



2019

ENERJİSA
Energy of Turkey



**ENERJİSA ENERJİ
INTEGRATED
SUSTAINABILITY
REPORT**



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ENERJISA

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Orange arrow indicates the clickable texts.



You can go through pages by clicking the arrows.

ORANGE

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ABOUT THE REPORT

At Enerjisa Enerji, we operate in two main business lines: electricity distribution and retail sales. Thanks to our team of over 10,000 employees, we reach around 10 million customers in 14 provinces across three operational regions and serve 21.5 million users. Considering this wide impact area, we disclosed our environmental, social and corporate governance performance along with the risks and opportunities in our 2019 Integrated Sustainability Report.

The Report covering the period of 1 January 2019 to 31 December 2019, was prepared in line with the International <IR> Framework by International Integrated Reporting Council (IIRC) and in accordance with the GRI Standards: Core option. To demonstrate our performance in a substantive, measurable and comparable manner, we predominantly shared data of three-year periods.

At the beginning of this year, we reviewed last year's materiality analysis and we redefined some of the issues to co-manage. We have also shared last year's strategic works of sustainability management structure in the Report.

We shared the works we completed within the scope of the UN Global Compact and the Women's Empowerment Principles (WEPS), for which we are a signatory as of 2019 and our contributions to the Sustainable Development Goals.

Please send any questions, comments and suggestions you have relating to the Report to investorrelations@enerjisa.com

01



02



03



04



05



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06



07





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STATEMENT FROM MANAGEMENT

- Ankara



CHAIRMAN'S MESSAGE



Dear Stakeholders,

As the pioneering player of the Turkish energy distribution and sales market, we aim to maximize the benefit of all our stakeholders. Therefore, we see sustainability concept not only a set of actions but also a solid part of our DNA and one of the main drivers of our business strategy. Within this context, we are very pleased to present you 2019 Integrated Sustainability Report of Enerjisa Enerji.

Our good financial performance is crowned by our approach to sustainability which is the central component of our brand story and road map. Following the successful public offering in 2018, we have focused on corporate sustainability to develop a strategic and holistic approach regarding economic, environmental and social factors to create long-term value. We emphasize sustainability as an important aspect of our equity story and a critical tool for an effective strategic management. While integrating sustainability in our processes, we keep complying with global environment and social norms, as well as investing for social awareness.

We carry the responsibility of delivering a critical service for the society and we get prepared for the new world of energy. With our vision to be become the leading energy company with our Environmental, Social and Governance (ESG) performance, we adopted our sustainability strategy to better manage these metrics with an integrated approach.

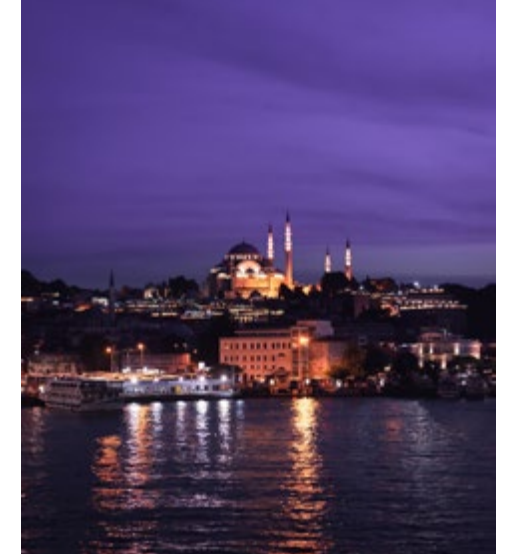
In all our operations and activities, we aim to develop sector-leading practices and perform our operations with an exemplary attitude; take responsibility to ensure all segments of society have the opportunity of equal welfare and healthy living standards given that electricity is a basic need, just like air and water; closely monitor the changes and trends occurring in the highly adaptive energy world and develop our diverse, young and equipped human resources, as well as our strong and reliable brand, to successfully keep up with the changes in our sector. With our stakeholders, we will operate as an environmentally responsible energy company that digitalizes the energy, democratizes energy production and accomplishes groundbreaking achievements in providing access to energy in the digital era.

In 2019, we have been included in the BIST Sustainability Index. To actively support our strategy, we became a signatory of both the UN Global Compact and Women Empowerment Principles (WEPS). We also received a Corporate Governance rating for the first time. With a score of 9.45 out of 10, we became one of the companies with the highest corporate governance rating and were included in the BIST Corporate Governance Index.

We will continue to take decisive steps to become the energy company of the future. I would like to express my thanks to the management, our employees, our customers and all our stakeholders for their invaluable contribution to our mission of generating “the Energy of Turkey.”

Kivanç Zaimler

Enerjisa Enerji Chairman of the Board





MESSAGE FROM THE CEO



Dear Stakeholders,

As we are managing Turkey's largest electricity distribution and sales network, we create long-term value for all stakeholders. As of 2019, we provide uninterrupted electricity distribution and retail services to 10 million customers and 21,5 million users in 14 provinces with approximately 10,000 employees.

As part of our operations, we offer social and environmental benefits for all stakeholders in our ecosystem. Global trends such as digitalization, democratization, decarbonization, deregulation and decentralization have been remolding us, our business and the value we create. These trends provide great opportunities for new business models and services, as they are revolutionizing the sector by promoting social justice, reducing carbon intensity, decentralizing renewable energy generation and storage and improving market openness and competition. We proactively respond to the trends affecting our industry.

We are continuing to build the infrastructure for electric vehicle charging stations. Since 2018, we have been more active in this sector as we acquired the majority of shares in Eşarj. In addition to EV charging stations, we closely monitor the markets to seize opportunities relating to innovative business areas such as electricity storage, which will shape the future of sustainable transportation applications and smart home technologies.

In 2019, we increased our customer satisfaction score from 3.90 to 3.98 over 5, thanks to the Net Promoter Score (NPS) and Customer Satisfaction (CSAT) systems we implemented in 2018 to track end-to-end customer satisfaction.

We act with respect and responsibility for the environment in all our activities. We focus on reducing the hazardous effects of our activities on the environment by continuously improving our environmental performance. Accordingly, in 2019, we revised our Environmental Policy in line with our environmental sustainability goals and included topics such as resource efficiency, air and water emissions, climate change mitigation and biodiversity in our policy. We have started to prepare Ecosystem Assessment Reports to reduce the potential negative impact of new projects and investments on the living world. We reduced our electricity-related CO₂ emissions, as 989 MWh of our electricity consumption is directly from renewable energy sources.

We create pioneering collaborations and opportunities while investing in talents. Consisting of young Enerjisa employees, Young Advisory Board give us a new and diverse perspective on our projects and practices. The Young Advisory Board was awarded "the Sabancı of the New Generation Award" in 2019. As part of our NAR Corporate Intrapreneurship Program, we collected 249 innovative ideas this year - the highest number of ideas since the launch of the project. With the selected projects, we aim to differentiate ourselves in areas such as efficiency, Occupational Health and Safety and sharing economy. In 2019, we allocated approximately TL 15 million to R&D and innovation investments to lead our sector and rise above the competition.

As we were working on our Sustainability Report, the COVID-19 pandemic began, which has changed the way we live and work. The outbreak revealed the vulnerabilities in the global healthcare system and traditional business models, while confirming the vital importance of electricity. Amid the COVID-19 pandemic, we have prioritized human health and operational sustainability. Therefore, we have established business continuity and crisis management committees with the consultation of our doctors and have adopted certain measures to protect the health of our employees and maintain our infrastructure against varying demand and supply. We have made our customers' lives easier at home by reaping the benefits of our grid investments.

In the future, we aim to secure our position as the leader in the Turkish energy sector and set a global benchmark. I thank all of our stakeholders, especially our employees, for their unflinching support over the years.

Murat Pinar
CEO of Enerjisa Enerji

MESSAGE FROM THE CFO



Dear Stakeholders,

We are happy to share our first Integrated Sustainability Report with you. As a responsible public service company, we strongly feel that sustainability efforts need to be at the heart of all our actions and for the benefit of everyone. As it is our ambition to be a role model within the sector and beyond, we strive to lead sustainability efforts and actively shape the future of tomorrow's energy world. We are convinced that sustainability is the key driver behind most of the fundamental megatrends our sector will experience going forward.

In this new energy world, energy is being produced more locally, on a smaller scale and stored for the time energy is needed. It is produced through the earth's resources not on the expense of it; providing clean renewable energy to society. Customers are increasingly informed and dictate how and when energy is being produced and consumed, leading the way forward towards new uses of energy; electrical cars, smart cities and connected households. Already today, in many parts of the world customers produce energy themselves to share among neighbors within communities or store it for their own future needs through battery solutions. With developed grid infrastructures, customers can also opt to sell back the energy by feeding it into the grid and thus be in control of their own energy costs. Developments that will only continue to increase in the new energy world of tomorrow.

Our key businesses being Distribution and Retail are the key enablers for the new energy world. The backbone of the new energy world will be the energy grids, which no longer will be one-way networks, but instead act as smart interconnectors of complex energy flows. The retail business is the heart of the new energy world and we focus on customers solutions which is the forerunner of new developments such as e-mobility and co-generated local power plants.

