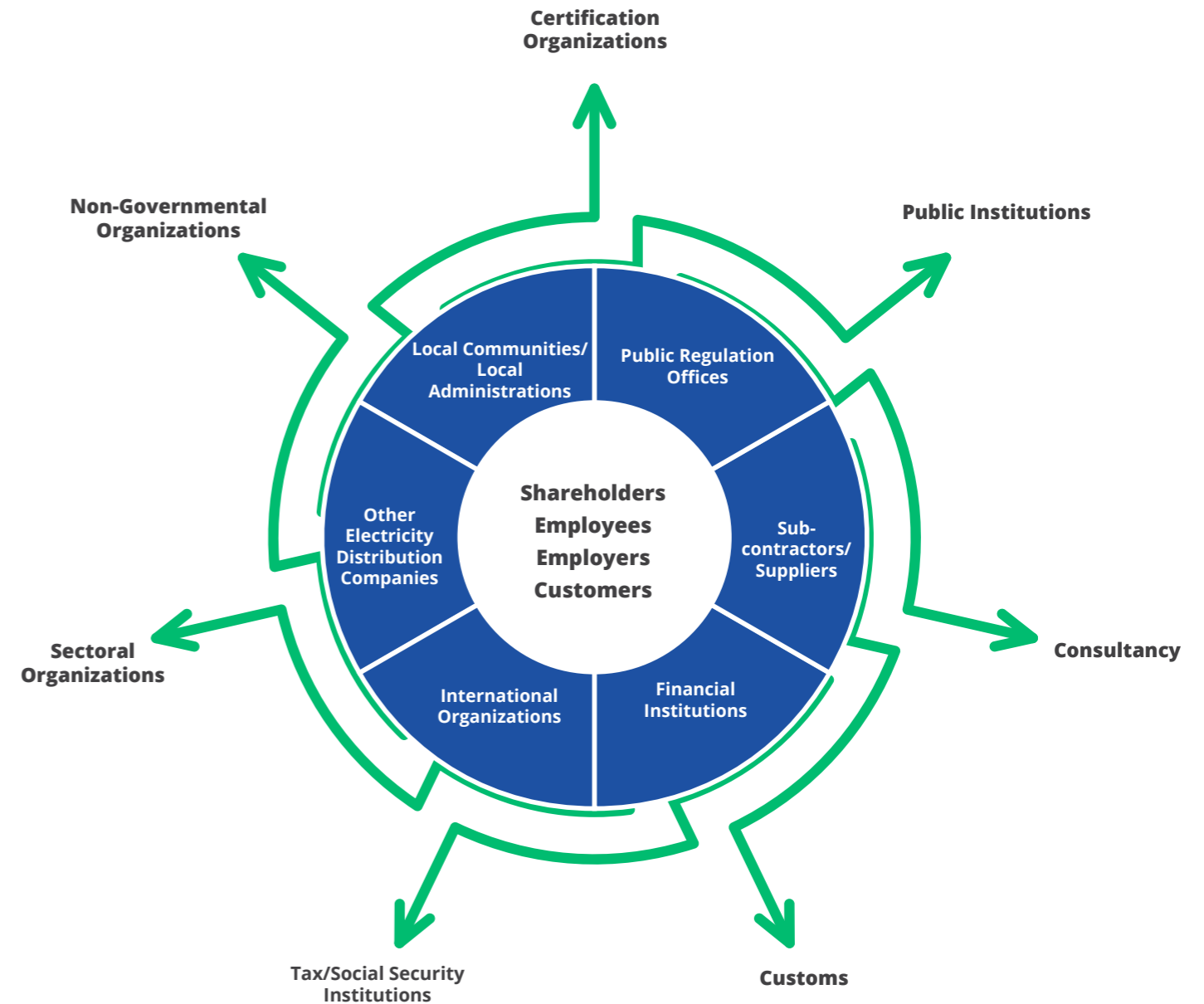
We establish a constructive dialogue with our stakeholders to hear their concerns and expectations and find solutions to their problems together. We share our approaches, plans and expectations with our stakeholders through stakeholder participation processes and mutually engage on critical issues. Our primary purpose in stakeholder consultation processes is to establish a result-oriented approach that creates value for all parties involved.

Stakeholders cover all natural and legal entities that are affected by our business activities or that have an impact on us. In the table below, we have classified our stakeholders into three groups based on our level of interaction.

The core group includes stakeholders with which we are in constant communication while conducting our business activities. The second circle includes those groups with which we are in frequent contact, while the outer circle includes our stakeholders with which we have intermittent interaction.



Stakeholder Map



Our employees constitute the greatest value of our Company.

The services we offer have great importance for continuation and quality of life.

SHAREHOLDERS

Our shareholders are the owners of our Company. They provide us with the opportunity to perform our activities by putting their capital into our Company. They approve our strategy through our Board of Directors, set forth the values to be considered while carrying out our business activities and inspect our activities to ensure that they are carried out in line with this strategy and values of our company.

EMPLOYEES

Our employees constitute the greatest value of our Company. Our competent employees allow us to complete all our projects in an efficient way and as planned. They ensure our business continuity by establishing strong and healthy communication with our other stakeholders.

CUSTOMERS

We work with a wide range of customers from individuals to public institutions. Customer satisfaction is crucial for our continuity. For this reason, we try to be in close communication with our customers, share our experiences and find out their problems, expectations and demands. We try to create useful solutions for all the parties involved. The services we offer have great importance for continuation and quality of life.

EMPLOYERS

Employers are the parties with whom we do business in our projects. Interactions with our employers are crucial for the continuity of our Company. These countries realize many different projects for sustainable energy. Our knowledge in this field is sufficient to support development moves of these countries. We have the expertise to contribute to the development of these countries as well as improve quality of life for their citizens through their EPC projects.

LOCAL COMMUNITIES

We are in a constant interaction with the local people due to the nature of our work. Establishing efficient communication with local communities allows us to run our operations in a healthy way, understand their needs, demands and issues and create solutions. We always work based on a win-win principle.

LOCAL AUTHORITIES

Local public institutions are important for the management of our business. For this reason, we carry out our projects in close communication with local administrations.

REGULATORY BODIES

Energy industry is subject to regulation. For this reason, public regulation offices directly affect how and at which standards we carry out our business activities or how the prices are determined. From this perspective, we are constantly in touch with these institutions. We share our opinions with relevant institutions when necessary.

SUPPLIERS

Suppliers are our important stakeholders for our business quality and continuity. We inspect working environments of our suppliers before ordering goods from them and negotiate with the suppliers to ensure that they act in compliance with our procurement standards. We work with companies that follow our rules in procurement processes. We evaluate the quotes we receive within the scope of total cost of ownership and procure the goods that are suitable for the environment and the productivity of our company.

SUB-CONTRACTORS

Sub-contractors support us in our operations and are important structures for the efficiency of our work. In addition, it is important to give training to sub-contractor's employees on occupational health and safety. It is also one of our responsibilities to follow up whether the sub-contractor's employees are given decent jobs and their employee rights.

FINANCIAL INSTITUTIONS

Financial institutions are important for us in terms of financing new investments. Therefore, we continue our relations with financial institutions. We share our financial statements, give detailed information on our business and hold meetings on potential collaborations.

INTERNATIONAL ORGANIZATIONS

Various types of stakeholders fall into this group. For example, UN Global Compact and international financial institutions that provide loans for the projects we carry out in other countries (Atlantic Council, ENR). We try to spread the impact area of responsible business approach by following the standards set forth by these institutions and deploy these standards to the structures under our sphere of influence such as suppliers and sub-contractors. In addition, we also provide reports for relevant organizations.

OTHER ELECTRICITY DISTRIBUTION COMPANIES

Other electricity distribution companies are also our stakeholders. We participate in policy-making and opinion-sharing processes as a member of the non-governmental organization that consists of these companies.

CERTIFICATION ORGANIZATIONS

Certification organizations determine whether our business activities are carried out at international standards. At the same time, they allow us to convert the decrease in carbon emissions into economic value through the evaluation they make in our renewable energy investments. We work closely with certification organizations on the correct measurement of our efforts.

NON-GOVERNMENTAL ORGANIZATIONS

We interact with relevant non-governmental organizations in terms of environmental, social and economic impacts of our investments. On the other hand, we have memberships in business organizations that represent our country internationally, such as the Foreign Economic Relations Board (DEIK).

SECTORAL ORGANIZATIONS

We are involved in non-governmental organizations established by actors of our sectors. We support the work of these organizations. We participate in negotiations with the public and opinion sharing processes.

CONSULTANTS

Consultants are the companies or individuals that add value to our company's activities with their expertise. We improve our business processes by leveraging external knowledge and expertise.

PUBLIC INSTITUTIONS

Tax authorities, Social Security Institutions, other ministries and provincial offices that are not considered as regulatory bodies under this section, fall into this group. We interact with these institutions for inspection, reporting and compliance with the standards.

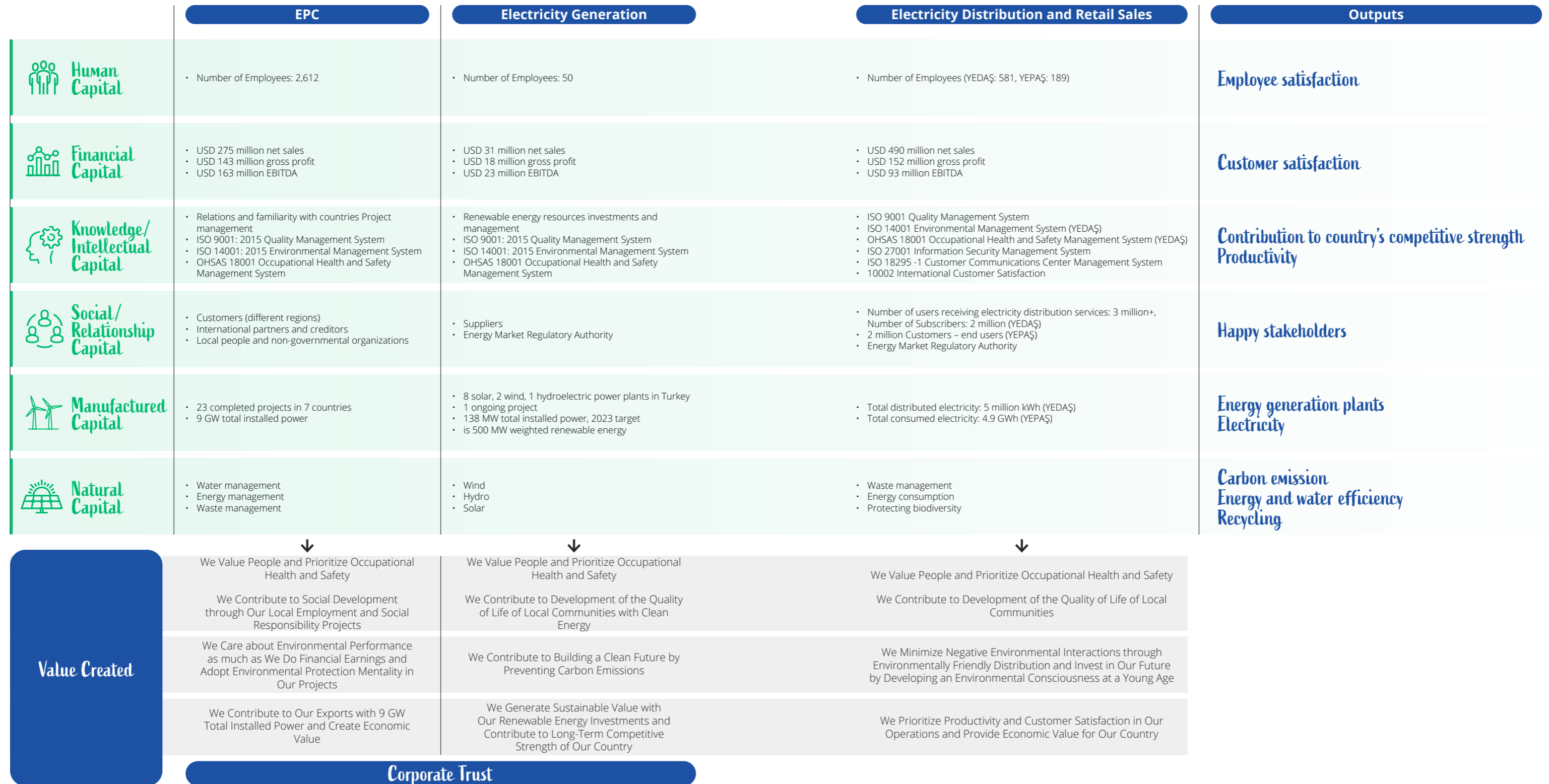
Suppliers are our important stakeholders for our business quality and continuity.

Sub-contractors support us in our operations and are important structures for the efficiency of our work.

Financial institutions are important for us in terms of financing new investments.

INTEGRATED THINKING APPROACH

As Çalık Enerji, we have adopted a value-oriented approach for monitoring and improving our activities. Through an integrated thinking perspective, we aim to increase the value created by the 6 capitals in each of our lines of business. The chart below includes the outcomes and value-created in each line of business as a result of activities through the use of capitals. Value-created in governance, social, environmental and economic areas through the sustainability approach are shown in different colors.



AWARDS, CERTIFICATES AND MEMBERSHIPS

We crown our success with the awards we received.

We ranked 59th on the "Fortune 500 Turkey - Largest Companies in Turkey 2021" list prepared according to 2020 year-end data, rising 18 places from last year.

AWARDS

- Our Sustainability Ambassadors Project was selected as one of the best sustainability projects in Turkey in the "Our Energy is Our Future Sustainability Award Program" realized within the scope of the 4th Turkey Energy and Natural Resources Summit organized by the Turkish Ministry of Energy and Natural Resources.
- We ranked 59th on the "Fortune 500 Turkey - Largest Companies in Turkey 2021" list prepared according to 2020 year-end data, rising 18 places from last year.
- As Çalık Enerji, we ranked 157th, rising 14 places compared to the previous year in the "ENR (Engineering News Record) Top 250 International Construction Companies of 2020."
- We rose to 81st place on the "Capital 500 Turkey - Largest Companies in Turkey 2019" list prepared according to 2020 year-end data. We took 22nd place in the ranking of "Companies with the Greatest Turnover Increase."
- YEPAŞ topped the Customer Satisfaction Survey conducted by the Energy Market Regulatory Authority (EMRA) in Turkey with a 78% satisfaction rate.
- YEDAŞ has received the "Best Technological Investment Award" for Sustainable Electricity Distribution for its "EDAŞ ONLINE" Project (Online Electricity Distribution Company) in the contest organized by International Business Magazine with the participation of world-renowned companies.



CERTIFICATES

- ISO 9001:2015 Quality Management System
- ISO 10002:2014 Customer Satisfaction Management System (YEDAŞ/YEPAŞ)
- ISO 14001 (Environment)
- OHSAS 18001 (Occupational Health and Safety)
- ASME A, S, U Stamp
- ISO/IEC 27001:2013 Information Security Management System
- ISO 18295-1 Communications Center Management System
- TSE COVID-19 Safe Service Certificate
- ISO 50001 (Energy Management System) Certification process is about to be finalized.

MEMBERSHIPS OF ASSOCIATIONS AND WORK COMMITTEES

- Electricity Distribution Services Association (ELDER)
- Supply Chain Management Association (TEDAR)
- Foreign Economic Relations Board (DEİK)
- Solar Energy Investors Association (GÜYAD)
- İstanbul Exporters' Association (İİB)
- İstanbul Chamber of Commerce (İTO)
- Solarbaba BV
- Turkish Contractors Association (TMB)
- Portable Battery Manufacturers and Exporters Association (TAPDER)
- Turkish Wind Energy Association (TÜREB)

As Çalık Enerji, we ranked 157th, rising 14 places compared to the previous year in the ranking of "ENR (Engineering News Record) Top 250 International Construction Companies of 2020."



Governance

Trust to the company could be achieved with implementing good governance practices.

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OUR APPROACH

We implement our good governance approach effectively.

We prioritize building long-term, strong relationships and working to develop the environment necessary to maintain our existence in the long term.

As Çalık Enerji, we operate in line with the principle that good governance leads to greater success. We believe that good governance approach is crucial for our decision-making process with our stakeholders, effective risk management, successful strategy making, execution and finally ensuring sustainability of the company.

Effective corporate governance ensures effective project management and defines delegation of authority in its decision-making processes. In this way, the issues arising in the projects and the management of the risks are addressed at the appropriate levels and resolved without wasting time.

Trust to the company could be achieved with implementing good governance practices. Stakeholder engagement and building long-term constructive win – win relationships is one of the key components for building good reputation. In open communication with our stakeholders, we listen their expectations and needs and aim to produce solutions to problems together. We thus prioritize building long-term, strong relationships and working to develop the environment necessary to maintain our existence in the long term.