With these convictions in mind, our approach to sustainability goes far beyond environmental and human rights protection. We believe that in order to successfully manage future challenges, our sustainability strategy needs to be fully integrated in our business strategy. For us this means that all of our sustainability efforts are channeled towards reaching our strategic business targets and similarly that all of our business initiatives are in line with our sustainability efforts.

We are using this format to demonstrate our initiatives in order to provide the highest degree of transparency. Similar to our financial reporting, our sustainability reporting is transparent, timely, relevant and reliable. Our cooperation with international institutions such as the European Bank for Reconstruction and Development (EBRD) for loan and bond processes, as well as our continuous dialogue with institutional investors, consumers, several think tanks and global thought leaders keep us up to date and help us to improve further.

Dr. Michael Moser
CFO of Enerjisa Enerji



*Thanks to our team of
over 10,000 employees,
we reach around 10 million
customers in 14 provinces
across three operational
regions and serve 21.5
million users.*



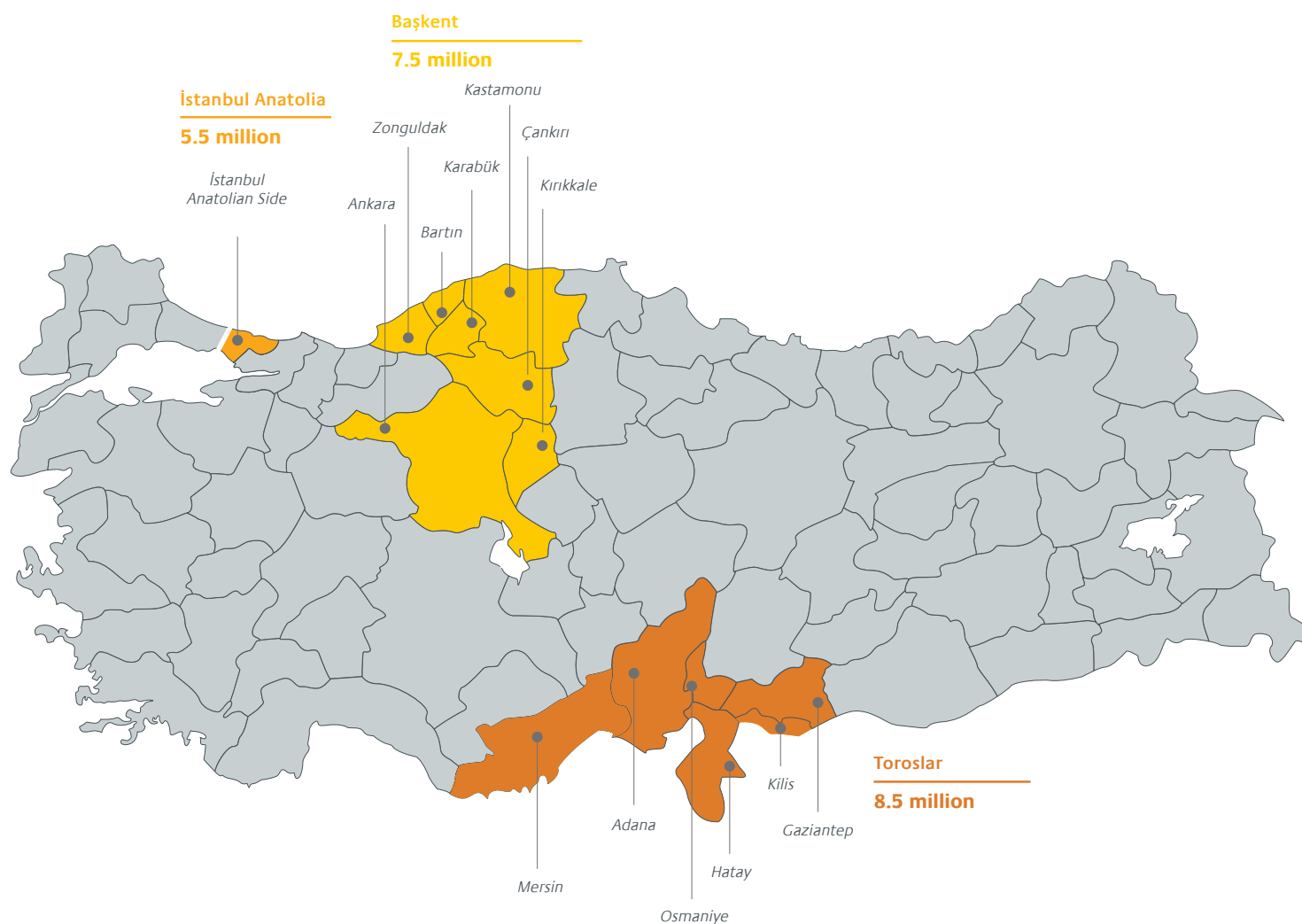
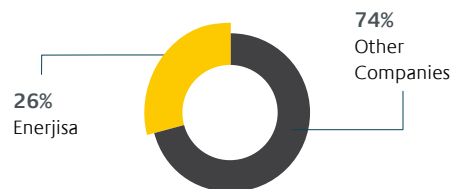
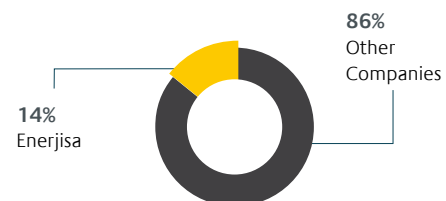
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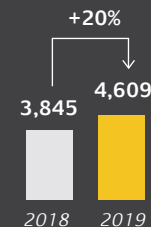
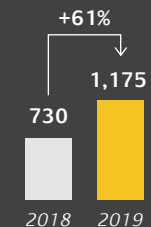
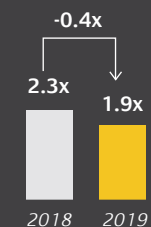
- İstanbul



ENERJİSA AT A GLANCE

POPULATION OF TURKEY
83.2 MILLIONLAND AREA OF TURKEY
783,562 km²

FINANCIAL HIGHLIGHTS

CONSOLIDATED OPERATIONAL EARNINGS
(TL million)UNDERLYING NET INCOME
(TL million)LEVERAGE
(Net Debt/Operational Earnings)

OPERATIONAL HIGHLIGHTS

10,240
EMPLOYEES21.5 m
USERS9.9 m
CUSTOMERS
(22% of the retail
electricity market)TL 8.4 bn
RAB
(over 30% of Turkey's
total RAB)11.2 m
NETWORK CONNECTIONS
(26% of all distribution network
connections in Turkey)