BOARD PROFILE

Members of the Board of Directors



AHMET ÇALIK Chairman

Ahmet Çalık is a member of a prominent family operating in the textile industry since the 1930s. Ahmet Çalık launched his first business initiative in this sector in 1981. He laid the foundations of Çalık Holding, one of the leading companies in Turkey and the nearby geography. Çalık Holding operates in energy, construction, mining, textile, telecommunications, finance, and digital industries.

Ahmet Çalık made the first large private sector industrial investment in Eastern Anatolia in the second half of the 1980s by founding Çalık Denim in Malatya. The Company is among the largest premium denim fabric producers in the world today.

Following the Turkic Republics gained their independence in the 1990s, Mr. Çalık commenced establishing business operations in these countries and became one of the first foreign businesspeople to invest in Turkmenistan by setting up textile factories in the country.

With the purpose of generating added value and enriching the geographies in which the Group companies operates, Mr. Çalık founded Çalık Holding in 1997 to unite all of them under a single banner. Today, the Holding conducts business operations with more than 15 thousand employees across 21 countries, in seven main areas. Çalık Holding is the first Turkish company to become a member of the Japanese Business Federation Keidanren.

Focusing on projects that benefit society through his visionary investments, Ahmet Çalık is known for his integrity, reliability, strong financial assets and long-term collaborations with international companies throughout his activities in diverse regions of the world.

Fields of Operation

- Energy
- Construction
- Mining
- Textile
- Telecommunications
- Finance
- Digital

Significant Investments

- Ortadoğu Tekstil, 1981
- Çalık Denim, 1987
- Gap Pazarlama, 1994
- Gap İnşaat, 1996
- Çalık Holding, 1997
- Çalık Enerji, 1998
- Aktif Bank, 1999
- TTK, Turkmenistan Textile Investment, 2000
- E-Kent, 2002
- Bursagaz, 2004
- BKT, 2006
- Kayserigaz, 2007
- ALBtelecom, 2007
- Lidya Madencilik, 2010
- Yeşilirmak Elektrik Dağıtım (YEDAŞ), 2010
- Çalık Gayrimenkul, 2010
- Kosovo Electricity Distribution Company (KEDS), 2013
- Aras Elektrik Dağıtım (Aras EDAŞ), 2013
- Çalık Petrol, 2017
- Çalık Digital, 2017
- BKT Kosovo, 2017

Awards and Honors

- Order of State of Turkmenistan, 1997
- Mahdum Guli Award, 1997
- Entrepreneur of the Year Award, Para Magazine, 1997
- Best Industrial Enterprise of the Year, GESIAD, 1997
- İpek Yolu Foundation Service Award, 1998
- Turkmenistan "Gayrat" Medal, 1999
- Order of Merit of the Turkish Republic, 1999
- Turkmenistan Golden Century Medal, 2001

BOARD PROFILE

Members of the Board of Directors

- Order of Merit of the Ministry of Foreign Affairs of the Turkish Republic, 2002
- National Productivity Center Businessman of the Year Award, 2004
- Faculty of Business Administration, Istanbul University, Dünya Newspaper National Business Manager of the Year, 2005
- Order of Merit of Turkish Grand National Assembly, 2006
- Dünya Newspaper National Business Manager of the Year, 2006
- Turgut Özal Economy Award, 2008
- Turkey in Europe-Franco Nobili, 2010
- Turkish Red Crescent, Gold Medal Certificate, 2012
- Matsumoto Dental University, Japan, Honorary Ph.D. Title, 2014
- USA Ellis Island Medal of Honor, 2014
- Albania Tiran University, Honorary Ph.D. Title, 2014
- Turkmenistan "Garaşsyz, Baky, Bitarap Turkmenistan" Medal Certificate, 2015
- Japan Kindai University, Honorary Ph.D. Title, 2016
- Order of State of Japan (Order of the Rising Sun, Gold Rays with Neck Ribbon) - 2019
- Malatya Turgut Özal University, Honorary Ph.D. Title, 2020

Social Responsibility Projects

- Malatya Educational Foundation
- Mahmut Çalık Education Complex
- Malatya Hasan Çalık Hospital
- Ankara Oncology Hospital
- Significant social aid projects in Van, Pakistan and Somali
- "İftarımızı Anadolu'da Açıyoruz" Activity
- Restoration of Atatürk Köşkü, Yalova
- "İlk İşim Girişim" Competition, 2014-2019
- Renovations at the Geomatics Department, Faculty of Civil Engineering at Istanbul Technical University
- Renovation of the Precious Metals Laboratory at İTÜ Mining Faculty
- Boğaziçi University Faculty of Engineering - Hydraulic Laboratory Renovation
- Malatya Textiles Museum

Missions at the State Level

- Bursa Honorary Consulate of Republic of Kazakhstan, 2012

Personal

- 1958, Malatya
- Married with four children



ONUR YÜCEKAL
General Manager

Graduated from Boğaziçi University, Department of Mechanical Engineering in 1997, Onur Yücekal received his MBA degree from Emory University in 2001. Embarking on his career at Bank Ekspres as Treasury Analyst in 1997, Yücekal then joined General Electric in the United States in 2001 and served as the Financial Planning & Reporting Analyst at GE Energy. Following his role as Senior Audit Manager at GE Corporate between 2003 and 2006, Yücekal took office at GE Money in 2006 and respectively held the positions of; CFO of GE/Garanti Bank JV in Istanbul, Garanti/GE Romania JV CFO and Board Member in 2009 and Bank BPH CFO in Poland in 2010. As of 2012 Yücekal, fulfilled his duties as CFO and Board Member of GE Turkey and simultaneously undertook the leadership role as CFO of the Middle-Eastern Region of GE Power Systems between 2014 and 2018. Between 2018 and 2019, Yücekal served as the Chief Financial Officer of Çalık Holding and as of April 2019, he was appointed as General Manager of Çalık Enerji.



ASSOC. DR. OSMAN SAİM DİNÇ
Board Member

Born in Nevşehir in 1955, O. Saim Dinç earned a degree in Faculty of Mechanical Engineering in Istanbul Technical University in 1978 and assumed the title of assistant professor in 1986. He attended the RPI (Rensselaer Polytechnic Institute), New York, the USA, in 1988 for academic studies while simultaneously working for the GE Corporate Research and Development Center. Having worked for General Electric in NY, the USA, for 15 years, Mr. Dinç has held several positions and run many projects concerning power plants, gas turbines, wind turbines, aeronautical engineering and product development. He assumed the title of associate professor in 1992. He was appointed as the Chairman of TPAO (Turkish Petroleum Corporation) on May 20, 2003. Having held office for four years, he gained broad experience in the oil and gas industry and completed scores of significant projects on a high note during his tenure. Having joined Çalık Enerji on 16 April 2007, O. Saim Dinç served as general manager until 2018 and is today the board's Deputy Chairman. He has over 60 patents to his name and has had more than 40 articles published by international conferences and scientific journals. He is also an award-winning executive in many lines of business.



ORHAN GENİŞ
Board Member

Graduated from Chemical Engineering Program at the Middle East Technical University, Orhan Geniş received his master's degree in leadership studies at the UK's University of Exeter. Orhan Geniş commenced his career in 1976 as a process engineer at TÜPRAŞ and was then transferred to UOP, a refinery and petrochemical production company in England, in 1990. He worked in the Petrochemical and Refinery Optimization Departments, served as Refinery Technologies Manager and Engineer and Consultancy Group Director between 1993 and 2002 at UOP, subsequently acquired by Honeywell. He became the Product Group General Manager of UOP in Europe, the Middle East, the Commonwealth of Independent States (CIS) and Africa in 2002. He continued to hold office as the General Manager in Switzerland between 2008-2010 due to the company reorganization. After holding various positions for 20 years at Honeywell Intl Inc., Orhan Geniş managed Honeywell's business activities as the President of Turkey and Central Asian Fastest Growing Strategic Countries in the region between 2010 and 2018 before retiring in September 2018. Orhan Geniş created multiple international publications and is one of the contributing authors of the "Petroleum Refining Process" technology book published by Mc Graw Hill. In 2013 he was a recipient of the Assoc. Prof. Dr. Süha Atamer Award. The METU Chemical Engineering Academic Board gives the award to recognize leaders with outstanding achievements in the industry. He joined Çalık Group as a Board Member of Çalık Enerji as of April 2019.



MUSTAFA AKSOY
Board Member

Born in 1977, Izmir-Tire, Mustafa Aksoy holds a BSc. Degree in Public Administration from Dokuz Eylül University. Having worked at Egebank and Garanti Bank as auditor, Mr. Aksoy completed his MBA at Belgium's Antwerp University. He joined Çalık Group in 2004, serving in various marketing, corporate finance, M&A and business development positions. Serving as the General Manager of Lidya Madencilik since July 2010, Mr. Aksoy holds board member positions both with Lidya and our JV mining companies with foreign partners. In addition, he joined the Çalık Enerji Board of Directors as of April 2019. Besides English, he has a good command of German, French and Italian.



FATİH GENÇ
Board Member

Fatih Genç completed his bachelor's degree in Civil Engineering at Middle East Technical University in 1978. He worked at various levels at STFA Construction Group for over 34 years, ultimately holding the position of General Manager. He then acted as General Manager at İçtaş & Astaldi partnership, IC İçtaş Executive Board Member and Taca Construction Saudi Arabia Country Manager. Fatih Genç, who crossed paths with STFA Construction Group again in 2017, acted as a Project Management Committee Member in Kuwait. Since 2019, he has been a Board Member of Çalık Enerji and GAP İnşaat.

BOARD PROFILE

DISTRIBUTION OF BOARD MEMBERS BY AGE AND GENDER

	AGE	GENDER	EDUCATION	WORK EXPERIENCE	SENIOR MANAGEMENT EXPERIENCE
AHMET ÇALIK	63	MALE	HIGH SCHOOL	40 YEARS	40 YEARS
ONUR YÜCEKAL	46	MALE	MECHANICAL ENGINEERING MBA	24 YEARS	15 YEARS
ASSOC. DR. SAİM DİNÇ	66	MALE	MECHANICAL ENGINEERING	43 YEARS	18 YEARS
ORHAN GENİŞ	69	MALE	CHEMICAL ENGINEERING	45 YEARS	18 YEARS
MUSTAFA AKSOY	44	MALE	PUBLIC ADMINISTRATION MBA	22 YEARS	11 YEARS
FATİH GENÇ	68	MALE	CIVIL ENGINEERING	43 YEARS	21 YEARS

Activities of the Board

Board meetings are held every 3 months. 4 meetings were held in 2020.

Company's current status, future projects, risks and strategies of the company were discussed in these meetings. In 2019, Çalık Holding's Board of Directors took a resolution that required making sustainability a part of group company strategies and decision-making processes.

In line with this resolution taken by Çalık Holding, our Board of Directors decided to review our sustainability efforts and strengthened their connection with the company strategy.

At all our Board meetings held in 2020, Senior Management was regularly informed about our sustainability efforts.

ETHICS

We create value for our stakeholders in all geographies.

We shape our business approaches by the "Çalık Holding Code of Business Ethics" prepared for Çalık Group.

As Çalık Enerji, we adopt a business approach based on creating value for our stakeholders in all regions we operate. Working with this point of view, we pay attention to:

- Having our customers satisfied,
- Contributing to development of the countries and regions we operate,
- Offering products and services at international standards and quality,
- Acting fair to all our stakeholders.

Our ethical values for business include the concepts of justice, fairness, honesty, impartiality and responsibility. Acting ethically means doing the right thing based on ethical values.

All our actions must be in compliance with applicable legislations in all our operating regions, including those in the Republic of Turkey.

Within the scope of anti-corruption efforts; our Company is subject to the Turkish Penal Code and Law on Prevention of Laundering Crime Revenues, and as the company engages in international commercial activities, to other legislations such as OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, UN Convention Against Corruption, United Kingdom Bribery Act 2010 ("UKBA") and US Foreign Corrupt Practices Act ("FCPA") as well as other anti-corruption laws in force in the countries where branches, local companies or operations of Çalık Enerji are located.

We expect our employees to act in compliance with the Laws of the Republic of Turkey, laws applicable in relevant countries, international conventions and the rules.

LEGAL COMPLIANCE

We expect our employees to act in compliance with the laws and legislations of our country as well as the countries we operate in. All information to be disclosed by the Company to the public and submitted to authorities is shared in accordance with the applicable standards and in a transparent way.

We expect our employees to act in compliance with the Laws of the Republic of Turkey, laws applicable in relevant countries, international conventions and the rules.

We act sensibly and responsibly in social issues.

We engage with the individuals and corporations we work with based on honesty, fairness, respect and goodwill and pay attention to fulfill our legal obligations in time.

GENDER EQUALITY AND DIVERSITY

We aim to demonstrate an honest and fair approach towards our employees and provide a safe and healthy working environment. In this context, discrimination in our Company against employees based on their language, race, skin color, gender, political view, belief, religion, observance, age, physical disability or other similar characteristics is not allowed in order to create a fair and safe working environment. We value diversity. At Çalık Enerji, equal opportunities are provided for equal individuals.

OCCUPATIONAL HEALTH AND SAFETY

We consider health and safety of all our employees as number one priority in all countries of operation. Workplace, physical work environment and conditions must be healthy and safe for all our employees.

STRUGGLE AGAINST VIOLENCE AND HARASSMENT IN THE WORKPLACE

Violating privacy of our employees in the workplace or any other place they are in for business purposes through physical, sexual or emotional harassment is illegal and unethical. In the event of such harassment, necessary legal and administrative procedures are initiated and necessary measures are taken in order to prevent harassment.

RESPONSIBILITY TOWARDS CUSTOMERS

It is essential to work with a customer-oriented approach at Çalık Enerji. We approach our customers with respect, decency, fairness, equality and courtesy rules.

It is our priority to generate value for our customers, increase customer satisfaction and establish a long-term environment of trust in our relationships with our customers.

We engage with the individuals and corporations we work with based on honesty, fairness, respect and goodwill and pay attention to fulfill our legal obligations in time. The company and the employees are responsible for carefully protecting confidential information of the individuals and corporations they work with.

FAIR COMPETITION

We adhere to fair competition rules of all countries in which we operate. We support the efforts towards establishing a competitive structure in the community and avoid unfair competition.

We collect and use data on rival companies legally and ethically. We respect the confidentiality of non-public information that belongs to our competitors.

RESPONSIBILITY TOWARDS THE SOCIETY

The Company and its employees act sensibly and responsibly for social issues as good citizens. It is aimed to mind the traditions and cultures of the countries we operate in, adjust to the social structure and avoid any behavior that may have a negative impact on the social sphere.

We encourage our employees to participate in social activities such as environmental, healthcare, educational and sports activities.

RESPONSIBILITY TOWARDS THE ENVIRONMENT

We abide by the environmental laws and legislations in all our countries of operation and manage our business activities based on the principle of protecting the environment.

We observe all relevant local and international laws, regulations and conventions and ensure that these are followed and implemented by our business partners.

PROTECTION OF BUSINESS SECRETS AND CONFIDENTIALITY

We define confidential information as business secrets, intellectual property rights, third party confidential information, agreements and other information that will negatively impact competition. This information may not be disclosed to or shared with third parties.

Our employees must pay attention to protect confidential and private information including but not limited to those that may belong to suppliers, customers and other stakeholders, regardless of their relevance to the employees' job, and they are not allowed to use these information in favor of themselves or third parties. This liability shall survive after termination of the employees' business relationship with the company.

Passwords, user IDs, authorizations and other similar identifiers that are used to access our information systems must be kept confidential and should not be disclosed to anyone other than authorized users. Trying to afford business interests by using or disclosing company's confidential and private information to third parties (insider trading) constitutes a crime as per the laws as well as codes of conduct.

MEDIA RELATIONS

We manage our relations with media through a clear and transparent communication model. We pay attention corporate messages, information and statements not to be misleading. We equally distance ourselves from media organizations and have equal relationships with them. We respond to any financial or sectoral information requests from the media through authorized employees under the coordination of the Corporate Communications Department.

AVOIDING CONFLICT OF INTEREST

Any benefits or interests gained by the employees or their relatives, acquaintances or individuals and organizations they have a relationship with due to the position of said employees are defined as "conflict of interest."

We expect our employees to avoid all kinds of activities that may cause a conflict of interest. Company name or reputation may not be used for gaining personal benefit.

Our employees, within the scope of their jobs, may not enter into any mutual or gratuitous business relationships that may provide benefit to their family members, relatives or other third parties they have a relationship with. This matter is specially considered when deciding on the suppliers to work with.

Our employees may not become members of the boards or auditors of any company other than our group companies unless the Board of the Company that employees work for gives permission to do so. They may not have a second job outside the company. Working as an arbitrator, intermediary or expert as authorized by judicial or administrative bodies or working as a lecturer at universities are not subject to this restriction. For any duties to be performed outside the company, employees' work performance must not be affected, said duty must be performed outside the working hours of the company and the Human Resources Department of the company must be informed prior.

We abide by the environmental laws and legislations in all our countries of operation and manage our business activities based on the principle of protecting the environment.

We have a working environment that adheres to our ethical values.

We expect our employees to act in good faith and in accordance with applicable legislations and corporate discipline.

ACCEPTING OR OFFERING GIFTS

Our employees may not accept any gifts, income, aid, entertainment, special discount or commissions for their self-interest that may affect their impartiality, decisions or behaviors. However, in the events where rejecting gifts from the customers or suppliers may be considered rude, employees may accept gifts provided that said gift is appropriate in terms of customs of trade and the approximate value of said gift does not exceed 150 Euros or its equivalent in other currencies.

Our employees may offer or accept reasonable entertainment or dinner to or from individuals in accordance with the customs of trade.

Our employees must never accept cash or borrow money, regardless of its amount, from suppliers, rivals or customers. Our employees are not allowed to invest in or lend money to suppliers that may give rise to conflict of interest. Likewise, they are not allowed to use special advantages or conditions offered by suppliers to the company for gaining personal benefit.

We expect our employees to act in good manner and in accordance with applicable legislations and corporate discipline.

ANTI-CORRUPTION

Bribery is to offer, promise, give, request or accept cash, gifts or any financial or other advantages, directly or indirectly, to:

- A public officer,
- A political candidate, political party or representative thereof, or
- Any private sector employee for the purposes of securing, keeping, managing or otherwise gaining an inappropriate advantage for execution of business.

Anti-bribery rules are independent of nationalities of the parties involved.

Promising an advantage is enough to violate the anti-bribery rule; actual payment of the bribe is not a prerequisite for violation.

The word "advantage" must be construed to a wide extent and deemed to include not only direct monetary interests but also intangible advantages (for example, offering a job to a public officer or a commercial agent).

Our employees shall never attempt to affect the decisions of public officers or other individuals by offering them financial or other advantages, explicitly or implicitly.

Çalık Enerji employees may never be punished or subjected to other negative consequences for refusing to bribe someone, even if this refusal may result in loss of a business transaction.

Our Company never allows any attempts of using our own resources for "Money Laundering" purposes, which is described as the process of making money illegally generated by other individuals or companies appear to have come from a legitimate source.

We act in compliance with the local and international laws and legislations against money laundering and try to reasonably track the source of the money generated during our business activities by working with reliable and reputable business partners.

POLITICAL CONTRIBUTIONS

Çalık Enerji does not support a political view or party. Our employees must maintain a non-political stance on all platforms where they represent the company. Employees must avoid statements or behaviors that may expose their personal political views.

Çalık Enerji and its employees acting on behalf of the company may not make political contributions, directly or indirectly, to political parties, party members, candidates or organizations.

Our employees are free to participate in democratic political activities. However, they must inform the Compliance Officer before participating in such activities and these activities must be run without referring to the company or utilizing the company's resources.

CHARITABLE CONTRIBUTIONS AND DONATIONS

Majority of Çalık Enerji's contributions must be made towards social responsibility projects on education, healthcare, environment and events related to art.

All donations, contributions and sponsorships must be transparent and in compliance with the applicable laws of the countries involved. Any noncompliant applications, requests or payment of donations, contributions and sponsorships is reported to our Compliance Officer.

Corporate donations and social aids must be granted to the projects, organizations or institutions that are in line with our internal procedures, Ethical Principles and Corporate reputation.

RELATIONS WITH BUSINESS PARTNERS AND OBSERVANCE OF RULES

We highly value our relations with our business partners.

Our employees must be honest, respectful and fair towards our business partners and observe the mutual interests of the companies.

Our anti-corruption program also applies to the transactions performed with our business partners.

In order to determine whether a certain business partner is in compliance with the codes of conduct as well as the anti-corruption regulations in effect, business partner assessment must be made, when applicable (based on their size, reputation, etc.), by the relevant department under the supervision of our Compliance Officer, before initiating the business relationship.

The assessment must be repeated periodically as per the Guidelines for Managing Business Partner Assessments and it is also made before purchasing shares in a company or participating in a joint venture.

All kinds of agreements to be entered into with our business partners must include anti-bribery commitments and the right to terminate.

We regularly audit the performance of our business partners.

Our employees must be honest, respectful and fair towards our business partners and observe the mutual interests of the companies.

We provide our employees with secure and accessible communication channels.

Ethics Committee is responsible for evaluating the nonconformities determined within the scope of the codes of conduct as well as the reports shared over the ethical communication line.

Ethics Line

As an employer that minds ethical values, we provide the employees or others (i.e. business partners) with safe and accessible channels through which they can report any suspicious cases in confidence and without the risk or retaliation. We established an ethical line for our employees to report their concerns easily while remaining anonymous.

We encourage all our employees to report any suspicions of inappropriate behavior or nonconformities under the guarantee of not being exposed to the risk of retaliation. All complaints and reports received by the ethical line remain confidential. Identities of reporting parties are never disclosed.

The Compliance Officer will investigate the reported case in confidence, determine whether the case violates any corporate rules, values or laws and take necessary actions.

Ethics Committee

Ethics Committee consists of 1 chair, 2 principal members and 2 substitute members. Chair and Members of the Ethics Committee are elected, authorized and appointed by our Board of Directors, in line with the term of office of the Board. Ethics Committee holds meetings with all the members present and takes decisions unanimously. Members of our Ethics Committee may not participate in negotiations regarding themselves or their employees. In such cases, a suitable substitute member participates in the meeting and decision-making process.

Ethics Committee is responsible for evaluating the nonconformities determined within the scope of the codes of conduct as well as the reports shared over the ethical communication line and impose disciplinary penalty if necessary.

QUALITY

Our Quality Policy

We create value by constantly improving our services.

As Çalık Enerji, we conduct our projects following quality standards in all our domestic and international locations.

As a company operating on its quality policy since day one without compromise, we emphasize the importance of this policy in all our regions of operation on behalf of Çalık Enerji.

This policy is communicated to our employees, subcontractors and suppliers operating on behalf of Çalık Enerji. It is announced at all operation sites under our control or working on behalf of our Company.

We are known for our quality, creative, environmental and people-friendly projects in the energy sector. We create value by continuously improving our services and constantly informing our stakeholders.

- Customer focus and feedback,
- Leadership and management,
- Processes and procedures,
- Risk-based thinking system,
- Transparency,
- Assignment and authorization,
- Monitoring and communication,
- Knowledge and sustainability

are titles that we care about when creating our management systems and ones that we transmit to all our stakeholders for continuous improvement.

As Çalık Enerji, we carry out our projects in accordance with quality standards at all our domestic and international locations and aim at constant self-improvement.

For our customers, we;

- Prepare and perform projects based on their needs and expectations,
- Evaluate their concerns and opinions and discuss them with customers,
- All solutions comply with the principles of environmental protection and value creation for all stakeholders. We work to convince our customers with this approach,
- Keep customer satisfaction at the heart of our quality policy.

To offer high-quality services, we demonstrate leadership that;

- Provides all necessary resources,
- Supports an open interaction and communication environment,
- Encourages employees to take responsibility,
- Encourages a risk-based approach and questioning.

To offer efficient services, we;

- Assess and improve our processes continuously,
- Create procedures for the functioning of our processes and develop our employees through training,
- Create feedback mechanisms to improve our processes,
- Support improvement of the quality management system.

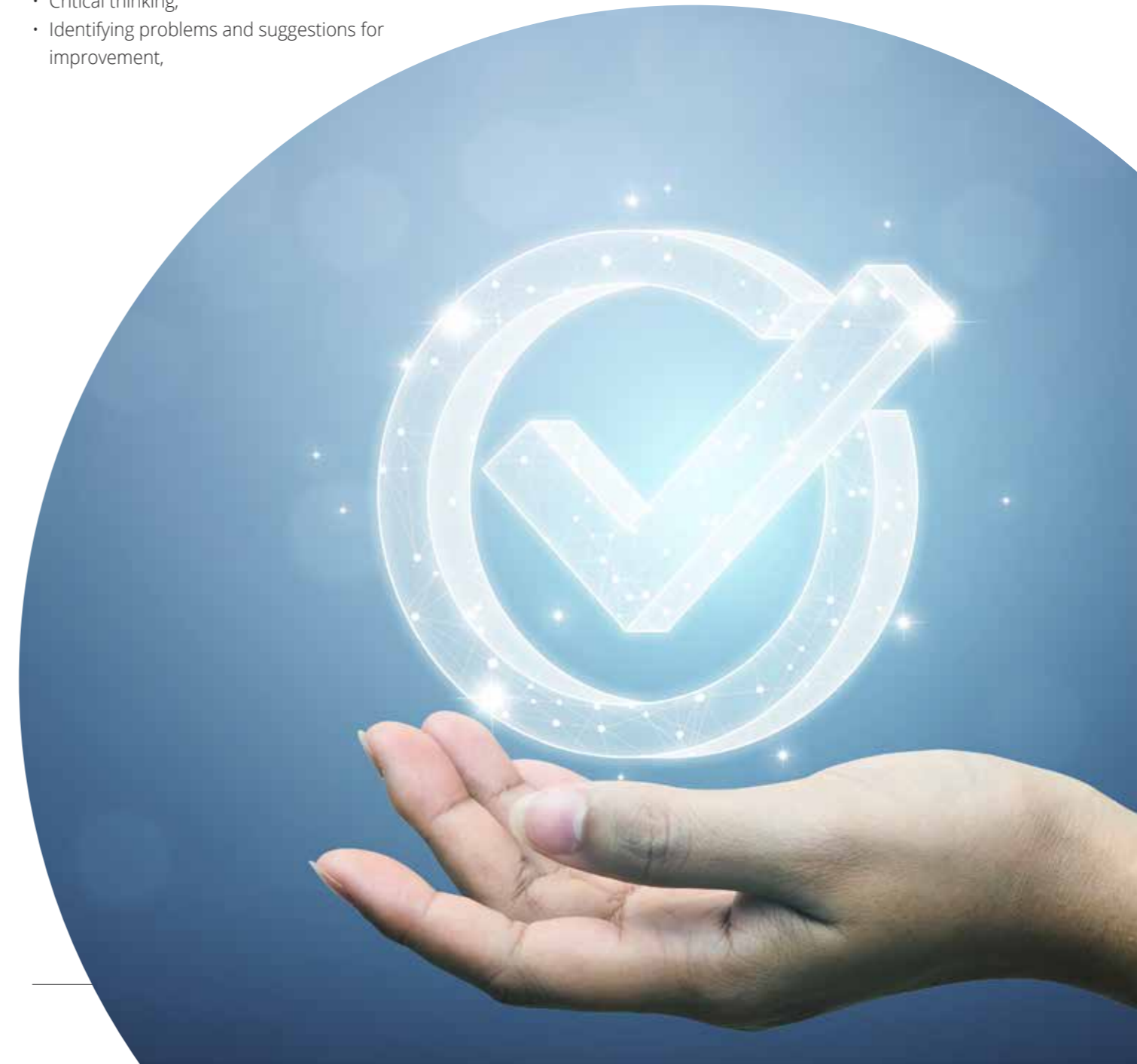
By creating a transparent work environment, we encourage;

- Critical thinking,
- Identifying problems and suggestions for improvement,

- Discontinuing work when achieving target quality is in doubt and we authorize our employees to do so accordingly.

To perpetuate continuous improvement, we encourage;

- Constant monitoring of quality indicators,
- Investigation of issues to identify the causes and develop solutions,
- Institutionalization and the spread of experience.



Our Information Security Policy

Management Systems are an indispensable part of our corporate culture

We commit to determine relevant roles and responsibilities for the operation and continuity of our management system for information security.

As we provide services in line with our objectives and in accordance with the applicable laws and legislation, we commit to:

- Determine relevant roles and responsibilities for the operation and continuity of our management system for information security,
- Set objectives for our Management System and evaluate their compliance at certain times,
- Conduct risk management activities within our Management System,
- Perform business impact analyses, define continuance targets and business continuity strategies according to the needs of our Management System,
- Follow the principles of confidentiality, integrity and accessibility of information according to the needs of our Information Security Management System,
- Allocate necessary resources and plan training programs to improve competency of our personnel with an aim to cater for and efficiently run our Management System,
- Conduct regular reviews to continuously improve the processes and activities that are parts of the operation of our Management System,

- Plan awareness raising and guiding activities to ensure that all of our personnel and partners participate to and comply with our management systems as per our holistic approach towards our Management Systems,
- Ensure compliance with the requirements of standards, legal regulations and contracts in terms of our Management System,
- Implement our Management Systems as an indispensable part of our corporate culture.

We developed an effective and reliable internal control system.

Çalık Holding A.Ş. Department of Auditing (Auditing Group) provides auditing and consultancy services in the fields of financial, operational and information systems and technical matters to Çalık Enerji.

In this context, process control, financial audits, tax audits, financial and technical inspections of EPC projects are made and consultancy services, if requested, are offered within our Company.

Operating in accordance with the International Internal Auditing Standards, our Auditing Group evaluates and inspects compliance with the Internal Control Systems of Çalık Enerji and its subsidiaries, observing COSO Standards and best practices.

Our Audit Group aims to improve accuracy and reliability of financial and operational transactions, ensure compliance with legal regulations and corporate procedures, protect company's assets, and enhance efficiency and effectiveness of operational processes, through establishing an effective internal control system and developing corporate governance practices at our Company.

Our Auditing Group periodically informs our Board of Directors and Auditing Committee on the results of auditing activities.

Our Auditing Group creates recommended actions to be taken for the findings of audits before reporting and reaches an agreement with relevant departments regarding the findings and action plans.

Our Auditing Group is also responsible for following up actions in order to ensure effective implementation of the measures taken by the Management in line with the action plans created as a result of the mutual agreement and to observe developments.

Our Auditing Group creates recommended actions to be taken for the findings of audits before reporting.



In addition to environmental projects, we implement digital projects that will carry the success of our business into the future

With the commissioning of Salesforce Software and its permanent in-house application, we took a significant step towards digitalization. In this way, we made it easier to follow business development and proposal processes and ensured the digital storage of corporate memory.

Güvenç Sunkar
Sustainability Ambassador
Strategy Planning Specialist

CONNECTIONS WITH SDG

We strive to contribute to the environment with a sense of social responsibility beyond the rules diligently followed.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



As set forth in the Ethical Values – Equality and Diversity principle, discrimination in Çalık Enerji against employees based on their language, race, skin color, gender, political view, belief, religion, observance, age, physical disability or other similar characteristics is not allowed in order to create a fair and safe working environment. Diversity is valued. Equal opportunities are provided for equal individuals.

We adopt an environmentally sensitive business approach in our projects and all our efforts and strive to contribute to the environment with a sense of social responsibility beyond the rules diligently followed during our efforts.

We adopt and implement the principle to work within the scope of code of ethics as part of our extensive projects with a significant scale carried out with different business associations, suppliers and customer profiles. We contribute to article 16) Peace Justice and Strong Institutions of the United Nations Sustainable Development Goals (SDG) by implementing our management and decision-making systems based on these approaches.

ACHIEVEMENTS

Sustainability Ambassadors

Our Sustainability Ambassadors work with an integrated thinking approach.

We established a project team within the scope of building our sustainability strategy. We created this project team from volunteer company employees working in different departments. Thus we aimed to instill an integrated thinking approach within the company and to create a decision-making infrastructure by evaluating issues from diverse perspectives. We named this team, consisting of people who would contribute to the dissemination of the sustainability perspective within Çalık Enerji using the sustainability perspective in decision-making processes, as “Sustainability Ambassadors.”

Sustainability Ambassadors have made considerable Company-wide contributions to the realization of the sustainability concept by implementing at least one project in their respective departments during 2020.

Our Sustainability Ambassadors have become our sustainability locomotive through creative projects by generating team synergy at regular meetings.

On the other hand, our Sustainability Ambassadors had the opportunity to present their work directly and receive feedback through regular meetings with our Senior Management.

ÇALIK ENERJİ SÜRDÜRÜLEBİLİRLİK ELÇİLERİ GÖREVLERİNE BAŞLADI!

Yaptığın işle sürdürülebilirliğe nasıl katkı sağlayabileceğini merak ediyorsan, Departmanının Sürdürülebilirlik Elçisi'ne danışabilirsin...

Kerem Balkaya
Kurumsal İletişim Müdürü

Alihan Akyan
İnsan Kaynakları Uzmanı

Gökçe Erdoğan
Proje Uzmanı

Furkan Gökdoğan
HES Projesi Proje Müdürü

Bazan Erak
Sistemler Şefi

Mustafa Öncel San
Bazı Platformu ve Raporlama Müdürü

Gökçe Senkar
Bazı Platformu ve Raporlama Uzmanı

Bülent Kalebeyaz
Bazı Platformu ve Raporlama Şefi

Caner Çaman
Bazı Platformu ve Raporlama Uzmanı

Altan Arıkan
Proje Koordinatörü

ÇALIK ENERJİ

We transferred our business development processes to digital.

In 2020, we carried out efforts to increase the awareness of our employees within the scope of Çalık Enerji Ethics and Compliance studies.