2.5 M TRANSACTIONS THROUGH

41
CUSTOMER SERVICE
CENTERS81
ENERJİSA TRANSACTION
CENTERS12
MOBILE SERVICE
VEHICLES

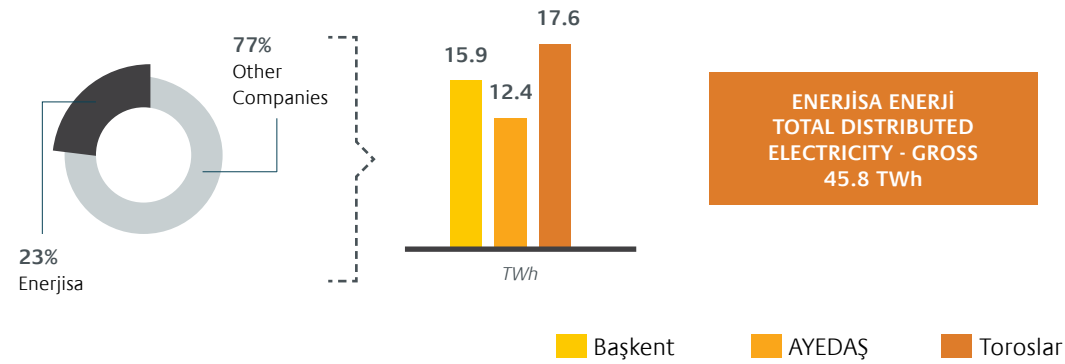
24 M CUSTOMER CALLS THROUGH

19.7 m
DISTRIBUTION
CALL CENTER4.4 m
RETAIL CALL
CENTERS

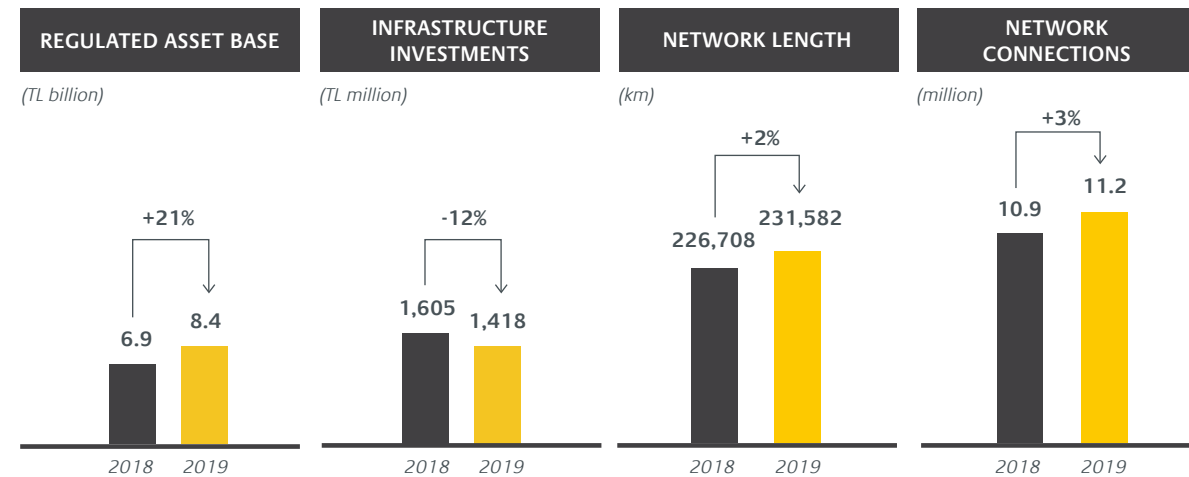
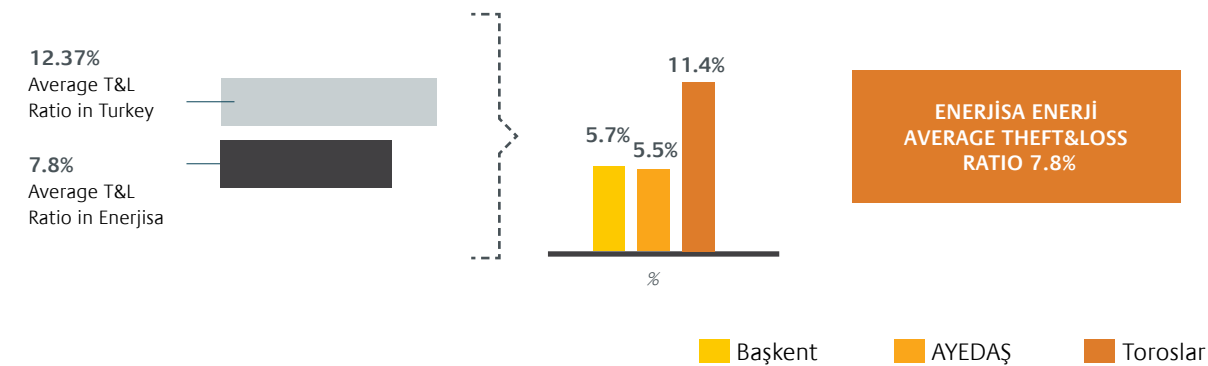


ENERJİSA AT A GLANCE

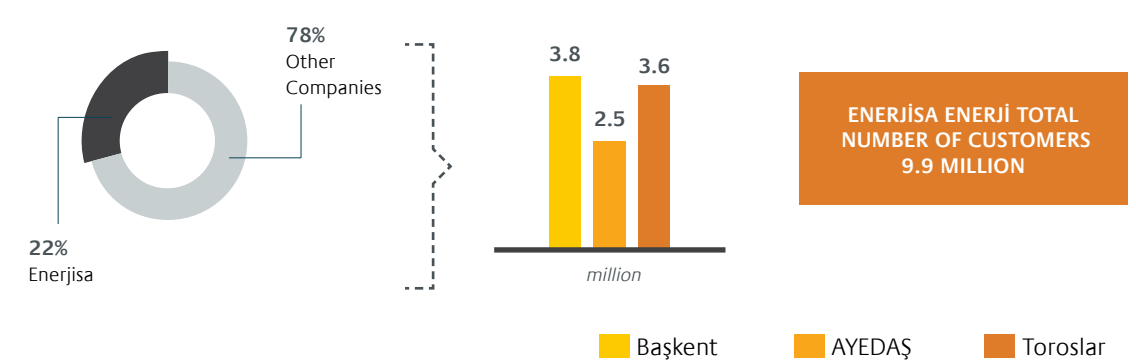
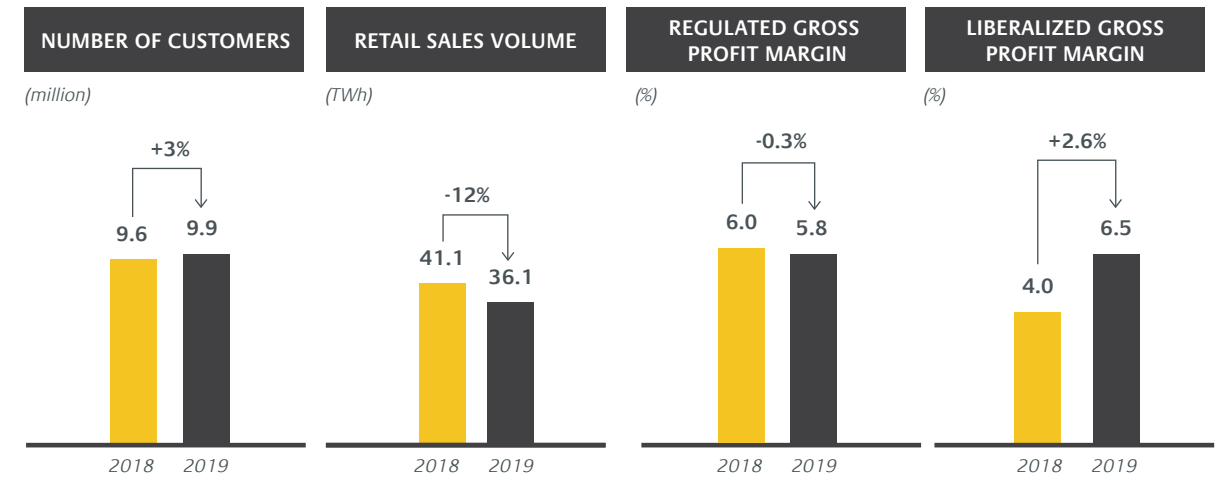
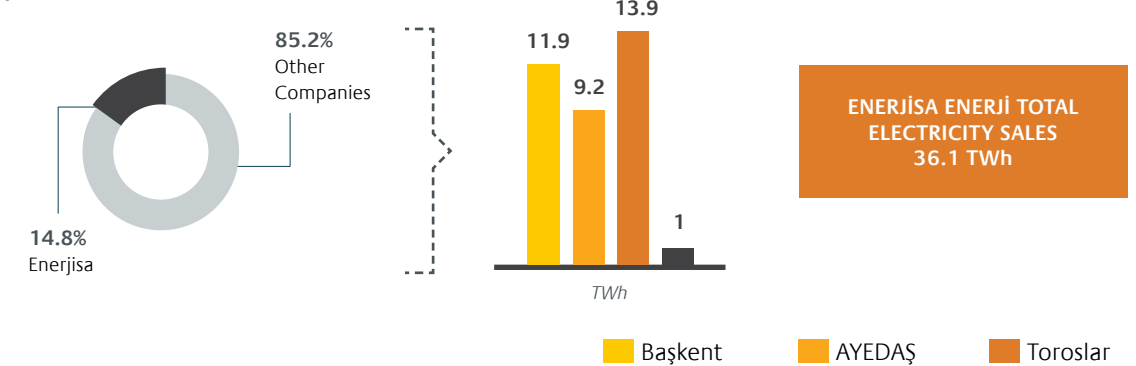
DISTRIBUTION COMPANIES IN NUMBERS

TOTAL DISTRIBUTED ELECTRICITY - GROSS
200.7 TWh

THEFT & LOSS RATIO



RETAIL COMPANIES IN NUMBERS

TOTAL CUSTOMERS IN TURKEY
45.1 MILLIONTOTAL ELECTRICITY SOLD IN TURKEY
245 TWh

ABOUT ENERJİSA

We have 11.2 million distribution network connections accounting for approximately 26% of all distribution network connections in Turkey and 9.9 million customers representing approximately 22% of the retail electricity market.

As is the case all around the world, factors such as the economic growth and urbanization dynamics, the digital transformation trends, as well as young and dynamic population create a significant potential for growth in the electricity demand in Turkey. At Enerjisa Enerji, we aim to create long-term value for society and have adopted an innovative and environment-oriented approach while managing one of the indispensable necessities of our lives: electricity.

We are Turkey's largest electricity distribution and retail company in a regulated sector. As of December 31, 2019, we have 11.2 million distribution network connections accounting for approximately 26% of all distribution network connections in Turkey and 9.9 million customers representing approximately 22% of the retail electricity market, in 14 provinces across three different distribution regions. We operate in the capital city Ankara, the Asian side of İstanbul which is the largest city in Turkey and major industrial and commercial cities with high population density, such as Adana, Gaziantep and Mersin.