TRANSFER OF BUSINESS DEVELOPMENT PROCESSES TO DIGITAL PLATFORM

With this project, which we implemented in order to facilitate the tracking of Business Development and Proposal processes and to store corporate memory digitally, we started using the Salesforce application, which allows the business development processes to be stored and tracked digitally. In the coming period, we plan to develop the application to include other functions of our Company.

COMPLIANCE AWARENESS RAISING ACTIVITIES

In 2020, we carried out efforts to increase the awareness of our employees within the scope of Çalık Enerji Ethics and Compliance studies.

With the participation of all our employees, we conducted a training on "Ethics and Compliance" about the following topics:

1. Objective and Scope
2. Impact of Business Ethics on Company Value
3. Responsibilities
 - a) Holding Mission and Responsibilities to the Mission
 - b) Responsibilities to the Holding Values

4. Code of Ethics and Business Cases
 - c) Protection of Business Secrets and Confidentiality & Examples
 - d) Media Relations and External Communication & Example
 - e) Social Media Use & Examples
 - f) Political Activities
 - g) Conflict of Interest
 - h) Use of Assets
 - i) Accepting or Offering Gifts
 - j) Avoiding Abuse of Trust, Irregularities and Corruption
5. Compliance Manager and Compliance Officers
6. Notification and Resolution of Violations
7. Duties of Executives
8. Ethics Line & Ethics Committee
9. Ethics and Compliance Roadmap
10. Questions & Answers

We printed the Çalık Enerji Code of Business Ethics and Compliance Regulation brochures and distributed them to all our employees.

Yardımlara Kullanım

Çalık Enerji olarak faaliyet gösterdiğimiz alanlarımızda etik davranış ve iş etiği ilkeleriyle ilgili olarak çalışanlarımızın bilgilendirilmesini ve bu ilkelerin uygulanmasını sağlamak amacıyla bu broşürü hazırladık. Bu broşürü tüm çalışanlarımızın eline ulaştırarak, iş etiği ilkelerini öğrenmelerini ve bu ilkelerin uygulanmasını sağlamayı amaçlıyoruz.

"Kararlar" ve Mevzuat Açısından Önemli Sorular

Çalık Enerji olarak faaliyet gösterdiğimiz alanlarımızda etik davranış ve iş etiği ilkeleriyle ilgili olarak çalışanlarımızın bilgilendirilmesini ve bu ilkelerin uygulanmasını sağlamak amacıyla bu broşürü hazırladık. Bu broşürü tüm çalışanlarımızın eline ulaştırarak, iş etiği ilkelerini öğrenmelerini ve bu ilkelerin uygulanmasını sağlamayı amaçlıyoruz.

Etik Kurallara Uyumsuzlukların Bildirimi ve Çözümlemesi

Çalık Enerji olarak faaliyet gösterdiğimiz alanlarımızda etik davranış ve iş etiği ilkeleriyle ilgili olarak çalışanlarımızın bilgilendirilmesini ve bu ilkelerin uygulanmasını sağlamak amacıyla bu broşürü hazırladık. Bu broşürü tüm çalışanlarımızın eline ulaştırarak, iş etiği ilkelerini öğrenmelerini ve bu ilkelerin uygulanmasını sağlamayı amaçlıyoruz.

Etik Kurul

Çalık Enerji olarak faaliyet gösterdiğimiz alanlarımızda etik davranış ve iş etiği ilkeleriyle ilgili olarak çalışanlarımızın bilgilendirilmesini ve bu ilkelerin uygulanmasını sağlamak amacıyla bu broşürü hazırladık. Bu broşürü tüm çalışanlarımızın eline ulaştırarak, iş etiği ilkelerini öğrenmelerini ve bu ilkelerin uygulanmasını sağlamayı amaçlıyoruz.

Etik Karar Verme

Çalık Enerji olarak faaliyet gösterdiğimiz alanlarımızda etik davranış ve iş etiği ilkeleriyle ilgili olarak çalışanlarımızın bilgilendirilmesini ve bu ilkelerin uygulanmasını sağlamak amacıyla bu broşürü hazırladık. Bu broşürü tüm çalışanlarımızın eline ulaştırarak, iş etiği ilkelerini öğrenmelerini ve bu ilkelerin uygulanmasını sağlamayı amaçlıyoruz.

Uyum Eğitimleri

Çalık Enerji olarak faaliyet gösterdiğimiz alanlarımızda etik davranış ve iş etiği ilkeleriyle ilgili olarak çalışanlarımızın bilgilendirilmesini ve bu ilkelerin uygulanmasını sağlamak amacıyla bu broşürü hazırladık. Bu broşürü tüm çalışanlarımızın eline ulaştırarak, iş etiği ilkelerini öğrenmelerini ve bu ilkelerin uygulanmasını sağlamayı amaçlıyoruz.

İŞ ETİĞİ KURALLARI VE UYUM YÖNETMELİĞİ

1. Misyon, Vizyon ve Değerlerimiz

• Misyonumuz nedir? Vizyonumuz nedir? Değerlerimiz nelerdir?

2. İş Etiği ve İş Etiği Kuralları

• İş etiği nedir? İş etiği kuralları nelerdir? İş etiği kuralları nasıl uygulanır?

3. Kararlarımızı Test Ederiz

• Kararlarımızı test ederiz. Kararlarımızı test ederiz. Kararlarımızı test ederiz.

UYUM EĞİTİMLERİ

• Uyum eğitimleri nelerdir? Uyum eğitimleri nasıl uygulanır? Uyum eğitimleri nasıl uygulanır?

ÇALIK ENERJİ

**We care about increasing
the impact and prevalence of
sustainability efforts within
the company**

The coordination of Çalık Enerji compliance studies is of great importance to us. We believe that actions such as compliance presentation, compliance training, the sharing of ethics-related procedures with employees and transferring relevant information to newly recruited employees strengthen us in line with our goals.

Gözde Erdoğan
Sustainability Ambassador
EPC Project Engineer





Social

We manage our operations by providing equal opportunities to all our employees at an equal distance and without discrimination.

- Our Approach ————— 78
- Occupational Health and Safety ——— 79
- Competent Human Resources
- Management ————— 82
- Gender Equality and Diversity ——— 91
- Social Development and Interaction with
- Local Communities ————— 92
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We exhibit an approach that puts human rights at the center.

By signing the United Nations Global Compact, we committed on an international platform to prioritize sustainability and human rights.

As Çalık Enerji, we are known for our quality, creative, environmental and human-friendly projects in the energy sector. We aim to generate value by continuously improving our services and constantly informing our stakeholders. Occupational health and safety is the key factor in all our lines of business.

By signing the United Nations Global Compact, we committed on an international platform to prioritize sustainability and human rights. Global Compact signatories are expected to be respectful of human rights and implement sustainability approach in their own companies as well as their supply chains.

We exhibit an approach that puts human rights at the center in all our operating regions. We manage our operations by providing equal opportunities to all our employees at an equal distance to each employee and without discrimination. Our codes of conduct reflect our approach to this issue.

We constantly improve Occupational Health and Safety management system.

OUR OCCUPATIONAL HEALTH AND SAFETY APPROACH

Our Occupational Health and Safety (OHS) Policy is the top document governing our management systems and practices committed by our Senior Management which are discussed in Management Review Meetings held each year by our Senior Management.

Our Senior Management created our OHS Policy in accordance with the nature of all our domestic and foreign activities and included the commitment to comply with the requirements of the OHS Management System and improve its effectiveness continuously.

Our OHS Policy lights the way for our commitments and goals that fall into the categories such as planning and implementation, assignment and authorizations, risk management, monitoring and reviewing and identifying critical performance indicators. It is communicated to and accessible by all the parties involved around the world through web, intranet, bulletin boards, job trainings etc.

OUR OCCUPATIONAL HEALTH AND SAFETY POLICY

In all our Occupational Health and Safety (OHS) activities, we always procure the resources necessary for construction sites and workplaces by investing in safe equipment and establishing safe working environments, believing in the zero-accident goal and adopting the approach for prevention of occupational diseases.

We regularly organize OHS trainings and emergency management drills, encourage all our stakeholders to contribute to the OHS system and aim to increase awareness of OHS.

We employ a risk-based thinking system that we created by foreseeing potential emergencies and accidents in the OHS. We place importance on emergency risk assessments, developing corrective actions to minimize risks and following preventive approaches. We evaluate all risks as well as environmental and social impacts of all incidents that may occur during our activities and make our decisions accordingly.

We prepare critical performance indicators in the light of legislations and requirements of each country we operate in, identify and follow our goals accordingly and monitor OHS performances of sub-contractors. We exhibit full transparency while sharing the corporate knowledge we gained through these processes.

We employ a risk-based thinking system that we created by foreseeing potential emergencies and accidents in Occupational Health and Safety.

Rate of incidents recorded by Çalık Enerji is 0.76 by the end of 2020.

OCCUPATIONAL HEALTH AND SAFETY STATISTICS (EPC)

Project HSE Statistics	2018	2019	2020
Total Recorded Incident Rate (TRIR)	0.088	0.132	0.76
Death Rate	0	0	0
Near Miss Frequency Rate (NMFR)	85	78	4
Lost Time Occupational Accident Rate	0.044	0.044	0.25

OCCUPATIONAL HEALTH AND SAFETY TRAININGS (EPC)

Total HSE Training Hours	2019	2020
(Direct, indirect person-hours)	14,896,662	3,157

The total number of OHS trainings given at Çalık Enerji is 3,157 hours.

OCCUPATIONAL HEALTH AND SAFETY TRAININGS (YEDAŞ)

STATISTICS FOR YEDAŞ OCCUPATIONAL HEALTH AND SAFETY TRAININGS (HOURS)	2020
SAFE WORKING AT HEIGHTS IN ENERGY SECTOR	5,109
PRINCIPLES OF PROTECTION FROM DISEASES AND APPLICATION OF PROTECTION METHODS & PSYCHOSOCIAL AND BIOLOGICAL RISK FACTORS & FIRST-AID & HARMS OF TOBACCO AND SECOND-HAND SMOKING	418
FIRST-AID REFRESHER TRAINING	492
OCCUPATIONAL HEALTH AND SAFETY TRAININGS	10,027
ACCIDENT ROOT CAUSE ANALYSIS	269
OCCUPATIONAL DISEASES TRAINING	80
PUTTING ON PPE, SAFE WORKING AT HEIGHTS ON LATTICE MASTS	4
FIRST-AID TRAINING WITH CERTIFICATION	1,453
CLEANING, HYGIENE AND PROTECTION FROM DISEASES	1,591
TOTAL TRAINING HOURS	19,443

YEDAŞ OCCUPATIONAL HEALTH AND SAFETY INSPECTIONS BASED ON CITIES

PROVINCE	NUMBER OF INSPECTIONS	NUMBER OF NONCONFORMING INSPECTIONS	TOTAL NUMBER OF INSPECTIONS	RATE
SAMSUN	3,692	63	3,755	1.68%
ORDU	5,012	61	5,073	1.20%
SİNOP	1,029	21	1,050	2.00%
AMASYA	3,139	91	3,230	2.82%
ÇORUM	3,471	92	3,563	2.58%
TOTAL	16,343	328	16,671	1.97%

We shaped our human resources policy with the values of Çalık Holding.

We regularly conduct regular activities in a wide range of areas from recruitment to professional and managerial training programs in order to make our business processes more effective.

We are well aware that our competent human resources are among the key factors that help maintain our successful performance. We regularly conduct regular activities in a wide range of areas from recruitment to professional and managerial training programs in order to make our business processes more effective.

We formulated our human resources policies and practices based on the values of Çalık Holding. We pay utmost attention in order to ensure that each of our employees adopts and takes into consideration in each step taken, the values that apply to Çalık Holding and all Group companies: fairness, people-oriented approach, reputation, working from the heart, innovation, agility and sustainability.



Employees

Number of Employees Based on Business Fields	2018	2019	2020
Çalık Enerji Istanbul Head Office	160	130	179
Çalık Enerji EPC	996	675	151
Çalık Enerji Renewable	54	59	50
Distribution and Retail	221	212	588
Subcontractor	162	124	1,525
Çalık Enerji Subcontractor	162	124	119
TOTAL	1,593	1,200	2,612

DISTRIBUTION OF ÇALIK ENERJİ EMPLOYEES BY AGE (INCLUDING YEDAŞ)

	EPC			Renewable			Distribution and Retail			
	TOTAL	2018	2019	2017	2018	2019	2017	2018	2019	2020
b. Employees (TOTAL)										
Senior Management	2	2	1	1	1	1	2	1	1	17
<30	0									
30-50	2	2					2	1	1	11
50+				1	1	1				6
Mid-Level Management	7	6	9	9	7	12	12	12	12	27
<30										1
30-50	7	6	7	7	6	10	10	10	10	25
50+			2	2	1	2	2	2	2	1
White Collar (Excluding Management)	277	152	42	44	51	258	203	194	194	327
<30	32	27	8	8	11	74	41	25	25	112
30-50	196	110	30	33	37	174	158	164	164	211
50+	49	15	4	3	3	10	4	5	5	4
Blue Collar	707	106	0	0	0	0	0	0	0	217
<30	73	10								21
30-50	536	92								188
50+	98	4								8

DISTRIBUTION OF ÇALIK ENERJİ EMPLOYEES BY AGE (ÇALIK ENERJİ)

	EPC			Renewable			Distribution and Retail			
	TOTAL	2018	2019	2017	2018	2019	2017	2018	2019	2020
b. Employees (TOTAL)										
Senior Management	2	2	1	1	1	1	2	1	1	1
<30	0									
30-50	2	2					2	1	1	1
50+				1	1	1				
Mid-Level Management	7	6	9	9	7	12	12	12	12	12
<30										
30-50	7	6	7	7	6	10	10	10	10	31
50+			2	2	1	2	2	2	2	
White Collar (Excluding Management)	277	152	42	44	51	258	203	194	194	194
<30	32	27	8	8	11	74	41	25	25	5
30-50	196	110	30	33	37	174	158	164	164	47
50+	49	15	4	3	3	10	4	5	5	
Blue Collar	707	106	0	0	0	0	0	0	0	0
<30	73	10								2
30-50	536	92								64
50+	98	4								1

As of the end of 2020, Çalık Enerji has a total of 2,612 employees.

As of the end of 2020, the number of employees of Çalık Enerji Head Office is 179.

Our Human Resources Policy

We train leaders to manage the change.

We formulate HR plans in alignment with our policies and strategies.

- Establishing an effective and efficient organization by taking our employees' motivation and loyalty into account, in line with Çalık Enerji's goals and strategies,
- Creating equal opportunities for our employees,
- Recruiting suitable candidates through effective measurement and assessment techniques,
- Formulating HR plans in alignment with our policies and strategies,
- Addressing our employees' social and cultural needs and thus raising awareness of corporate culture to increase their productivity,
- Creating a professional working environment that offers our employees improvement and development opportunities,
- Updating our employees' professional and personal competencies, thereby helping them adopt a lifelong learning and development path,
- Raising future leaders, who will act as mentors to ensure the continuity of our goals and our future,
- Following career planning processes that reflect our employees' competencies and goals and maximizing their productivity.



Processes

We give equal opportunities to candidates applying for a job.

RECRUITMENT

The selection and placement system we implement at Çalık Enerji is basically intended to recruit dynamic team-player candidates who are eligible with their educational attainment, open to change and innovation, have the potential to develop themselves and their business and to teach as they learn. Our core principle in selecting and placing candidates is to provide, with no discrimination or privilege, equal opportunities to candidates who have the competencies required by the job and the capacity to embrace and live up to social values.

We diligently examine applications in order to recruit the best candidate who is capable of carrying Çalık Enerji to its corporate goals and is equipped with the competencies and professional skills. We use selection tools, the validity and reliability of which are proven, to guarantee an impartial selection process. In the recruitment processes, we carry out Personality Inventory and Language Proficiency tests to get further information about candidates' strengths, development areas and potential aspects.

We use selection tools, the validity and reliability of which are proven, to guarantee an impartial selection process.

EMPLOYEE PROFILE

EPC & RENEWABLE

	ÇALIK ENERJİ		
	2018	2019	2020
Number of New Employees			
White Collar	230	114	140
Male	218	107	103
Female	12	7	37
Blue Collar	794	135	561
Male	794	135	561
Female	-	-	-
Age Distribution	1,024	249	701
<30	117	45	62
30-50	751	184	603
>50	156	20	36

COMPETENT HUMAN RESOURCES MANAGEMENT

YEDAŞ			
Number of New Employees	2018	2019	2020
White Collar	230	114	62
Male	218	107	48
Female	12	7	14
Blue Collar	794	135	2
Male	794	135	2
Female	-	-	0
Age Distribution	1,024	249	64
<30	117	45	38
30-50	751	184	25
>50	156	20	1

LABOR TURNOVER RATE

	2017	2018	2019	2020
Head Office	38%	36%	38%	19%
EPC	27%	24%	125%	76%
Renewable	10%	17%	10%	11%
Distribution and Retail	15%	23%	13%	13%

MANAGEMENT OF REMUNERATION AND BENEFITS

Wages are paid monthly at Çalık Enerji. Monthly wages are determined by our Human Resources Department, taking into account our employees' assessment levels and experience required by their roles. In determining the wages, our HR Department takes the findings of the market research conducted at least once a year and current economic conditions into account.