The operations of electricity distribution companies are limited to the regions defined in their licenses. Retail companies sell electricity exclusively to non-eligible customers within the Company's distribution regions as the incumbent companies and to eligible customers in their respective regions and in other parts of Turkey without regional limitations. Under Enerjisa Enerji A.Ş., we carry out our distribution and retail operations through:

- **Başkent Elektrik Dağıtım A.Ş.** (Başkent EDAŞ) and **Enerjisa Başkent Elektrik Perakende Satış A.Ş.** (Başkent EPSAŞ), operating in the Başkent Region, which covers the provinces of Ankara, Zonguldak, Kastamonu, Kırıkkale, Karabük, Bartın and Çankırı.
- **İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş.** (AYEDAŞ) and **Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.** (AYESAŞ), operating in the AYEDAŞ Region, which covers districts on the Anatolian side of İstanbul.

- **Toroslar Elektrik Dağıtım A.Ş.** (Toroslar EDAŞ) and **Enerjisa Toroslar Elektrik Perakende Satış A.Ş.** (Toroslar EPSAŞ), operating in the Toroslar Region, which covers the provinces of Adana, Gaziantep, Mersin, Hatay, Osmaniye and Kilis.
- Our electricity distribution operations are managed by **Başkent EDAŞ**, **AYEDAŞ** and **Toroslar EDAŞ**, while electricity retail operations are run by **Başkent EPSAŞ**, **AYESAŞ** and **Toroslar EPSAŞ**.

Following our successful public offering in 2018, we focused on corporate sustainability to develop a strategic and holistic approach regarding economic, environmental and social factors to create long-term value. Within this framework, we became a signatory of both the world's largest volunteer enterprise sustainability initiative, the **United Nations Global Compact (UNGC)** and the **United Nations Women's Empowerment Principles (WEPs)** in 2019. We have also been included in the BIST Sustainability Index, which incorporates the companies listed in Borsa İstanbul with top performance in the corporate sustainability field.

Another important development in 2019 was in the field of corporate governance. By receiving our first Corporate Governance rating, we have certified that we are in significant compliance with the Corporate Governance Principles issued by the Capital Markets Board and that we have established a transparent and open communication by acting with a sense of responsibility towards all our stakeholders and society. Our Corporate Governance Rating was determined as 9.45 out of 10. Thus, we became one of the companies with the highest corporate governance rating and included in the BIST Corporate Governance Index as well.

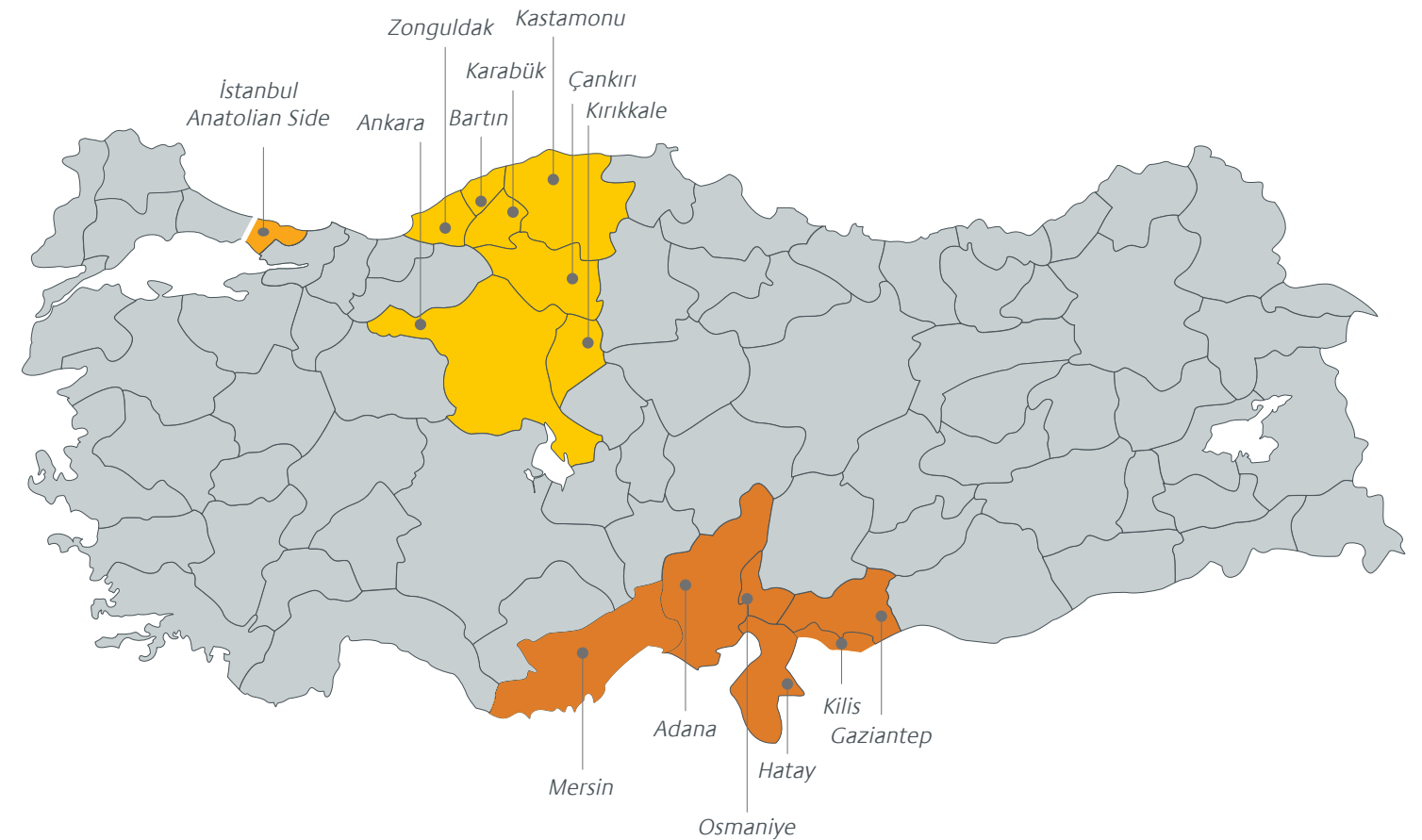
Enerjisa Müşteri Çözümleri A.Ş. was established on December 29, 2017 to operate in customer solutions and distributed generation.

Enerjisa Enerji takes the energy supply security and uninterrupted electricity supply issues to the top of its sustainability agenda and continues to make investments

to ensure continuity in energy supply. In addition to its core business areas in electricity distribution and retail, the Company leads the sector with its efforts in energy efficiency and e-mobility solutions.

Moreover, the Company closely follows opportunities in innovative business areas such as electric vehicle charging stations, electricity storage systems, smart home technologies and systems that help consumers produce their own electricity. The Company carries out

its operations for customer solutions and distributed generation under **Enerjisa Müşteri Çözümleri A.Ş.** Enerjisa Müşteri Çözümleri A.Ş. acquired the majority of **Elektrikli Araçlar Şarj Sistemleri A.Ş.** ("Eşarj") shares in 2018, becoming its controlling shareholder. In addition to its leadership in distribution and sales in the electricity sector, Enerjisa Enerji aims to take on an innovative and pioneering role in electric vehicles sector and play an active role in the transformation of the industry.



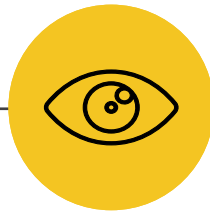
POPULATION

Başkent	İstanbul Anadolu	Toroslar
7.5 million	5.5 million	8.5 million

ABOUT ENERJİSA

VISION AND MISSION

VALUES



BRAND AWARENESS

“As a brand that cares about and creates value for its customers”

Enerjisa Enerji is one of the best-known and most trusted brands in Turkey, thanks to the investments made with a long-term perspective by its two strong shareholders: E.ON, a leading energy company in Europe and Sabancı Holding, one of the largest holdings in Turkey. As we continue to invest in the Enerjisa brand, our objectives include possessing the highest awareness and best image in the sector, ensuring Enerjisa is perceived as a brand that cares about and creates value for its customers and fostering reliability and innovation. According to the Enerjisa Brand Awareness research, the brand's top-of-mind awareness score grew to 75% in April 2019 from 22% in April 2015. Additionally, the spontaneous awareness score rose to 92% in April 2019 from 47% in April 2015. Since 2009, we have been perceived as one of the most admired and reputable companies in the energy sector and deemed award-worthy in this regard by numerous institutions.



VISION

TO DIFFERENTIATE THE ENERGY SECTOR WITH PEOPLE, TECHNOLOGY AND CUSTOMER-ORIENTED APPROACHES WHILE OFFERING USER-FRIENDLY PRODUCTS, SERVICES AND INNOVATIVE SOLUTIONS.



MISSION

TO BE THE UNDISPUTED LEADER AND THE MOST ADMIRABLE ENERGY COMPANY IN EVERY FIELD AND LOCATION WE OPERATE. WE ARE HERE TO ADD ENERGY TO LIFE.



INCLUSION

WE CREATE ENVIRONMENTS TO FACILITATE THE PARTICIPATION OF ALL OUR STAKEHOLDERS, ENCOURAGE THEM, VALUE DIFFERENT IDEAS AND GENERATE THE HIGHEST BENEFIT WITH MULTIPLE COLLABORATIONS.

We lead with courage



COURAGE

WE EXPRESS OUR IDEAS FREELY, TAKE RISKS AND WE ARE NOT AFRAID TO MAKE MISTAKES. WE USE INITIATIVE TO TAKE RESPONSIBILITY AND ACTION.

We unite with inclusion



CONTINUOUS DEVELOPMENT

WE QUESTION OURSELVES AND OUR WORK WITH A POSITIVE CURIOSITY AND A GENUINE EXCITEMENT ABOUT INNOVATION. TO ENSURE WE EXCEL, WE ALWAYS LEARN FROM OUR PAST EXPERIENCES, DEVELOP IN LIGHT OF OUR FUTURE VISION AND BECOME THE PIONEER OF CHANGE.

We lead the change with continuous development



SINCERITY

WE PUT LOVE, RESPECT AND TRUST AT THE CENTER OF ALL OUR STAKEHOLDER RELATIONS AND WE APPEAR AS WE ARE AND ACT AS WE APPEAR.

We set off with sincerity



PASSION

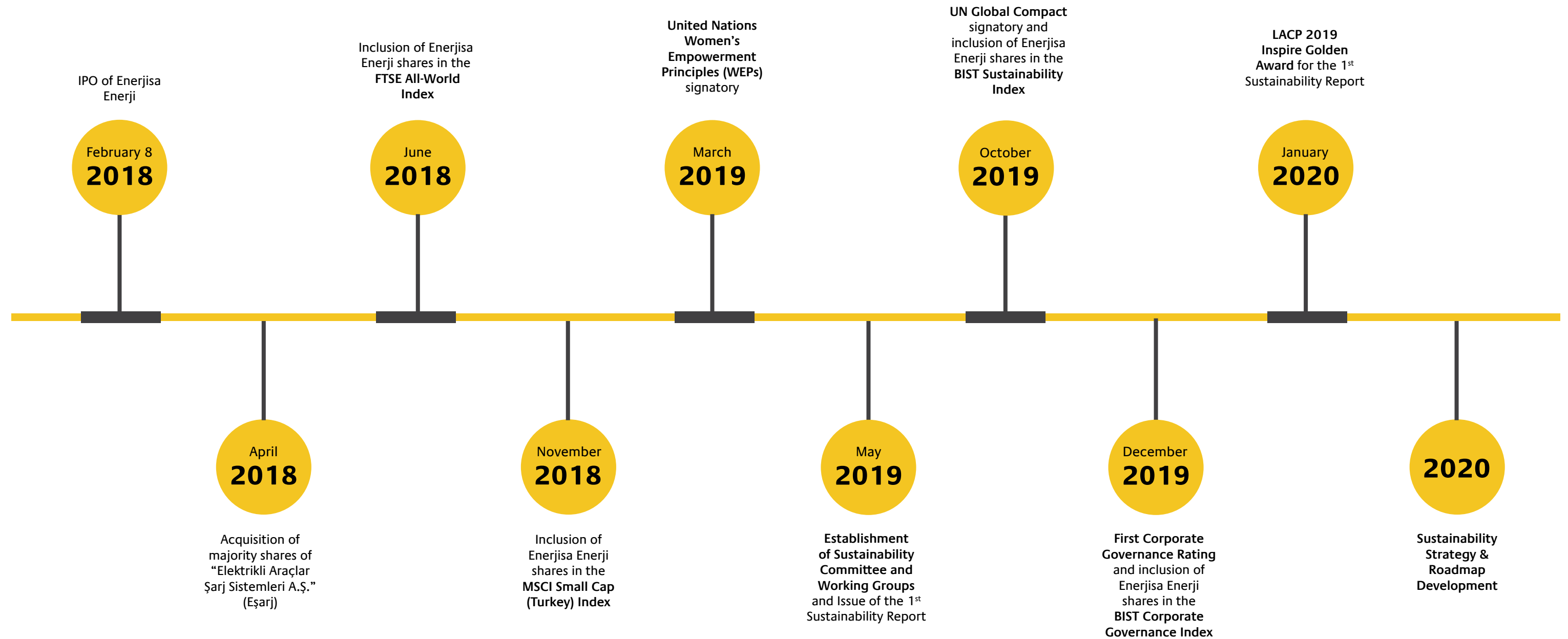
WE APPROACH EVERYTHING WE DO WITH ENTHUSIASM, EXCITEMENT AND PERSEVERANCE; WE MOVE TO ENERGIZE OUR ENTIRE ENVIRONMENT.



ABOUT ENERJİSA

SUSTAINABILITY MILESTONES

POST - IPO



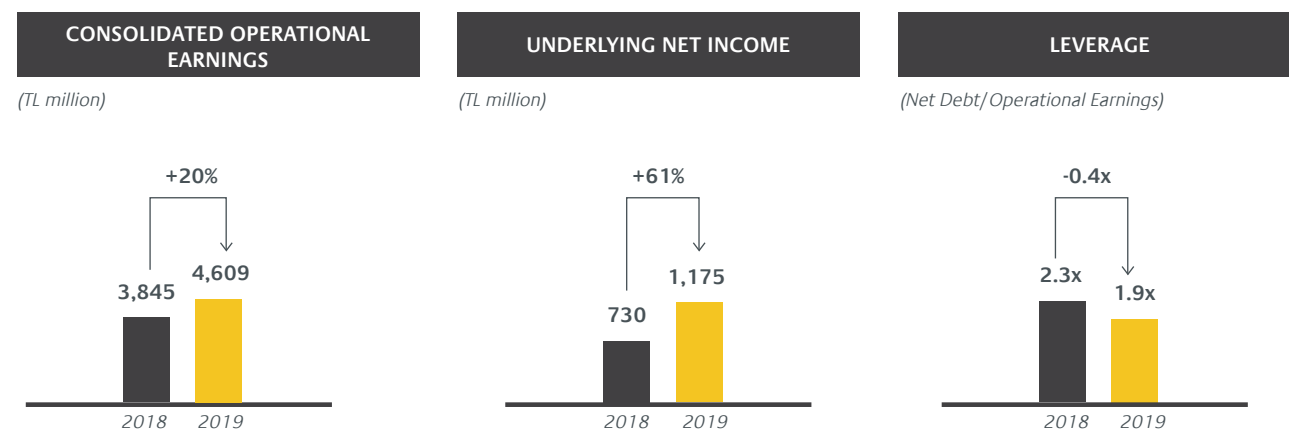


ABOUT ENERJİSA

FINANCIAL PERFORMANCE

In 2019, Enerjisa was able to continue on its track record of high earnings growth. Consolidated operational earnings (EBITDA + Capex reimbursements excluding exceptional items) increased by 20% from TL 3,845 million in 2018 to TL 4,609 million in 2019.

FINANCIAL INDICATORS



Profitable and sustainable growth is one of our priorities to contribute to sustainable economic development in Turkey. We support the local economy by providing employment to approximately 10,000 people in different business segments across the 14 provinces in which we operate.

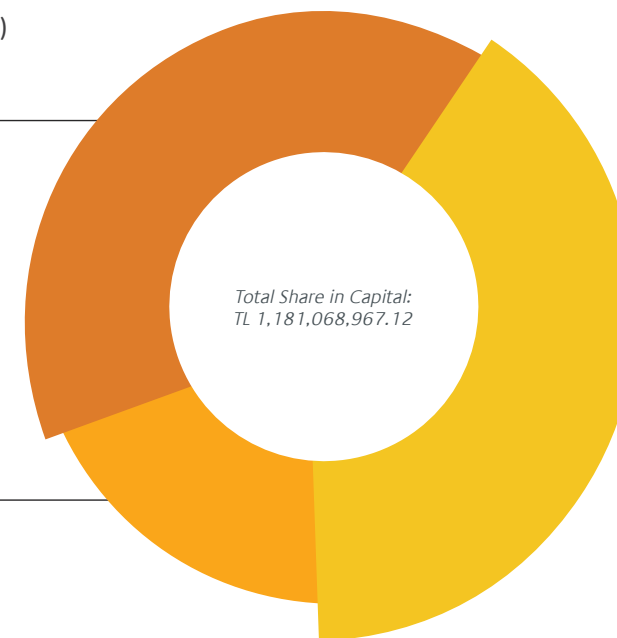
While 2018 showed the resilience of Enerjisa to a crisis environment, 2019 demonstrated that the Company is equally flexible to quickly adapt to a recovering macroeconomic situation. As a result of both macroeconomic sensitivities, as well as a very flexible financing structure, we were able to again deliver an outstanding financial performance in a challenging environment and were able to continue on our track record of high earnings growth. Consolidated operational earnings (EBITDA + Capex reimbursements excluding exceptional items) increased by 20% from TL 3,845 million in 2018 to TL 4,609 million in 2019. In 2019, consolidated underlying net income increased by 61% to TL 1,175 million, up from TL 730 million in 2018.