PERFORMANCE ASSESSMENT

We make performance assessments annually to measure our employees' productivity, identify promotion, career

planning, rewarding and training requirements and to support employee development through feedback in rotations and organizational changes.

TRAINING AND DEVELOPMENT

We provide equal opportunities to human resources, who are capable of living up to our corporate goals, in planning regular, effective, continuous and extensive training programs. We believe that our employees' development is only possible through continuous learning and training, therefore we aim to establish an environment where everybody can learn and flourish continuously.

Monthly wages are determined by our Human Resources Department, taking into account our employees' assessment levels and experience required by their roles.

TRAINING HOURS BASED ON PERSONNEL CATEGORIES (EMPLOYEE-HOUR)

EPC & RENEWABLE

Training Hours Based on Personnel Categories (Employee-hour)	2019	2020
Senior Management	-	-
Mid-Level Management	6	-
White Collar (Excluding Management)	207	-
Blue Collar	10,545	-
Training rate (Employee-hour)	-	2.20

EPC & RENEWABLE (Including YEDAŞ)

Training Hours Based on Personnel Categories (Employee-hour)	2019	2020
Senior Management	-	-
Mid-Level Management	6	377
White Collar (Excluding Management)	207	-
Blue Collar	10,545	176

YEPAŞ

Training Hours Based on Personnel Categories (Employee-hour)	2017	2018	2019	2020
Senior Management	-	-	9	17.52
Mid-Level Management	-	-	116	157.68
White Collar (Excluding Management)	6,403	975	1,355	3,136.79
Blue Collar	-	-	-	-

We believe that our employees' development is only possible through continuous learning and training.

COMPETENT HUMAN RESOURCES MANAGEMENT

In 2020, an average of 10.10 employee-hours of training was given to white collar (excluding management) employees in YEDAŞ.

TRAINING HOURS BASED ON PERSONNEL CATEGORIES (EMPLOYEE-HOUR)

EPC & RENEWABLE

Average Training Hours per Employee (Employee-hour)	2019	2020
Senior Management	-	-
Mid-Level Management	0.15	-
White Collar (Excluding Management)	0.64	-
Blue Collar	68.92	-

YEDAŞ

Average Training Hours per Employee (Employee-hour)	2019	2020
Senior Management	-	-
Mid-Level Management	0.15	0.6
White Collar (Excluding Management)	0.64	10.10
Blue Collar	68.92	0.3

YEPAŞ

Average Training Hours per Employee (Employee-hour)	2019	2020
Senior Management	9	17.52
Mid-Level Management	10.55	17.52
White Collar (Excluding Management)	6.91	17.52
Blue Collar	-	-

ORIENTATION

The primary goal of our Human Resources Department is to provide opportunities and guidance for our employees to acquire extensive knowledge in their area of expertise and to use the same to develop themselves and their business. New recruits take orientation training, as part of the rules and procedures that help them comply with our Company's vision, mission and organizational structure. During the training program, new recruits also acquire the capabilities to start their new job.

CAREER MANAGEMENT

Employees

At Çalık Enerji, there is an ongoing career planning process in place that provides each and every employee with equal opportunities. This process also helps our employees to improve themselves in their respective fields to achieve our future goals. Promotions are made to ensure coordination between our future goals and employees' goals. Promotions also bring along more power, more responsibilities and higher wages. Our employees are expected to have the knowledge and experience required for a higher position in order to be promoted. Besides, career opportunities across Çalık Holding and subsidiaries are also available for employees.

Universities

Çalık Enerji also guides university students to determine their future. We participate in career days in order to come together with students, where we share our knowledge and experience with students and advise them on what to pay attention to while looking for a job after graduation. Also at these events, we take students who apply for a job or internship into consideration when we need an internship or a new graduate.

New job opportunities are offered to new university graduates through our biannual Management Trainee (MT) Program. We improve our perspective on our business and create more value with new graduates who want to improve themselves in the field of energy. Our new colleagues recruited through this process can transfer to our other departments, if there is an available position in line with their career plans, and experience different disciplines.

We improve our perspective on our business methods with new graduates who want to improve themselves in the field of energy.

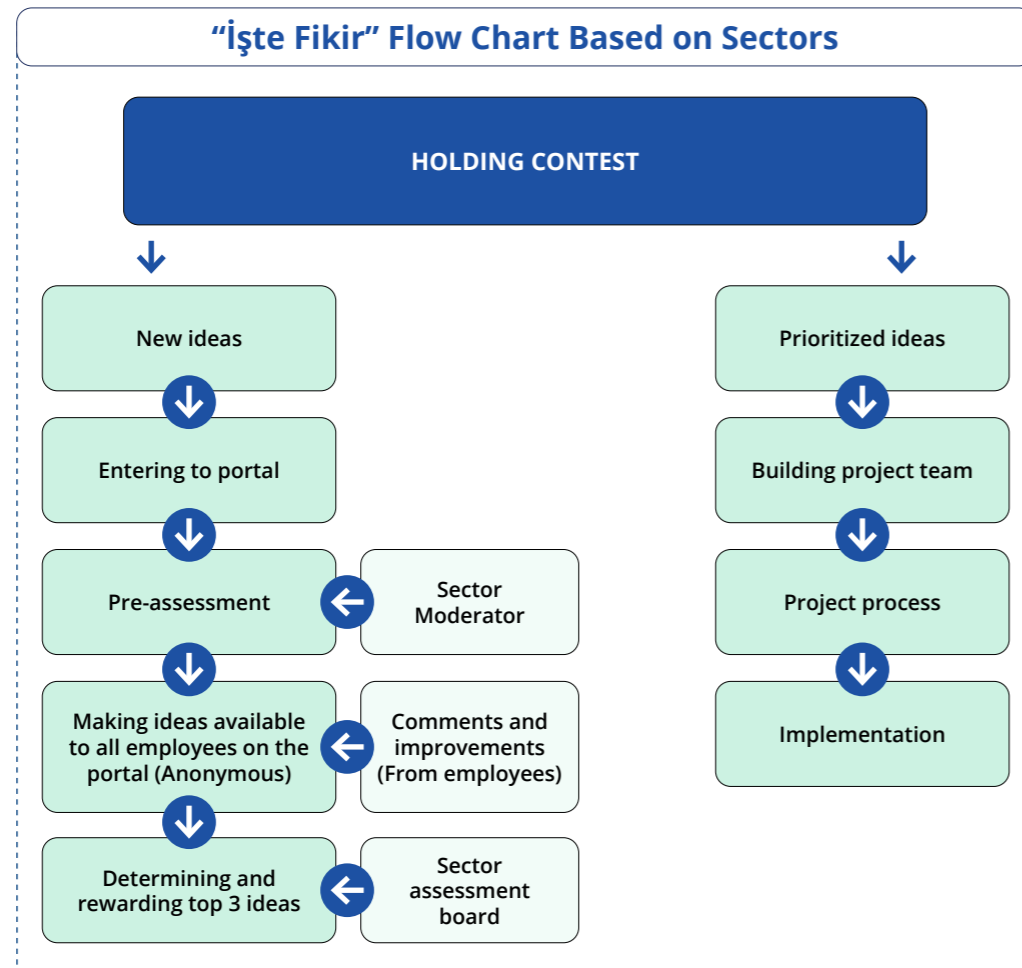


İşte Fikir

Employees contribute to our corporate development by sharing their ideas.

With the “İşte Fikir” Project, it is aimed that the employee feels himself a part of the solution.

In order to spread the culture of innovation throughout Çalık Holding and to enable our employees to contribute to the value creation process by sharing their innovative ideas, a project called 'Idea in Business' was launched. As Çalık Enerji, we also participate in the project continuously. The project aims to develop ideas in a participatory way, realize useful ideas and make the employees feel like they are a part of the solution in terms of cooperation, problem solving in collaboration and self-improvement. The pool of these ideas also constitutes a resource for future innovation projects.



We offer an honest and fair approach to our employees.

We aim to demonstrate an honest and fair approach towards our employees and provide a safe and healthy working environment. With this approach, we never allow discrimination in our Company against employees based on their language, race,

skin color, gender, political view, belief, religion, observance, age, physical disability or other similar characteristics, in order to be able to create and maintain a fair and safe working environment. We care about diversity and provide equal opportunities to equal individuals.

DISTRIBUTION OF EMPLOYEES BY GENDER

		EPC & Renewable			
		TOTAL	2018	2019	2020
ÇALIK ENERJİ					
White Collar			340	219	394
Male			1,037	318	341
Female			10	7	54
Senior Management		2	3	2	13
Male			3	3	2
Female					
Mid-Level Management		7	13	58	212
Male			15	12	52
Female			1	1	6
White Collar (Excluding Management)			321	203	0
Male		269	189	51	79
Female		8	6	1	
Blue Collar		707	106	657	0
Male		707	106		657
Female					0

We increase the value we produce for society and our stakeholders.

We prioritize employment of local people for both our domestic and foreign projects.

SOCIAL DEVELOPMENT

As Çalık Enerji, we consider acting with a sense of social responsibility in all our activities as one of the essential and constant factors of our management approach and place our projects in a corporate and strategic framework.

We keep creating value for society and our stakeholders not only through our investments and services but also through our employment opportunities and social responsibility projects we carry out in all our operating regions. We carry our social responsibility projects we implement with a sustainable development approach

in various fields such as education, innovation, social solidarity, environment, arts and sports. We continued our social responsibility projects we developed for specific countries in need and in the fields deemed necessary in 2020.

LOCAL EMPLOYMENT

We prioritize employment of local people for both our domestic and foreign projects. In this context, we assess competencies and level of knowledge of local communities and try to offer top employment opportunities for these projects.

EPC - DISTRIBUTION OF LOCAL EMPLOYEES BY COUNTRY (PERSON)*

	NUMBER OF LOCAL ÇALIK ENERJİ EMPLOYEES BY COUNTRY									
	JANUARY 2018	APRIL 2018	JULY 2018	OCTOBER 2018	JANUARY 2019	APRIL 2019	JULY 2019	OCTOBER 2019	DECEMBER 2019	DECEMBER 2020
Turkmenistan	2,674	2,409	1,521	959	314	220	226	222	192	453
Uzbekistan	1,401	2,076	3,717	3,645	3,283	2,808	2,425	1,318	885	463
Georgia	4	4	4	4	4	4	4	4	4	4
Libya	3	3	3	3	3	3	3	3	3	2
Iraq	10	10	10	10	10	10	10	10	10	10
Malawi		71	96	133	137	154	131	141	133	72
TOTAL	4,092	4,573	5,351	4,754	3,751	3,199	2,799	1,698	1,227	1,004

*Number of local employees depends on the scale of a project. Therefore, number of local employees decreases upon completion of projects.



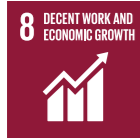


**We used communication
effectively to internalize
sustainability**

We give great importance to sustainability in communication activities so that this rising phenomenon can better be well understood within Çalık Enerji, as well as can be fully integrated into our practices while touching more employees.

Koray Balkaya
Sustainability Ambassador
Corporate Communications Manager

CONNECTIONS WITH SDG



We contribute to the quality of life through the value we create as a result of our activities where we operate. With our capacity of employer, we contribute to local employment as well as technical and social infrastructure of the project region. With this approach, we contribute to the

articles 1) No Poverty and 8) Decent Work and Economic Growth of the United Nations Social Development Goals (SDG). Likewise, we contribute to the Goal 5) Gender Equality by providing equal opportunities to access knowledge and social facilities through our infrastructure work.



ACHIEVEMENTS

Our OHS awareness raising efforts continued at full speed.

UNIVERSITY-PRIVATE SECTOR COLLABORATION

As Çalık Enerji, we became the main sponsor of the Civil Career Energy 2020 event, where our General Manager Onur Yücekal made the opening speech, within the scope of our collaboration with Boğaziçi University Construction Club (BÜYAP) in order to strengthen university-private sector collaboration and increase engagement with the organizations of student clubs. For Boğaziçi University students who won the case analysis organized within the scope of the event, we provided the opportunity to do an internship in our Company. Our interns gained knowledge and work experience in the operating fields of Çalık Enerji during their internships in various departments of our Company.

In the upcoming period, we plan to participate in similar organizations to be realized by collaborating with different universities and to strengthen our relations with university students.

OHS AWARENESS RAISING ACTIVITIES

As Çalık Enerji, we standardized occupational health and safety warning and alert signs in order to increase the awareness of our employees and field visitors.. We translated uniform designs into Turkish, English, and local languages and distributed them to all our construction sites. Thanks to the project, a standard has been developed throughout our Company in the corporate occupational health and safety process.

In the coming period, we plan to strengthen our relations with university students by collaborating with different universities.



We have published our Human Rights Policy.

Çalık Enerji Human Rights Policy applies to all subsidiaries in which Çalık Enerji has a majority stake.

HUMAN RIGHTS POLICY

Çalık Enerji Human Rights Policy, given below, has been adopted with the approval of our Board and announced to all our stakeholders.

Respect for human rights is a cornerstone of the Çalık Enerji corporate culture through the core values of fairness, agility, people-orientation, reputation, working from the heart, sustainability and innovation.

Çalık Enerji Human Rights Policy is guided by principles widely adopted across the world, particularly by the UN Universal Declaration of Human Rights, the International Labor Organization Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact and the United Nations Guiding Principles on Business and Human Rights.

Çalık Enerji Human Rights Policy applies to all subsidiaries in which Çalık Enerji has a majority stake. The policy is supervised by the Board of Directors and the Ethics Committee of Çalık Holding.

Respect for Human Rights

Çalık Enerji adopts the Rule of Law, acting according to human rights in all its operating regions. It also encourages its suppliers and business partners to behave at the highest level according to the universal human rights norms guaranteed by international conventions.

Commitment to Society and Stakeholders

Çalık Enerji values and respects local values, customs and its local stakeholders in the regions in which it operates. It ensures that the added value of the activities being carried out is at the highest possible level.

Çalık Enerji aims to establish a transparent and two-way communication with society and its stakeholders. It acts responsibly regarding the social needs that may arise in the local area beyond its fields of operation and takes care to establish good relations with the local community.

Equal Opportunity, Respect for Diversity and the Fight Against Discrimination

Çalık Enerji aims to demonstrate an honest and fair approach towards its employees and provide a safe and healthy working environment. To create and maintain this approach and working environment, it does not permit discrimination against its employees based on their language, race, skin color, gender, political view, belief, religion, observance, age, physical disability, or other similar characteristics. It values diversity. It provides equal opportunities for equal individuals.

Healthy and Safe Working

Çalık Enerji considers the health and safety of all its employees ahead of the work undertaken in all countries of operation. It ensures that the physical work environment and conditions are healthy and safe for all employees. It employs a risk-based thinking system; it evaluates emergency risks and conducts mitigating activities. It carries out all its activities in compliance with the OHSE Management System and invests in safe equipment.

Elimination of Forced Labor, Human Trafficking and Child Labor

Çalık Enerji opposes the employment of foreign nationals with the status of illegal immigrants, who are trafficked or without a work permit and methods of forced labor such as unlawful child labor and debt bondage and practices involving all other forms of mistreatment or exploitative behavior of employees.

Wages, Working Hours and Personal Benefits

Çalık Enerji competitively establishes its wage policy according to the sector and the local labor market under prevailing legislation. It considers industry practices and legislation when regulating working hours and personal benefits and provides employees with opportunities to improve their skills and advance.

Ethical Line and Ethics Committee

As an employer that holds to ethical values, Çalık Enerji provides employees or stakeholders with safe and accessible channels to report any suspicious cases in confidence and without the risk of retaliation. It has an ethical line for all its employees to report their concerns quickly and anonymously. All notifications to the ethical line are kept confidential.

The Compliance Officer investigates the notifications in confidence, determines whether any corporate rules, values, or laws are violated and takes necessary actions.

The Ethics Committee evaluates nonconformities determined within the scope of the Code of Ethics and notifications made over the ethical line and imposes a disciplinary penalty under the defined policy, where necessary.

Çalık Enerji considers the health and safety of all its employees ahead of the work undertaken in all countries of operation.

We organized the sustainability information contest “Çalık Enerji is Competing.”

While our department representatives competed among themselves, we rewarded the first four competitors who reached the final.

ÇALIK ENERJİ IS COMPETING

As Çalık Enerji, we organized a sustainability quiz called “Çalık Enerji is Competing” in order to strengthen our employees’ corporate ties and increase their awareness of sustainability during the remote working period in the pandemic period.

In the quiz organized with the participation of more than 50 employees, each department had its own representative. While our department representatives competed among themselves, we rewarded the first four competitors who reached the final.

1. Cihan Ertaş - Human Resources Coordinator
2. Hüseyin Güvenç Sunkar - Strategy Planning Coordinator
3. Fuat Keleşoğlu - Project Execution Director
4. Melih Kılıç - Malawi Tedzani 4 HPP Project



COLLABORATIONS WE CARRIED OUT WITHIN THE SCOPE OF SOCIAL RESPONSIBILITY

(TEMA AND UNICEF)

As Çalık Enerji, we pay attention to the fact that the internal communication studies we carry out with our employees also have a corporate social responsibility dimension.

As part of our internal communication activities in 2020, we collaborated with UNICEF on March 8, International Women’s

Day and, on behalf of each of our female employees, we donated 15 doses of vaccine to women in Africa to support their protection from tetanus germ during pregnancy and postpartum periods.

On the other hand, we ensured that one sapling was planted in Izmir Bademli 2 Forest on behalf of every Çalık Enerji employee within the scope of the collaboration we realized with TEMA in the new year.

We ensured that one sapling was planted in Izmir Bademli 2 Forest on behalf of every Çalık Enerji employee within the scope of the collaboration we realized with TEMA.



DEĞERLİ YAVUZ AKÇAKAYA

YENİ YILDA BÜTÜN

İYİ DİLEKLERİMİZİN

SİMGESİ OLARAK SİZİN ADINIZA

İZMİR BADEMLİ-2

HATIRA ORMANI'NA

1

ADET FİDAN BAĞIŞLADIK

BÜTÜN UMUTLARIN BÜYÜYÜP

YEŞERDİĞİ SAĞLIKLI,

BAŞARILI BİR YENİ YIL DİLERİZ.

MUTLU YILLAR.

ÇALIK ENERJİ

ACHIEVEMENTS

Social Responsibility/Social Development

We build strong bonds with the local community.

We carry out activities to improve the conditions in the region within the scope of the Tedzani 4 HPP Project where we continue construction work in Tedzani, Malawi.

SOCIAL SOLIDARITY

As *Çalık Enerji*, we run social responsibility efforts in all regions of activity in order to contribute to the welfare of the local communities and increase the value we create for the stakeholders. Within the scope of these efforts, we build strong ties with the local community by creating solutions for local needs. With this approach, we carry out activities to improve the conditions in the region within the scope of the 19.5 MW Tedzani 4 Hydroelectric Power Plant (HPP) Project where we continue the construction work in Tedzani, Malawi.

In this context, in addition to the concrete solutions we produced for the improvement of educational conditions in the region, we realized a water well project for easier and healthier access to water for the local people. Our efforts in the region was crowned with an important award in 2020. Our Tedzani Region Support Project was deemed worthy of the "Our Energy is Our Future Social Responsibility Award" by the Turkish Ministry of Energy and Natural Resources at the 3rd Turkey Energy and Natural Resources Summit.

As *Çalık Enerji*, we made a donation to UNICEF on March 8, International Women's Day and, on behalf of each female employee, we delivered a package of tetanus vaccines to 15 women in developing countries to protect them from tetanus germs during their pregnancy and postnatal periods. In addition, within the scope of the fight against the outbreak, we contacted local authorities in some geographies we operate and donated humanitarian aid packages that include respirators.

In order to raise awareness of the importance of blood donation, *YEDAŞ* employees fulfilled their people-oriented responsibility this year as in every year and supported the "Blood Donation Campaign to the Red Crescent" organized in the Head Office building.

YEPAŞ's aids and supports to institutions in its area of operation continued in 2020 as well. The one-year electricity bill for the Samsun Branch of Turkish Foundation of Raising and Protecting Mentally Handicapped Children (ZİÇEV), which has 12 branches across Turkey, was covered by the Company.

In collaboration with AHBAP Foundation, *YEPAŞ* also provided an electric wheelchair to a person with a walking disability living in Sinop.



In line with the 16-day action plan against gender violence, *KEDS* prepared a video featuring important messages from key people inside and outside the Company and changed the colors of the lighting in the main street in Pristina to orange under the "Orange The World" campaign. Likewise, the *KEDS* building was also illuminated in orange to give hope and support to women, and the *KEDS* tellers all around the country wore orange scarves and ties for 16 days to raise awareness of the campaign. Kosovo'da Women's Empowerment Principles (WEPs)'a katılan ilk şirket olan *KEDS*, Mart 2020'de gerçekleştirilen imza etkinliğinin ardından Şirket içinde 50'den fazla kişiye cinsiyet eşitliği eğitimi düzenleyerek, Şirket'teki genç anneler için özel odalar yaptı ve iş-yaşam dengesini destekledi.

In March 2020, as the first signatory of the Women's Empowerment Principles (WEPs) in Kosovo, *KEDS* conducted gender equality training for more than 50 employees and promoted work-life balance by creating special rooms for young mothers within the Company.

In order to create awareness of the selfless contributions of healthcare professionals during the pandemic, the Company organized a climbing event in cooperation with Alpin Group Prishtina outside the *KEDS* Head Office with the participation of professional climbers and Kosovo security forces.

In line with the 16-day action plan against gender violence, *KEDS* prepared a video featuring important messages from key people inside and outside the Company.

ACHIEVEMENTS

Training

We have taken over the main sponsorship of the BÜYAP Civil Career event.

The Company organized a project competition related to the energy sector for students and internship opportunities were provided to the winners.

In 2020, **Çalık Enerji** has also taken over the main sponsorship of the Boğaziçi University BÜYAP Civil Career event. Within the scope of the sponsorship, our executives, including Çalık Enerji General Manager, attended the online seminar as speakers and answered the questions of students. In addition, the Company organized a project competition related to the energy sector for students and internship opportunities were provided to the winners of the competition.

YEDAŞ met with Engineering Faculty students in "O mühendis" career days held by 19 Mayıs University to provide information on the electric distribution sector to students.

YEDAŞ also provided trainings to primary school students as part of "Energy Saving Week" in order to raise awareness on energy conservation.

The Company planned the works on clarifying its future prediction with the Strategic Mapping Trainings implemented in 2020. As the strategic planning and strategic conception process of the Company was designed with this work, a common vision, mission and values that the employees would strive to achieve were determined.

YEDAŞ informed young engineers on the first steps to take in business life and on career opportunities within the Company at the seminar attended in 2020.

YEPAŞ chose one primary school in each of Samsun, Ordu, Çorum, Amasya and Sinop provinces and presented books to all students as a report card gift. In this context, YEPAŞ General Manager Arif Akşam visited the Atakum Baruthane Middle School chosen in Samsun and gave children their gifts in person during the school report ceremony.

Under the KEDS Academy project launched by **Kosova Elektrik Dağıtım Şirketi (KEDS)** with the support of the State University of Pristina, Ministry of Education, Science and Technology and Istanbul Boğaziçi University to provide qualified employees to the energy sector, 50 students had the chance to participate in academic programs in 2020, as in the previous years. Parts of the one-year program are the theoretical part held by KEDS experts and professors from Boğaziçi University and the practical part, which continues with the internship phase and the possibility of employing these students in the Company. As of the end of 2020, 350 students completed their education under the program, while the eighth generation trainings of KEDS Academy continue.

Awareness was provided to university students through information.

In line with the academic collaboration made with 8 universities in the area of distribution (Ağrı İbrahim Çeçen University, Ardahan University, Bayburt University, Erzincan Binali Yıldırım University, Atatürk University, Erzurum Teknik University, Iğdır University, Kars Kafkas University), **Aras EDAŞ** raised the awareness of students

and academic personnel with technical reminders regarding the energy sector. With the aim to bring successful electrical and electronics engineering students to Aras EDAŞ, information on the corporate structure and processes of the company was given.

Academic collaboration was carried out with 8 universities in the Aras EDAŞ distribution area.



ACHIEVEMENTS

Innovation and Entrepreneurship

YEPAŞ established charging stations for electric wheelchairs.

Thanks to the R&D project it organized, YEDAŞ strives to increase energy quality and provide efficiency.

Thanks to the R&D project it organized, YEDAŞ strives to increase energy quality and provide efficiency. Those who made the best suggestions were rewarded.

Integrating the technology into business processes, the Company continues to produce effective solutions that will make life easier for its customers. In this context, it developed and implemented the EDAŞ Online System, which is a first in the electricity distribution sector in Turkey, which allows users to make new subscription applications through its website.

Continuing to make electricity distribution network available for electric vehicles, with their number increasing day by day, YEDAŞ started "My Energy is Everywhere" project in 2019. It continues offering electricity distribution services independent of the installation. YEDAŞ supported the project development activities by purchasing electric vehicles.

Prioritizing occupational health and safety, YEDAŞ started to develop Nitinol Material Smart Detector Vest with its new R&D project. Within the scope of the project, a Utility Model Application was made to the Turkish Patent and Trademark Office for the product.

YEPAŞ installed charging stations for electric wheelchairs with the aim to make life easier for people with disabilities. Charging stations for disabled vehicles were located at certain points in the city within the scope of the project carried out by the Company in collaboration with Samsun Metropolitan Municipality.

Adding a new one to its applications for customer satisfaction, the Company launched its mobile app via App Store and Google Play to ensure that transactions can be made quickly and easily.

With the aim to improve Aras EDAŞ's accessible, innovative and continuous communication capacity, the integration between the CRM software and the mobile app was provided, and the use of the application was extended. Communication was strengthened by sending notifications, greetings and congratulations to customers.



Sports

Sponsoring Amasya Ping Pong Team, YEDAŞ continues to support the team in ping pong tournaments.

In line with the one-year sponsorship agreement signed with the club, YEPAŞ meets the needs of Samsun Veteran Ping-Pong Club athletes with down syndrome such as jerseys and tracksuits.

Signing a collaboration agreement with the Kosovo Football Federation, KEDS continued to support the national football throughout the year.

Art

The Art N'trafo #KEDS Project was organized by KEDS in collaboration with the Municipality of Pristina and Q'Art in order to transform and replace transformers into urban art objects. Within the scope of the project, 20 transformers were painted with the participation of more than 20 local and international artists.

Signing a collaboration agreement with the Kosovo Football Federation, KEDS continued to support national football throughout the year.



We work to develop different projects in renewable energy generation

The importance of generation from renewable resources in the energy sector is increasing on a daily basis. Accordingly, we aim to contribute to different processes with generation-focused and non-generation projects at our WPP, HPP and SPP facilities together with subcontractors, certification bodies and suppliers.

Furkan Gldođan
Sustainability Ambassador
HPP Projects Deputy Project Manager



Environment

We take into account environmental performance as much as financial returns while deciding on investments, practices and service development processes.

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OUR APPROACH

We prioritize environmental sustainability in our business processes.

As Çalık Enerji, our primary goal in terms of environmental sustainability is to run our business with a minimum ecological footprint.

Aware of our responsibility arising from our presence in an all-encompassing sector with a vast sphere of influence, we consider sustainability an integral part of our corporate strategy. We care about the environmental performance as much as financial returns while deciding on investments, practices and service development processes.

As Çalık Enerji, our primary goal in terms of environmental sustainability is to run our business with a minimum ecological footprint, pioneering the development of innovative services and solutions of the

future and increasing the value created for the environment through our R&D efforts and engaging all our stakeholders in our value chain in this approach. Within this scope, we bring sustainability to the forefront in all our business processes and manage our environmental impacts in compliance with international management systems.



OUR ENVIRONMENTAL POLICY

We take the necessary measures towards environmental protection.

We abide by the environmental laws and legislation in all our countries of operation and manage our business activities based on the principle of environmental protection.

We observe all relevant local and international laws, regulations and conventions and ensure that these are followed and implemented by our business partners as well.

Our environmental management system is created in accordance with ISO14001:2015 standards. This system we have created also allows for continuous learning and self-development.

With this system, we aim to;

- Make our environmental protection processes productive and effective,
- Determine the environmental impacts of our business activities,
- Continuously improve the performance of our environmental management system,
- Facilitate the achievement of our strategic goals,
- Establish a corporate citizenship awareness.

OUR ENVIRONMENTAL POLICY MODEL

Planning

In the planning phase;

- We aim to identify the employer's environmental plan requirements for the project and the requirements stipulated by ecological regulations, depending on the nature of the investment and the work towards our EPC projects.
- We aim to identify environmental protection requirements with approaches that will not negatively impact the living conditions of our stakeholders, as well as the issues covered by regulations and during the EIA process of our energy projects.

We determine how to approach the issues identified in this phase and discuss solutions accordingly.

We identify key performance indicators (KPIs) within the scope of environmental management for each project and determine the methods for tracking these indicators (headings, tracking frequency).

We observe all relevant local and international laws, regulations and conventions and ensure that these are followed and implemented by our business partners as well.

We ensure the continuous improvement of our environmental management system.

We conduct inspections to ensure that all our subcontractors and other service providers comply with our Environmental Policy.

Implementation

In the implementation phase:

- We give training to our relevant personnel on the following topics before work commences.
 - Possible environmental impacts of the project and how to manage them
 - Water and energy-saving measures
 - Information on how to collect, recycle or dispose of waste and employee expectations in this regard
 - Fuel management approach
 - Hazardous material and waste management approach
 - Approach for protection of cultural and archeological assets
 - Water use approach
 - Hazardous waste leakage and measures and practices to prevent the leaking of waste into the soil
- We create an appropriate communication plan to establish proper communication before and during the works. The prepared communication plan is developed for both internal and external stakeholders. The purposes of this plan are:
 - To ensure everyone understands the importance of the environment, to communicate the works performed and to share the results of activities with relevant stakeholders
 - To raise awareness of our environmental policy, to support opening a dialog on our environmental policy, practices and the results thereof
 - To identify expectations, demands, needs and issues and take necessary steps in this regard and support continuous improvement of our environmental management system
- To correctly implement our environmental policy and track its implementation and performance; all activities carried out must be reported. This allows us to inform the parties involved and take the necessary steps towards enhancing the quality of implementation. These reporting rules apply to all our employees and sub-contractors.
- All environment-related incidents must be reported under five separate classes:
 - Devastating incidents,
 - Major incidents,
 - Regional incidents,
 - Minor incidents,
 - Insignificant incidents.
- All our sub-contractors and service providers must comply with our Environmental Policy. Necessary inspections and audits are carried out to ensure compliance with policy.

Risk Management

We perform risk management activities for environmental protection during business activities.

- We identify potential environmental risks for each project.
- We create control plans for these risks.
- We monitor and inspect project and operational processes according to our risk management plans.

Energy Management

- We prefer renewable energy resources for energy generation to reduce carbon emissions.
- We adopt a holistic, long-term perspective from the planning phase to the use of energy and pay attention to the energy efficiency of power plants.

Waste Management

- We create a waste management plan for each project and operation. This plan covers our as well as the sub-contractors' activities.
- We inform our employees about the waste generated in working environments and train them on the procedures to be followed and measures to be taken.
- We group wastes as hazardous and non-hazardous wastes.
- We prepare waste disposal sites based on the types of waste.
- We recycle waste that is recyclable or deliver it to licensed waste collectors for recycling.
- We deliver hazardous wastes to licensed waste collectors.
- We treat wastewater.
- We take measures to prevent leakages.
- We prepare control and inspection plans for all waste management steps.

Air Quality

- During our projects and operations, especially during the construction phase, we may cause air pollution. In this context, we take the necessary measures to keep air pollution under control.
- We communicate with our stakeholders and take necessary measures in line with the requests and complaints we receive.

Water and Waste Water Management

- We mind water use in the implementation of all our projects and other business activities. We complete our work using minimal amounts of water. We inspect all our activities and identify water-saving opportunities.
- We prepare a water plan with a holistic approach by taking the water needs of our local stakeholders into consideration.
- We use ground and surface water sources responsibly. We take necessary measures to prevent the damaging of these sources.
- We take necessary measures to prevent further pollution of wastewater. We treat wastewater and then discharge it after decontamination.

Noise

- We pay attention to minimizing noise-related issues in projects and activities by applying engineering solutions and performing our project works within prescribed limits.

Biodiversity

- We take the necessary measures to protect biodiversity in our project areas.
- We ensure the implementation of our Environmental Policy by conducting regular inspections within the scope of our environmental protection management plans.

During our projects and operations, especially during the construction phase, we take measures to keep air pollution under control.

We take the necessary measures to protect biodiversity in our project areas.

We support the optimal use of natural resources.

We focus on the development of renewable energy projects to reduce the use of fossil fuels.

Carbon emission is a serious issue in all aspects of the environmental impact resulting from energy generation, a primary field of our activities. Based on this fact, we focus on the development of renewable energy projects to reduce the use of fossil fuels. We took firmer steps to contribute to optimal use of natural resources with our recent solar power plant (SPP) projects.