In 2020, as the pioneer and leading company of our sector, we will continue to perfectly meet the expectations of our investors and support our sector and country in their development journey by sustaining our strong performance in financial and operational fields.

At the 2019 Annual Shareholders Meeting held on March 23, 2020, the Board of Directors proposed a cash dividend of TL 0.60 per share for the 2019 fiscal year. This corresponds to a payout ratio of 60% of the Company's Underlying Net Income of TL 1,175 million for fiscal year 2019 and is therefore in line with the communicated dividend policy of 60-70% of Underlying Net Income. The dividend payments have been completed in April 2020.

SHAREHOLDER STRUCTURE

40%
E.ON
(through DD Turkey Holdings SARL)
Share in Capital: TL 472,427,587.56
Voting Right: 40.00%



40%
Sabancı Holding
(Hacı Ömer Sabancı Holding A.Ş.)
Share in Capital: TL 472,427,587.56
Voting Right: 40.00%

20%
Free Float
Share in Capital: TL 236,213,792.00
Voting Right: 20.00%

*Kairos Investment Management SpA periodically holds over 5% of the free float.



E.ON is an international, privately owned energy supplier based in Essen, Germany. With a clear focus on two strong core businesses, aims to become the partner of choice for energy and customer solutions.

- Total RAB of €33.2 bn (Sweden, Germany, CEE & Turkey)
- Network grid length of 1,409,000 km for power plus 149,000 km for gas
- 51 m customers across Europe, including Turkey

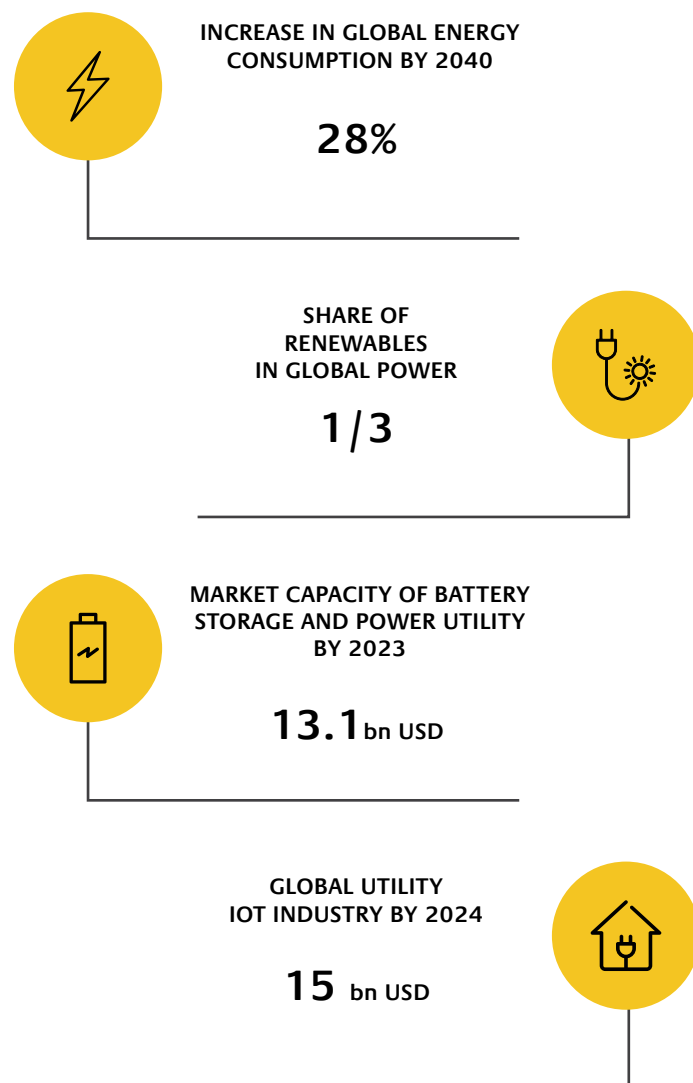


One of Turkey's largest business conglomerates;

- Main business areas include banking, insurance, energy, cement, retail and industry
- Operates in 12 countries, as of end of 2019
- With its 11 subsidiaries trading on Borsa Istanbul in addition to the Holding's own shares, Sabancı Holding accounts for 8% of the market capitalization of Borsa Istanbul
- Partnerships with leading names in the world (Ageas, Aviva, Bridgestone, Carrefour, E.ON, Heidelberg Cement, Marubeni and Philip Morris)



TRENDS AND THEIR IMPACTS ON OUR BUSINESS



The energy transition is on fast-forward. The energy world is steadily becoming more distributed, digital and decarbonized and the Distribution System Operators (DSOs) are the linchpin of this future system. The distribution grid is one of the pillars of the economic, cultural and scientific progress of modern society, given that it brings electricity to all citizens who want to be connected to it without exception or discrimination. It is a critical infrastructure, which provides security, stability and comfort to customers, as well as industrial competitiveness.

Meanwhile, the demand for power is growing exponentially as well. Research shows that global energy consumption will increase by 28% by 2040¹. An increase in population, economic and industrial growth, along with a rise in per capita energy consumption due to lifestyle changes, are intensifying the load on the power infrastructure. At the same time pressures and disruptive technologies are changing the sector. Today, the concerted effort of industries such as automobile to reduce the carbon footprint by replacing fossil fuels with electricity is further driving the demand for electricity power because renewable energy became a mainstream source of this power. Overall, one-third of global power capacity is now generated from renewable sources (solar, hydro and wind). This will also help to decrease pollution and increase grid reliability.

At the same time, electric heat pumps, batteries and other grid edge technologies are also expected to advance significantly. The market capacity of battery storage and power utility is growing and it is expected to reach 13.1 billion USD dollar by 2023. This will be supported by IoT, robotics and connected technologies which is expected to grow to 15 billion USD dollar by 2024¹.

We operate in a dynamic energy sector that is transforming with megatrends and we have a clear vision of potential changes and value creation opportunities. We are already preparing for these fundamental changes today by helping to shape regulation, exploring new business opportunities and leading the sector into the New Energy World under the following five categories:

Digitalization provides opportunities for new business models and services to be improved and new developments to take place in networks for uninterrupted energy. With digitalization, data-based energy and demand management becomes possible and it allows energy to be used in the most efficient manner. Opportunities created by developments such as the Internet of Things (IoT) and smart technologies transform the sector.

- IoT Grid Solutions
- Cybersecurity
- Smart Grid
- Advanced Sensors
- Smart City Solutions
- Blockchain Platforms
- Big Data

Deregulation signifies various players operating in the energy distribution industry in a competitive environment and extends to the deregulation of the market. We observe deregulation particularly in the electricity retail sales market. Deregulation offers cheaper products with higher quality and highlights the importance of the services as well as customer expectations.

- Demand Management
- Customer Satisfaction
- New Product Offerings

Decentralization signifies the production of electricity with various technologies, at or near the places where it is used and energy storage. Larger-scale renewable energy production heightens the need for storage systems. Therefore, grid infrastructures should be improved to reflect this new means of energy production.

- Distributed Generation
- Energy Storage
- Microgrids
- Cogeneration
- Back-up Generation

Democratization of energy supply facilitates access to power, aiming to provide everyone access to electricity, as well as flexibility to choose the source of power. This trend urges the sector to emphasize customer satisfaction and to help disadvantaged communities to access affordable energy. Topics such as universal access to energy, social justice and the promotion of renewable and sustainable energy have critical and higher place on the agenda.

- Customer Satisfaction
- Treatment of Vulnerable Customers
- Uninterrupted Energy
- Commoditization
- Blockchain Energy Trading

Decarbonization suggests a decrease in the carbon intensity of the electrical energy produced and distributed in the energy sector. In this sense, energy sources are being diversified and new methods that utilize renewable energy sources are being developed. Additionally, with rising urbanization, the environmental impact of transportation has become a critical issue. The electricity consumption of machines and systems steadily increase with each day. As such, the need to invest in charging stations and tools has soared in line with the development of electric vehicles, which will make a profound difference in sustainable transportation. Energy efficiency solutions and green products that provides e-mobility particularly stand out.