Power Generation Capacity, By Location and Resource

ENERGY GENERATION PLANTS	RESOURCE	CITY
ADACAMI	HYDROELECTRIC	RİZE
SARPINCIK	WIND	İZMİR
DEMİRCİLİ	WIND	İZMİR
POLATLI	SOLAR	ANKARA
YILDIZLI	SOLAR	ANKARA
ERZURUM	SOLAR	ERZURUM
ERZİNCAN	SOLAR	ERZİNCAN
AMASYA	SOLAR	AMASYA
ÇORUM	SOLAR	ÇORUM

Energy Consumption

ENERGY CONSUMPTION OF POWER PLANTS FOR INTERNAL USE, ÇALIK ENERJİ (kWh)

	2019		2020	
	FROM GENERATED POWER	FROM THE POWER GRID	FROM GENERATED POWER	FROM THE POWER GRID
ADACAMI HPP	559,799	22,200	631,164	48,790
SARPINCIK WPP	1,823,223	118,720	1,933,639	107,337
DEMİRCİLİ WPP	2,436,995	209,800.00	2,474,060	174,633
POLATLI SPP	2,560.00	10,241.00	2,434.21	11,750
ERZURUM SPP	7,784	38,921	5,769	70,130
ERZİNCAN SPP	7,620	38,102	3,873	62,590
AMASYA SPP	12,752	63,761	5,046	75,632
AMASYA DOĞU SPP			3,873	45,749
ÇORUM SPP	19,683	98,478	7,281	143,873
YILDIZLI SPP			4,413	40,478
TOTAL	4,870,416	600,223	5,038,863	330,760



CLIMATE CHANGE

We contribute to the struggle against climate change.

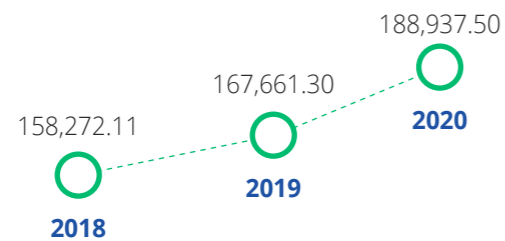
Thanks to the clean energy generated as a result of our renewable energy investments, we prevented 188,937.50 tons of CO₂ emission by the end of 2020.

As Çalık Enerji, we contribute to struggle against climate change while being affected by the climate change. Thanks to our power plants, which all use renewable and clean sources, we prevent carbon emissions during electricity generation processes. We contribute to the struggle against climate change in the country. Efficiency of our hydroelectric power plants depend on sufficiency of water, which in turn depends on precipitation. Climate change has a direct impact on rainfall. For this reason, the struggle against climate change is one of the most important issues for us.

Decrease in emission due to use of renewable energy

COMBATING CLIMATE CHANGE

Decrease in emission due to use of renewable energy (ton CO₂ e)



Thanks to the clean energy generated as a result of our renewable energy investments, we prevented 188,937.50 tons of CO₂ emission by the end of year 2020.

Especially for hydroelectric power plants, amount of rainfall, rain frequency, timing and drought are key factors in terms of efficiency and safety of the plants. On the other hand, changes in wind structures and differences in the sunlight due to climate change affect our solar and wind power plants.

In addition, climate change is partially responsible for natural disasters. Also being an electricity distribution company, it is crucial for us to ensure continuous supply of energy to our stakeholders during natural disasters in terms of continuity of life, hygiene and health.

CARBON FOOTPRINT

As Çalık Enerji, we carry out efforts in order to determine, evaluate and record the greenhouse gas emissions that may occur as a result of our activities, to calculate the carbon equivalents and to eliminate the negativities.

We carried out our carbon footprint measurements at our Head Office, Ankara Office, Adacami HPP, Polatlı HPP and Sarpıncık RES locations for 2020.

In the upcoming period, we will determine our long-term goals by measuring our carbon footprint in other regions we operate.

Çalık Enerji Greenhouse Gas Emissions* (ton CO ₂ eq)	2020
Direct Greenhouse Gas Emissions	408.37
Energy Indirect Greenhouse Gas Emissions	358.24
Total Emission	766.61
Carbon Footprint Intensity (ton CO ₂ e/person)	3.50

Category	Emission Type	Emission Source	Location	ton CO ₂ eq
Direct Greenhouse Gas Emissions	Fixed Burning	Natural Gas	Adacami HPP	-
			Ankara Office	4.74
			Demircili WPP	-
			Istanbul Head Office	72.6
			Polatlı SPP	-
	Fixed Burning-Generator	Diesel	Adacami HPP	21.17
			Ankara Office	-
			Demircili WPP	-
			Istanbul Head Office	2.78
			Polatlı SPP	-
	On Road	Diesel	Adacami HPP	22.25
			Ankara Office	-
			Demircili WPP	5.82
			Istanbul Head Office	93.7
			Polatlı SPP	-
Leakage Emissions	Cooling Gas Leaks	Adacami HPP	-	
		Ankara Office	-	
		Demircili WPP	-	
		Istanbul Head Office	180.54	
		Polatlı SPP	-	
Leakage Emissions	Fire Extinguishing System Gas Leaks	Adacami HPP	0.03	
		Ankara Office	4.71	
		Demircili WPP	0.01	
		Istanbul Head Office	0.03	
		Polatlı SPP	-	
Energy Indirect Greenhouse Gas Emissions	Electricity Purchased	Adacami HPP	35.64	
		Ankara Office	16.18	
		Demircili WPP	87.52	
		Istanbul Head Office	208.98	
		Polatlı SPP	9.93	
Grand Total				766.61

	Scope1-Direct Greenhouse Gas Emissions	Scope2-Energy Indirect Greenhouse Gas Emissions
Adacami HPP	43.45	35.64
Ankara Office	9.45	16.18
Demircili WPP	5.83	87.52
Istanbul Head Office	349.64	208.98
Polatlı SPP	-	9.93

*Calculated in accordance with TS EN ISO 14064-1, the international standard for calculating and reporting greenhouse gas emissions and removals at the enterprise level.

We carried out our carbon footprint measurements at our Head Office, Ankara Office, Adacami HPP, Polatlı HPP and Sarpıncık RES locations for 2020.

In the upcoming period, we will determine our long-term goals by measuring our carbon footprint in other regions we operate.

CLIMATE CHANGE

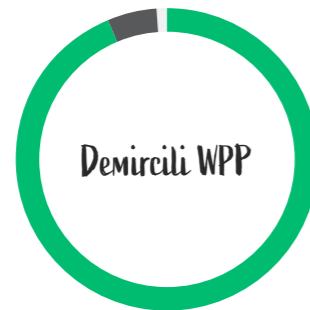
The total greenhouse gas emission of Adacami HPP in 2020 is at the level of 79.09 tons.



- Electricity Purchased **35.64**
- On Road/Diesel **22.25**
- Fixed Burning-Generator/Diesel **21.17**
- Leakage Emissions/FES Gas Leaks **0.03**
- Leakage Emissions/Cooling Gas Leaks -
- Fixed Burning-Natural Gas -



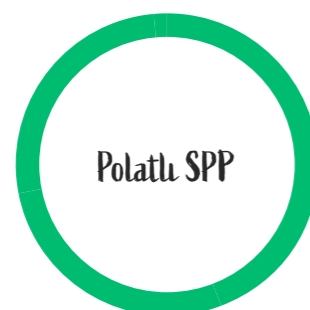
- Electricity Purchased **16.18**
- Fixed Burning-Natural Gas **4.74**
- Leakage Emissions/FES Gas Leaks **4.71**
- Fixed Burning-Generator/Diesel -
- On Road/Diesel -
- Leakage Emissions/Cooling Gas Leaks -



- Electricity Purchased **87.52**
- On Road/Diesel **5.82**
- Leakage Emissions/FES Gas Leaks **0.01**
- Fixed Burning-Natural Gas -
- Fixed Burning-Generator/Diesel -
- Leakage Emissions/Cooling Gas Leaks -



- Electricity Purchased **208.98**
- Leakage Emissions/Cooling Gas Leaks **180.54**
- On Road/Diesel **93.70**
- Fixed Burning-Natural Gas **72.60**
- Fixed Burning-Generator/Diesel **2.78**
- Leakage Emissions/FES Gas Leaks **0.03**



- Electricity Purchased **9.93**
- On Road/Diesel -
- Fixed Burning-Generator/Diesel -
- Leakage Emissions/FES Gas Leaks -
- Leakage Emissions/Cooling Gas Leaks -
- Fixed Burning-Natural Gas -



We created a waste management system for waste disposal.

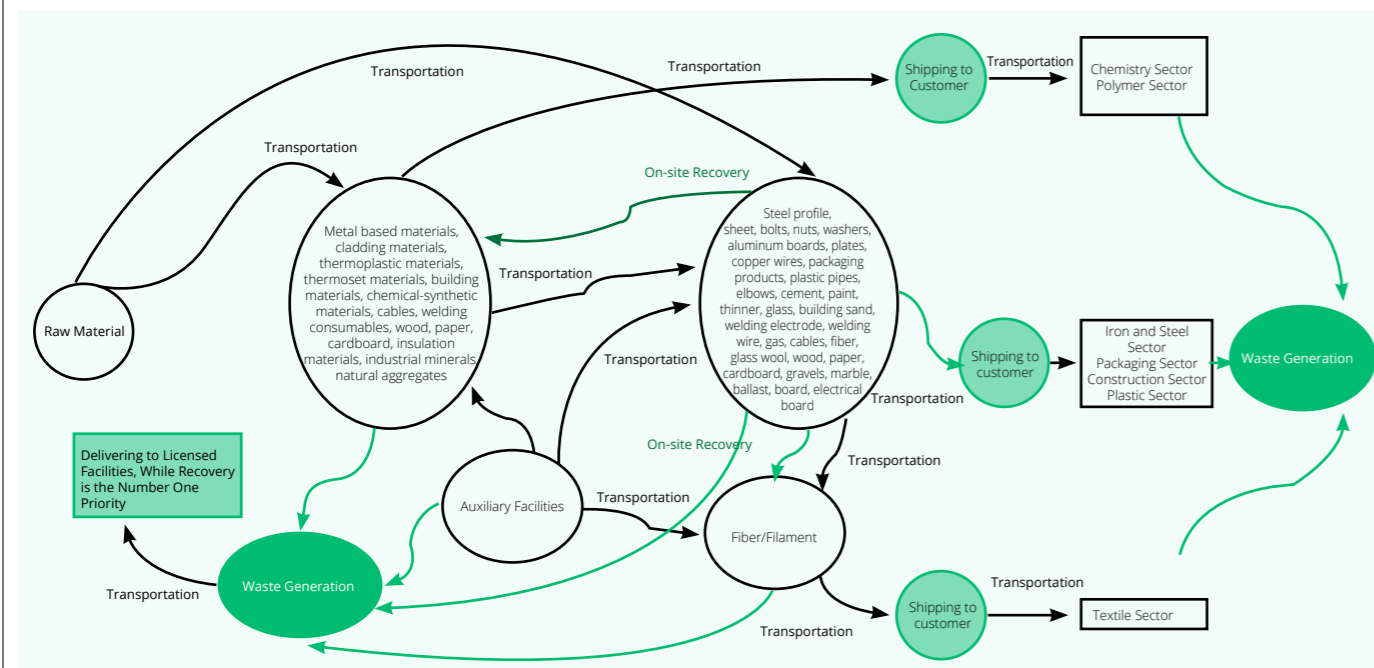
Different types of waste are collected in different landfills and relevant authorities are informed regarding the wastes. Recycling or disposal processes are initiated based on this information.

As Çalık Enerji, we established a waste management system to ensure full compliance with the Company's Environmental Policy and applicable laws regarding disposal of the waste resulting from our activities. We plan and realize our waste management efforts within the framework of life cycle analysis for all our current business processes. This analysis determines what type of waste will be generated as a result of which business activities and what type of waste will be recycled or disposed to landfills.

Different types of waste are collected in different landfills and relevant authorities are informed regarding the wastes. Recycling or disposal processes are initiated based on this information.

In accordance with our management plans devised as part of the system, we track the waste at all our sites. We then sort wastes by their applicable class and either recover or dispose them as set forth in legal provisions. There is no hazardous waste at our power plants.

LIFE CYCLE STEPS



Çalık Enerji Head Office

Hazardous & Non-Hazardous Waste (kg)	2020
Recycled Hazardous Waste	28
Recycled Non-Hazardous Waste	1,593
Total	1,621

Çalık Enerji Head Office Waste (kg)	2020
Paper	148
Glass	72
Plastic	96
Battery	8

Çalık Enerji Overseas Construction Sites

Hazardous & Non-Hazardous Waste (tons)	2020
Recycled Non-Hazardous Waste	39
Total	39

Çalık Enerji Overseas Construction Sites Office Waste (kg)	2020
Office Waste	240.75 kg

Oils from the transformers included in the distribution network of YEDAŞ are classified as hazardous waste. These oils are changed periodically. We prepared dedicated sites for storing these transformer oils and wastes. These sites prevent contamination of the soil with these oils, thereby preventing pollution.

Office waste of YEDAŞ was fully recycled.

Hazardous & Non-Hazardous Waste (tons)	2019	2020
Recycled Hazardous Waste	200	32
Recycled Non-Hazardous Waste	755	5,104
Total	955	32,779

YEDAŞ Office Waste (kg)	2020
Paper	31,240
Glass	144
Plastic	299
Battery	92

YEPAŞ Office Waste (kg)	2020
Paper	1,980
Plastic and Glass (Mixed)	250
Battery	17

We pay attention to water use in EPC projects.

We work on water saving methods in all our plants.

It is crucial to meet the water needs of local people during the construction and operation phase of hydroelectric power plants, which directly affect the water situation of those regions. Because water is also crucial for the regions to be economically resilient and for continuation of life. We create solutions for meeting the needs of local people while being in close communication with them. In addition, we work on water saving methods in our plants.

We pay attention to water use while working on EPC projects. Water is an essential resource for construction projects.

However, we are aware that water is a communal resource in the project region. Some regions of operations experience water shortages while some others do not. As a company that adopts to keep water use under control in all cases, we approach the water management at construction sites sensitively.

In renewable energy investments, especially in hydroelectric power plants, water management is as important for the company as it is for the local people who live and do farming around the power plant. Providing the water needed by the local people is one of our priority values in the field of water management.

Water Consumption (ÇALIK ENERJİ)

ÇALIK ENERJİ WATER CONSUMPTION	2018	2019	2020
HEAD OFFICE WATER CONSUMPTION (M ³)	-	-	1,310
CONSTRUCTION SITES and BRANCHES WATER CONSUMPTION (M ³)	-	-	1,270

Water Consumption (YEDAŞ)

YEDAŞ WATER CONSUMPTION	2018	2019	2020
YEDAŞ WATER CONSUMPTION (M ³)	2,750	2,769	14,637

We take measures to protect air quality.

We take the necessary measures to improve the quality of life of those living in the area where our construction sites are located.

Construction processes will cause air pollution due to demolition and excavation works as well as concrete plants. This will have negative impacts on the health and quality of lives of local people. For this reason, we take necessary measures to protect the air quality at our construction sites and their surroundings, to improve the quality of life of local people and not to cause health problems.



BIODIVERSITY AND PROTECTION OF NATURAL HABITAT

We take care of protecting the environment in our activities.

We work in compliance with the environmental rules set forth in contract specifications of EPC projects.

Protecting biodiversity is crucial for our power plant construction and energy distribution works. We mind and prioritize protection of the environment and the natural habitat in order to ensure business continuity and to comply with our core values.

We work in compliance with the environmental rules set forth in contract specifications for EPC projects. We pay

utmost attention to protect biodiversity at construction and operation phases of our power plants (hydroelectric, solar and wind).

A part of our electricity distribution lines passes through forests due to the site characteristics. We perform regular maintenance work in order to prevent fire hazard created by the transformers in forest areas.



CONNECTIONS WITH SDG

As Çalık Enerji, we adopt the principle of minimizing environmental impacts during our projects at all locations we operate and use the opportunities that will provide permanent value. Adopting our diligent approach in our practices and our sense of sustainability in the environmental balance to our business approaches, we contribute to the goals 6) Clean Water and Sanitation, 7) Affordable and Clean Energy, and 13) Climate Action of UN Sustainable Development Goals (SDG).



ACHIEVEMENTS

We have a working system that does not harm the environment.

We ensured the size of Çalık Enerji's carbon footprint in Turkey in 2020 to become a report.

CARBON EMISSION MEASUREMENT

As Çalık Enerji, calculating our carbon footprint was of great importance in terms of our sustainability efforts. In this context, our first step was to choose a consulting firm that could understand our sustainability goals and adapt to work in accordance with our goals. After completing our negotiations with the bidders in this direction, we started our work quickly by choosing the company that we found to be both technically sufficient and closest to understanding our corporate culture. In order to increase awareness of sustainability; we announced to all our employees that Çalık Enerji has a working system that does not harm the environment and human life and aims to use energy resources in a balanced way while conducting its projects and activities and those projects it will carry out in order to maintain this system, by organizing a general training through a consultancy firm. The interest and intensive participation of our colleagues in training was important for us. While the training organization was being completed, with the support of our Çalık Enerji Budget and Reporting Department, we started to collect quantitative consumption data for electricity, natural gas heat/steam, diesel, gasoline, cooling gas, etc., which affect greenhouse gas emissions at our offices in Turkey (Istanbul and Ankara) and our renewable energy facilities (Polatlı

SPP, Adacami HPP and Demircili WPP). By submitting the data we obtained to the consultancy firm, we ensured the size of Çalık Enerji's carbon footprint in Turkey in 2020 to become a report. Our aim now is: by including our overseas construction sites into this calculation as well, to evaluate our carbon accounting and impact for life cycle and set new strategic goals and to minimize the Çalık Enerji' CO₂ emission, which has an impact on climate change, global warming and natural life.