- Renewable Energy Integration
- Electrification Trends
- Energy Efficiency Products
- E-mobility Solutions
- Green Energy Products

¹ Source: KPMG 2018 Sector Outlook: Energy



2019 PERFORMANCE HIGHLIGHTS

RESPONSIBLE PUBLIC SERVICE

STAKEHOLDER MANAGEMENT

- Effective Stakeholder Management with newly developed Stakeholder Engagement Plan
- Uninterrupted energy provided to almost 10 million customers through 3 distribution regions in 14 provinces across Turkey
- Business Continuity Management System managed in accordance with **ISO 22301:2019**

CUSTOMER CENTRICITY

- **2.5 million transactions** at 41 Enerjisa Customer Service Centers, 81 Enerjisa Transaction Centers and 12 Mobile Service Vehicles in 3 regions
- **24 million customer calls** through Call Centers
- Customer Satisfaction managed in accordance to **ISO 10002**; customer satisfaction score increased 2% from 3.90 to 3.98 over 5

SOCIAL RESPONSIBILITY

- Active participation in non-governmental organizations and initiatives
- **I Protect the World's Energy** project won the Leadership in Ethical and Environmental Responsibility Award at the Communitas Awards
- TL 10.4 m donation to Sabancı Foundation
- TL 1 m sponsorship for Turkey Energy and Natural Resources Summit, Turkey Energy Summit and Financial Times Digital Energy Summit

ROLE MODEL WITHIN THE SECTOR

CORPORATE GOVERNANCE

- Establishment of Sustainability Governance Structure (Committee and Working Groups)
- **First Corporate Governance Rating**; 9.45 out of 10
- Inclusion in the **BIST Corporate Governance Index**
- Quality Management System compliant with **ISO 9001:2015**
- Information Management System compliant with **ISO/IEC 27001:2013**
- IT Service Management System compliant with **ISO/IEC 20000-1:2011**
- 3,216 hours ethics training to employees

ENVIRONMENTAL IMPACT

- **Environmental Policy** revised
- **Environmental Management System Framework** issued
- Environmental Management System compliant with **ISO 14001:2015**
- TL 1,3 million environmental investments

OHS

- Occupational Health and Safety Management System compliant with **ISO 45001:2018**
- TL 128.9 million OHS investments
- 16 hours OHS training per employee on average
- The number of critical accidents decreased by 42%, TRIF w/o STF decreased by 23%, TRIF decreased by 18% and LTISR decreased by 31% y.o.y.

PREPARING FOR THE NEW ENERGY WORLD

TALENT MANAGEMENT

- High performance culture
- Equal opportunities
- 23 hours training per employee on average

INNOVATE FOR FUTURE ENERGY

- TL 5.3 million R&D investments
- TL 9.7 million innovation investments
- 249 different ideas collected from employees with NAR (**Corporate Intrapreneurship Program**)

OVERALL

1ST INTEGRATED SUSTAINABILITY REPORT

UN GLOBAL COMPACT SIGNATORY

UNITED NATIONS WOMEN'S EMPOWERMENT PRINCIPLES (WEPs) SIGNATORY

INCLUSION IN THE BIST SUSTAINABILITY INDEX & BIST CORPORATE GOVERNANCE INDEX

LACP 2019 INSPIRE GOLDEN AWARD FOR THE 1ST SUSTAINABILITY REPORT

ENERJİSA SUPPLIER CODE OF CONDUCT AND COMPLIANCE STATEMENT INTRODUCED FOR COMPLIANCE WITH ENERJİSA ENERJİ'S ANTI BRIBERY AND ANTI-CORRUPTION POLICY AS WELL AS THE OHS AND ENVIRONMENTAL POLICIES



At the core of the sustainability strategy, we have placed the equity story of the Company and we have grouped our strategic priorities in three main areas; A Responsible Public Service, A Role Model Within the Sector, Preparing for the New Energy World.



INTEGRATED MANAGEMENT

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INTEGRATED SUSTAINABILITY AND MANAGEMENT

Following the successful public offering in 2018, we have focused on corporate sustainability to develop a strategic and holistic approach regarding economic, environmental and social factors to create long-term value. We emphasize sustainability as an important aspect of our equity story and a critical tool for an effective strategic management. While integrating sustainability in our processes, we keep complying with global environmental and social norms, as well as investing for social awareness.

We carry the responsibility of delivering a critical service for the society and we get prepared for the new world of energy.

In 2019, we have been included both in the BIST Sustainability Index and the BIST Corporate Governance Index. With our vision to be become the leading energy company with our Environmental, Social and Governance (ESG) performance, we adopted our sustainability strategy to better manage these metrics with an integrated approach.

DEVELOPMENT OF SUSTAINABILITY STRATEGY

Our key businesses being Distribution and Retail are the key enablers for the new energy world. The backbone of the new energy world will be the energy grids, which no longer will be one-way networks, but instead act as smart interconnectors of complex energy flows. The retail business is the heart of the new energy world and we focus on customers solutions which is the forerunner of new developments such as e-mobility and co-generated local power plants.

With these convictions in mind, our approach to sustainability goes far beyond environmental and human rights protection. We believe that in order to successfully manage future challenges, our sustainability strategy needs to be fully integrated in our business strategy. For us this means that all of our sustainability efforts are channeled towards reaching our strategic business targets and similarly that all of our business initiatives are in line with our sustainability efforts.

As the first step of the strategy development, we conducted a benchmark analysis with a peer group of world's foremost sector leaders that embrace the idea of sustainability and focus on improving their performance. In this context, we compared our sustainability maturity with the peer group under the following sections:

ENERGY IS LIFE.
ENERGY IS PROGRESS.
OUR FUTURE IS ENERGY.



TOGETHER WE ARE GOING TO BE THE
ENERGY COMPANY...

- that stands for a climate-conscious community of unlimited possibilities
- the energy company that supplies energy for the digital age and digitizes energy
- the energy company that enables people to produce their energy anywhere
- the energy company that revolutionizes the availability of energy



- **Sustainability Strategy:** It assesses the scope of sustainability strategy, materiality process and the integration of stakeholders to this process, SMART targets and risk management which is required to integrate sustainability into business strategy.
- **Sustainability Governance:** It covers topics such as sustainability structure, leadership of Board and executives on sustainability issues and responsibilities of different departments related to sustainability and the scope of Code of Conduct and compliance systems.
- **Stakeholder Engagement:** It evaluates communication with stakeholders, membership and involvement in multi stakeholder international initiatives, stakeholder engagement level and method in decision making mechanisms.
- **Reporting and Communication:** It assesses sustainability reporting, disclosure of stakeholder expectations and opinions and the integration of sustainability into the brand story.
- **Business Alignment:** It covers the existence of all necessary policies and standards in order to achieve strategic targets, the relation between investments and the community

investment programs with business strategy.

- **Performance:** It evaluates shared traceable, measurable and balanced company performance on material issues and how it reflects sustainability to its value chain.

Once the benchmark analysis has been completed, we have identified a roadmap for the sustainability strategy for all key areas of **Environmental, Social and Governance (ESG)** reporting taking into consideration of international standards, requirement of global indices, investors' expectations, as well as the best practices from the peer benchmark companies. Following that we have organized internal workshops with all relevant business units of the Company and discussed and further developed the roadmap.

At the core of the sustainability strategy, we have placed the equity story of the Company and we have grouped our strategic priorities in three main areas; **A Responsible Public Service, A Role Model within the Sector, Preparing for the New Energy World**. Ultimately this will serve us to be able to operate as an environmentally responsible energy company that digitalizes the energy, democratizes energy production and accomplishes groundbreaking achievements in providing our stakeholders access to the energy in the digital era.

A Responsible Public Service

We are aware that electrical energy is a basic need, just like air and water. As such, we take responsibility to ensure all segments of society have equal welfare and healthy living standards. Responsible Public Service lies at the core of this Company, whose main operations are electricity distribution and retail sales. To reach this end efficiently, we shape our business model around our customers, we effectively manage all our stakeholders and try to create value with our social responsibility approach.

A Role Model within the Sector

We aim to develop sector-leading practices and perform our operations with an exemplary attitude. Our priorities include providing our employees with a safe working environment, monitoring the environmental effects of our operations and maintaining highest standards for corporate governance and risk management. Therefore, we try to ensure that our investments and projects within the scope of environment and occupational safety create a common long-term value.

Preparing for the New Energy World

We work to stay competitive, stable and sustainable while providing energy supply safety and quality. We closely observe the changes and trends occurring in the highly adaptive energy world and develop our diverse, young and equipped human resources, as well as our strong and reliable brand, to successfully keep up with the changes in our sector. We also closely monitor technological developments and implement innovative ideas that bring value to people.