RECORDING OF EXPENDITURES WITH ENVIRONMENTAL IMPACTS

We created a database for our future environmental goals with this project, which we have implemented in order to record our environmental impact in numerical data by keeping a record of all our expenditures that have a direct impact on the environment with investigations of Head Office and Project Sites and separating them by location.

Gold Standard®

GOLD STANDARD CERTIFICATION STUDIES

We carried out our studies to obtain the Gold Standard, a certification program that ensures that the renewable energy projects of the wind power plants in our Company's portfolio reduce carbon emissions and that local people benefit from it.

As a result of the devoted work of our Energy Investments, Accounting and Finance Departments, our verification process was approved by Gold Standard. Thus, our WPPs in our business have become recognized by the international carbon market.

ACHIEVEMENTS

YEDAŞ organizes “Energy Efficiency Seminars” for the 2nd and 3rd grade students within the scope of the company’s efforts towards a sustainable future.

RENEWABLE ENERGY PLANTS MANAGEMENT CENTER

We keep working with IQB Solutions, one of our subsidiaries, for our project aimed at monitoring and tracking all our power plants in the business from a single management panel. In this context, we came close to the end of our efforts to incorporate our Adacami HPP business into the portal.

INTERNATIONAL CERTIFICATE OF CONFORMITY STUDIES FOR SPP PROJECTS

We completed the certification process for Amasya, Çorum, Erzincan, Erzurum SPP projects within the scope of the studies we carried out with the aim of certifying that our Solar Power Plants are built to international standards. We are rightfully proud of the fact that our Solar Power Plants are of international standards.

YEDAŞ - ENERGY EFFICIENCY SEMINARS

YEDAŞ organizes “Energy Efficiency Seminars” for the 2nd and 3rd grade students within the scope of the company’s efforts towards a sustainable future.

The company reached up to 1,000 students in various cities where the seminars are organized in collaboration with the Turkish Ministry of National Education. The story book called “Energy Team” designed by YEDAŞ is being handed out to students.

YEDAŞ - “ZERO WASTE” GOAL

Being inspired from the Zero Waste Project initiated by the Ministry of Environment and Urbanization, YEDAŞ has stopped the use of plastic cups in its offices and prevented the use of approximately 1 ton plastic cups every year by replacing them with glass water bottles and cups. Waste Management efforts allowed the company to recycle approximately 5 tons of waste in 3 years.

YEPAŞ - “ZERO WASTE” GOAL

Having placed recycling bins in all Customer Service Centers, YEPAŞ successfully passed the inspections of the Ministry of Environment and Urbanization and became eligible for a Zero Waste Certificate.

YEPAŞ - GREEN TARIFF

YEPAŞ converted the electricity tariff of its Head Office building to Green Tariff (YETA) and became the first Company to adopt this tariff in Samsun, Amasya, Çorum, Ordu and Sinop.

Planting saplings on behalf of its employees in the Izmir Bademli-2 Memorial Forest in 2020, **Çalık Enerji** distributed tree plantation certificates to its employees.

YEDAŞ removed the trash bins under the desks at service centers, and also organized training courses for janitors within the scope of the Zero Waste Project. Placing waste collection bins at the Head Office and Provincial Directorates, the Company also placed indoor collection equipment with waste collection capacity in 5 different categories.

Besides, non-hazardous and hazardous waste temporary storage areas were allocated in YEDAŞ service buildings in order to store and classify the wastes according to their types. As a result of its activities, the Company was awarded the “Zero Waste Certificate” by the Ministry of Environment and Urbanization.



Within the scope of the “Green Tariff (YETA)” application organized by the Energy Market Regulatory Authority (EMRA) in order to support renewable energy sources, **YEPAŞ** converted the electricity tariff of its Head Office building to Green Tariff (YETA) and became the first company to adopt this tariff in Samsun, Amasya, Çorum, Ordu and Sinop.

In order to use natural resources efficiently within the scope of the “Zero Waste” application, YEPAŞ placed recycling bins in all its Customer Service Centers. With the aim to recover waste, separate waste at source, reduce the amount of waste, use natural resources efficiently and thus contribute to the economy, recycle bins were placed according to the 6 color classification specified in the Zero Waste Regulation, and employees were given training on how to separate waste. As a result of the audit carried out as a result of all these studies, YEPAŞ was awarded a Zero Waste Certificate.

With an exemplary campaign initiated by YEPAŞ employees, food and water bowls were placed in front of the Customer Service Centers and in certain areas of the city for stray animals at risk of starvation due to restrictions caused by the pandemic.

In 2020, young female engineers of **KEDS** organized a workshop on Energy Conservation and Environmental Impacts for a large audience of Pristina State University students. Encouraging its employees to use bicycles for the environment, KEDS has placed bike stands for this purpose.

Aras EDAŞ coated some parts of the electricity poles with plastic insulators to prevent the electrocution of birdlife, checked and cleaned the nests of storks on the migration routes. In addition, it carried out activities for wild and stray animals that had difficulty in finding food during the epidemic.

Sharing social media posts to expand the Zero Waste Project to the entire service region and create awareness among customers, the Company participated in certification programs on environmental issues and started carbon footprint calculations.

Aras EDAŞ coated some parts of the electricity poles with plastic insulators to prevent the electrocution of birdlife.

Our initiatives in the energy sector will keep our environmental impact to a minimum

Additionally, we have developed the Çalık Enerji Recording of Expenditures with Environmental Impacts Project. We planned actions to keep records of expenditures on electricity, water, natural gas and gasoline that directly impact the environment through investigations of the Head Office and Project Sites.

Mustafa Emrah Sarı
Sustainability Ambassador
Budget Planning and Reporting Coordinator

Bülent Kaleburun
Sustainability Ambassador
Budget Planning and Reporting Manager





Economic

We must achieve sustainable profitability in order to create sustainable value for all our stakeholders and ensure the continuity of our company.

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OUR APPROACH

Çalık Enerji prioritizes following topics to ensure economic sustainability of the company:

- Sustainable Profitability
- Customer Satisfaction
- Supply Chain Management
- Innovation and Digitalization



SUSTAINABLE PROFITABILITY

We emphasize project management to ensure sustainable profitability.

We must achieve sustainable profitability in order to create sustainable value for all our stakeholders and ensure the continuity of our company. The Company's continuity is important for its own employees as well as the local people and states due to the company's potential economic impact in its project territory.

We attach great importance to the project management for sustainable profitability because we are aware that the completion of the project on time and at the projected costs is only possible with correct planning of resources and processes. Continuity and sustainable profitability for the company can be achieved by completing the undertaken projects in time, in compliance with applicable standards and within estimated budgets. In EPC and Renewable Energy projects, the project management requires efficient use of time starting from the tendering process to project delivery.

In order to ensure continuity in EPC projects, we pay attention to acting with concrete data and analytical assumptions when undertaking projects, participating in tenders for projects with appropriate profits, planning comprehensively after receiving the job, and using the right resources at the right place and time. With the awareness that the continuity of our Company is possible with the profitability of our operations, we examine the profitability of each power plant project in detail in our renewable energy projects starting from the stage of obtaining licenses.

Another key factor in project management is collaborating with the stakeholders to manage the projects in terms of environmental protection and social issues. With this approach, we aim to complete the plants in time and generate favorable results for all our stakeholders.

In EPC and Renewable Energy projects, the project management requires efficient use of time starting from the tendering process to project delivery.

We communicate regularly for customer satisfaction.

Çalık Enerji's business continuity and ability to undertake other EPC projects depend on ensuring customer satisfaction.

Main prerequisite of sustainable profitability is business continuity. This can only be achieved by maintaining our projects by ensuring customer satisfaction and undertaking new projects.

Çalık Enerji's business continuity and ability to undertake other EPC projects depend on ensuring customer satisfaction. For this reason, it is important for us to complete projects on time, in compliance with national standards of the employer countries and in good relations with local communities while protecting the environment and contributing to the local economy. We establish a regular communication to ensure customer satisfaction in EPC projects and succeed by prioritizing our projects with the employer.

Electricity distribution and retail companies must be separated and operate as independent legal entities as per the regulations in Turkey. For this reason, our Group company YEDAŞ is responsible for electricity distribution processes while our Group company YEPAŞ is responsible for retail sales of electricity.

Offering high quality, reliable, continuous and affordable electricity, which is an essential part of our lives, to its customers, our retail company YEPAŞ establishes its business processes based on a sustainable customer satisfaction principle and maintains its solid and successful business efforts in order to provide fast and respectable services to its customers. YEPAŞ always aims to deliver innovative, customer-focused services. Thanks to its advanced technology infrastructure, the company develops products, services and solutions that meet customers' needs. As a result of the technology investments, YEPAŞ today boasts the most advanced IT systems and equipment in the electricity retailing industry.

Even though the price may seem the most important factor in the electricity supply, the supplier's market experience, know-how, and service quality before and after-sales are very important as well. To that end, YEPAŞ offers its customers the right products and services to meet their needs after carefully analyzing and understanding the market conditions.

When selling electric power to industrial facilities and businesses that have eligible consumer status, YEPAŞ develops effective solutions and services by taking market dynamics into account and closely monitoring customers' needs. Focusing on customer satisfaction as much as it does on pricing, the Company supports its customers in their areas of activity.

The Company makes continuous improvements in order to ensure correct and timely issuance of electricity bills of its customers, to deliver and collect these bills rapidly through alternative channels.

Customer satisfaction surveys conducted by YEDAŞ indicate that customer satisfaction rates of the company are above the average in Turkey.

We emphasize the customer satisfaction to make sure that our company operates without damaging its reputation or having any problems with our stakeholders throughout distribution operations. We make customer satisfaction surveys regularly and make improvements for various processes with the GHOST method.



Customer Satisfaction Chart

YEDAŞ Customer Satisfaction Levels (%)		
	2019	2020
Turkey's Satisfaction Index	46.58	52.06
YEDAŞ's Satisfaction Index	48.33	56.02

It is very important that our suppliers comply with ethical rules.

We pay attention to working with the right suppliers in EPC projects in order to comply with the project plan and ensure that procured materials are in compliance with the set quality standards.

We expect our suppliers, subcontractors and logistics companies to work in accordance with the rules we established. With this approach, we try to guarantee occupational health and safety as well as environmental protection both in the construction and operation phases. We think that working with this approach allows us to increase corporate trust and protect corporate reputation.

Having our suppliers follow code of ethics and supply goods that are at required standards is crucial for our reputation and carrying out the projects smoothly and in time.

Our sub-contractors work as service providers on many different sites. It is very important for these sub-contractors to follow occupational health and safety rules and establish good relations with our stakeholders in terms of business continuity and reputation of our company.

Logistics services, especially activities for transporting large materials and equipment to the construction sites during construction and power plant building processes are required to be carried out without damaging the environment. We diligently monitor these processes and try to keep the risks under control.

We pay attention to working with the right suppliers in EPC projects in order to comply with the project plan and ensure that procured materials are in compliance with the set quality standards. On the other hand, we expect our suppliers to work in compliance with our procurement rules. It is important for our suppliers to act in accordance with the procurement rules in terms of establishing and protecting the corporate trust.

It is certainly not possible for the Company to carry out all the work on construction projects. We have to work with some sub-contractors during various phases of a project. Our sub-contractors work at the construction sites. For this reason, we expect them to strictly follow our construction site rules, especially those regarding occupational health and safety. This is crucial both in terms of employee health and business continuity.

Logistics services are critical for us from three different aspects. First, we pay attention to bringing materials to the project site at the right time with right planning. This contributes to ensuring business continuity, timely completion of the project and sustainable profitability. The second impact is related to environmental protection. Some large materials and equipment must be transported to the construction site with minimum impact on the environment. Finally, we expect sensitivity to be shown that the vehicles used for logistics services have the least carbon emissions. Considering all these factors, it is important for us to work with the right business partner in any given project area. The right business partner is the logistics company that has the highest compatibility with our corporate standards for a given area.

Supply Policy

As Çalık Enerji, we aim to provide the best solutions in terms of cost and quality while conducting our activities. Optimization is essential for our Company's success.

We inspect our suppliers on essential ethical matters before working with them. The supplier is included in the vendor list if the company satisfies the stipulated conditions after these inspections.

We expect suppliers to pay attention to anti-corruption, protection of human rights, employee rights and environmental issues. All reviews and inspections up to now were carried out by our personnel.

We inspect sub-contractors regularly in terms of their compliance with human rights, employee rights and environmental protection rules on project sites.

We aim to provide the best solutions in terms of cost and quality while conducting our activities.



We offer projects that will make a difference to our customers.

We shape our operations with our vision that the future of the energy sector will be determined by value-added, innovative, environmentally friendly technologies, which will increase efficiency.

As an energy company who constantly increases its investments on renewable energy considered as the future of our world, we closely follow new trends in the sector such as Industry 4.0, digitalization, storage systems, smart grids.

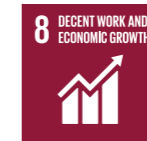
We shape our operations with our vision that the future of the energy sector will be determined by value-added, innovative, environmentally friendly technologies, which will increase efficiency. We pioneer groundbreaking practices by making R&D and innovation investments in the light of emerging trends.

We closely monitor new trends that will shape the sector such as Industry 4.0, digitalization, storage systems, and smart grids and test the use of such technologies in our new projects, striving to create new business models. In this regard, we seek ways to offer distinctive projects to our customers.

The common feature of all our investments is that they adopt a people-oriented approach that puts high technology in the center. We successfully align our business processes with the transformation triggered by new technologies and digitalization. It is thanks to this approach that we improve our competitive power, customer satisfaction, cost effectiveness and operational excellence.

Digitalization and technological advancements may cause changes in business processes and working models. As Çalık Enerji, we think that this is important for both the customers and productivity and profitability of the company.

As Çalık Enerji, we primarily develop our infrastructure, finance and human resources for effective and profitable operation and operate management systems that will ensure the sustainability of our company. We strive to create a sustainable growth climate with this trust that we provide to our employees, customers and all stakeholders with whom we interact. We believe that it is possible to implement the advanced understanding and technological applications on infrastructure projects by monitoring and adopting the innovations and developments on the field. With this approach, we contribute to the articles 8) Decent Work and Economic Growth, 9) Industry, Innovation and Infrastructure, 11) Sustainable Cities and Communities of the United Nations Social Development Goals (SDG).





We attach importance to supplier management in terms of sustainability

We believe that adding sustainability-related questions to the Supplier Evaluation Form would be helpful to our processes by increasing the sustainability awareness of suppliers and that conducting purchasing processes online would create value in terms of sustainability.

Ozan Erbil
Sustainability Ambassador
Purchasing Manager

ACHIEVEMENTS

While comparing supplier prices logistics costs affect the decision making process.

SUPPLY CHAIN APPLICATIONS

While comparing supplier prices logistics costs affect the decision making process. As the logistics cost influences our purchasing decisions, we prefer the closest supplier from the most suitable country, which is directly related to fuel consumption and environmental protection.

We enter the following parameters in our evaluation form for evaluating suppliers. We plan to take this into consideration in our supplier evaluations after the pandemic.

- Not employing child labor
- Number of women employees
- Relevant quality certificates related to environmental impact
- Filter uses

SUPPLIER LIFE CYCLE (SLC) MODULE AND SUPPLIER RELATIONSHIP MANAGEMENT (SRM)

With the project, which allows us to manage the purchasing and supply chain more effectively in line with our priority of managing our processes with our suppliers in a fast, reliable, traceable and measurable way, the Supplier Life Cycle (SLC) module and the Supplier Relationship Management (SRM) were made available over the Çalık Supplier Portal. Our suppliers can submit their applications from the relevant links on our website, and our approved suppliers can also log in to the system via the relevant links.

STANDARDIZATION OF ADDITIONAL PROTOCOLS IN SUBCONTRACTOR CONTRACTS

With the project we implemented in order to work with subcontractors and suppliers in accordance with Çalık Enerji environmental sustainability goals, we updated our additional protocols in our projects, which include Occupational Health and Safety requirements in contracts with subcontractors and suppliers, including environmental and social risk management issues. Thus, we aim to ensure and control the compliance with the sustainability strategy of Çalık Enerji in international projects as well as the compliance of subcontractors and suppliers with environmental and social conditions such as global warming, climate change, natural resource consumption and human rights.



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