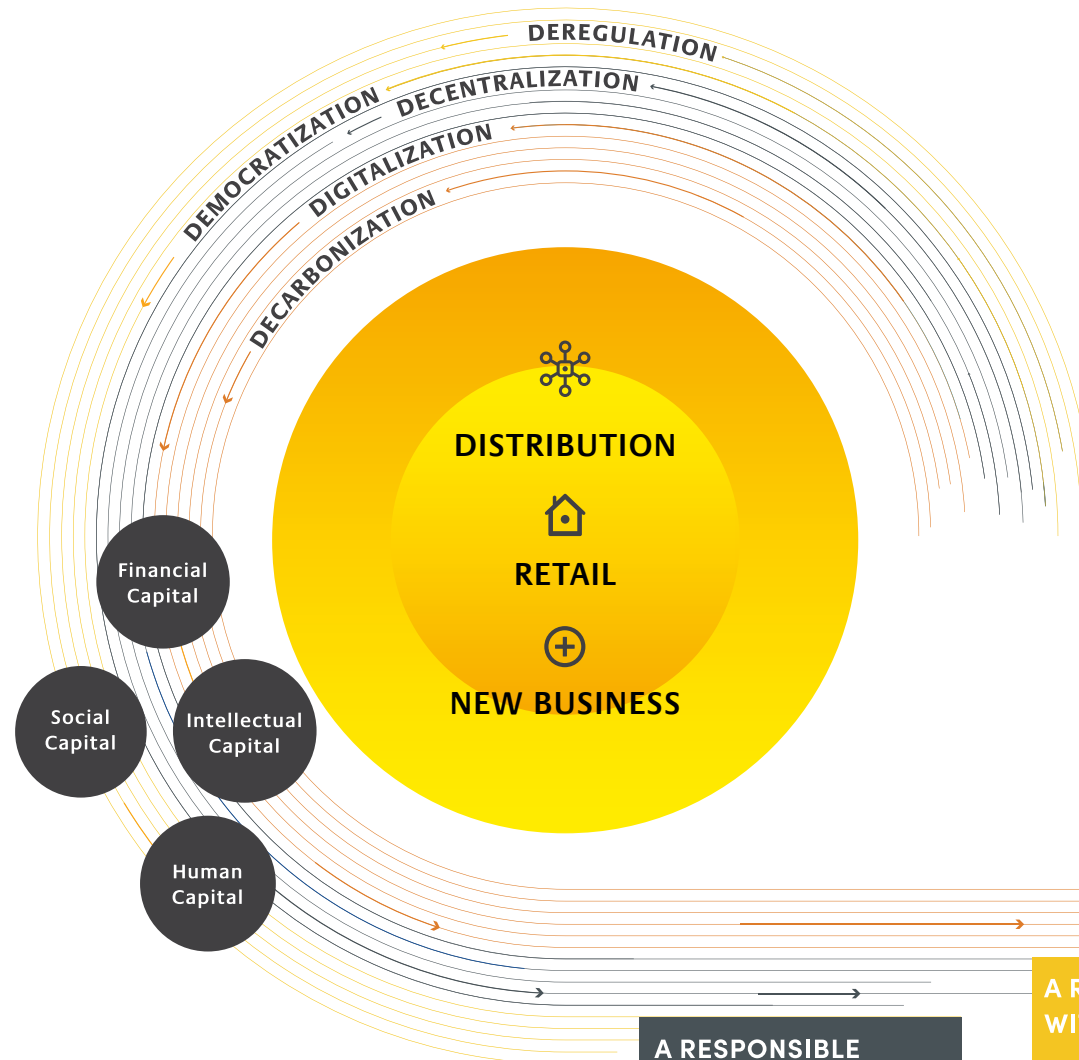
INTEGRATED SUSTAINABILITY AND MANAGEMENT



Energy is life.
Energy is progress.
Our future is energy.

TOGETHER WE ARE GOING TO BE THE ENERGY COMPANY...

- that stands for a climate-conscious community of unlimited possibilities
- the energy company that supplies energy for the digital age and digitizes energy
- the energy company that enables people to produce their energy anywhere
- the energy company that revolutionizes the availability of energy



**A RESPONSIBLE
PUBLIC SERVICE**
Stakeholder Management
Customer Centricity
Social Responsibility

**A ROLE MODEL
WITHIN THE SECTOR**
Corporate Governance &
Risk Management
Occupational Health and Safety
Environmental Impact

**PREPARING FOR THE
NEW ENERGY WORLD**

Talent Management
Innovation for the Future Energy

SUSTAINABILITY GOVERNANCE STRUCTURE

To manage sustainability strategically we established an organizational structure comprising of **Board of Directors**, **Sustainability Committee** and **Sustainability Working Group**.



The Enerjisa Enerji Board of Directors defines sustainability strategy and has overall responsibility for sustainability performance. The Sustainability Committee comprising of Executive Leadership Team, oversees the sustainability practices across the Company and informs the Board of Directors about important sustainability initiatives, developments and key performance indicators (KPI) on a quarterly basis.

Sustainability Working Group is led by the Investor Relations department and comprises representatives from all key business functions and units. Investor Relations department leads the sustainability efforts of the Company, coordinates the planning and implementation of the sustainability initiatives, monitors progress, collects and reports sustainability data, conducts materiality analysis and ensures compliance with sustainability

indexes' reporting requirements. In this respect, Investor Relations department sets regular Sustainability Working Group meetings throughout the year in line with all of these efforts. In 2019 Sustainability Working Group has met 4 times with the following key agenda items:

1. Internal Sustainability Reporting Methodology and Integration of Sustainability Priorities with Corporate Strategy
2. New Environmental Policy and Environmental Management System Introduction
3. Sustainability Strategy Benchmark Analysis

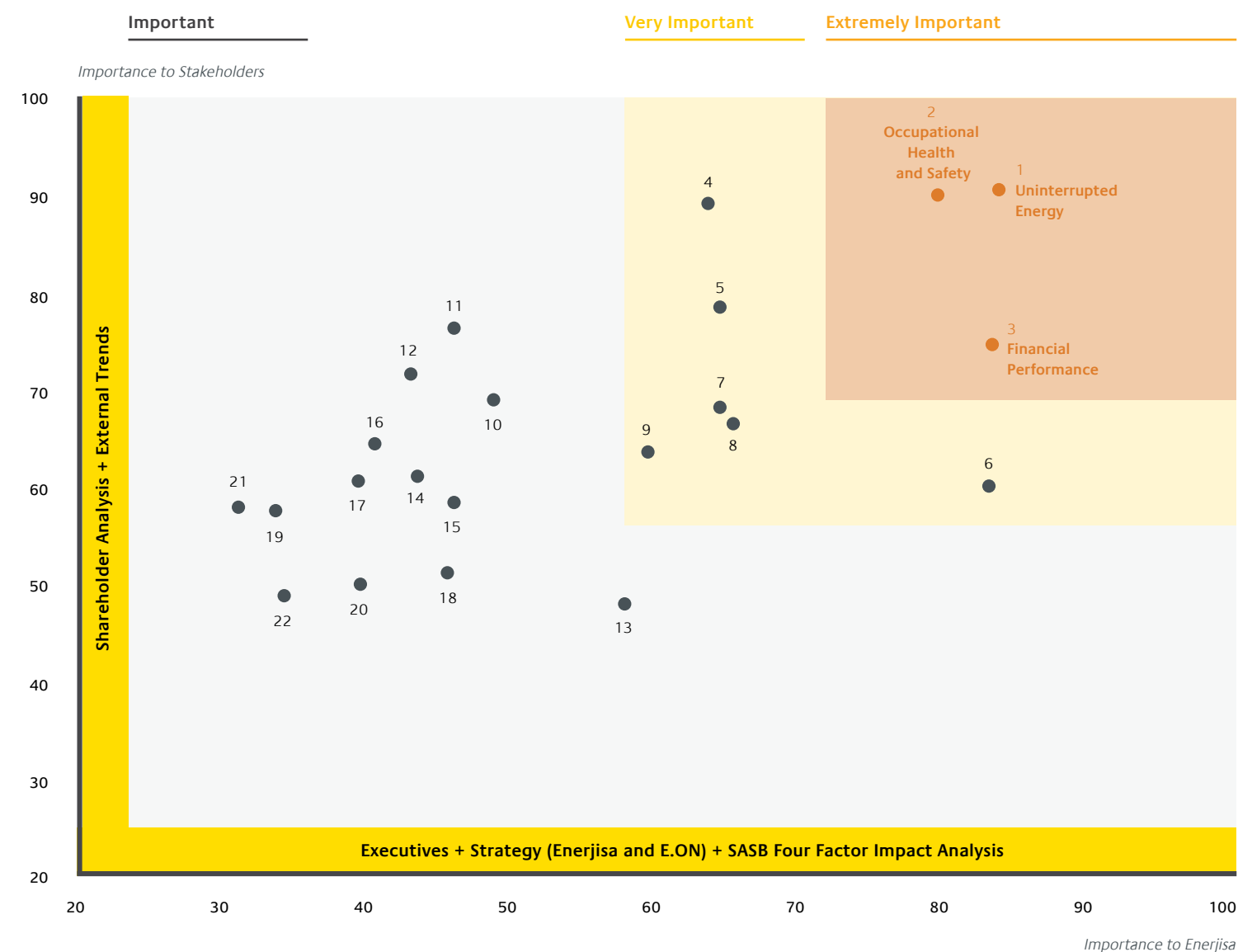
MATERIAL ISSUES

We revised last year's materiality analysis and assessed the issues we could manage together. We redefined the scopes of our two extremely important issues, **Uninterrupted Energy** and **Risk Management and Security in Energy Supply** and merged them under one heading to manage them in the most efficient manner. Additionally, we brought **Stakeholder Management** and **Collaboration** under the heading of Stakeholder Management.

WHAT WE DID IN 2018?

We identified material areas that will guide our sustainability investments through a participatory stakeholder analysis and in accordance with the AA1000 AccountAbility Stakeholder Engagement Standard. We collected both the expectations of Enerjisa employees and the insights of our external stakeholders, including international organizations, financial institutions, affiliates, business partners and public institutions. We received responses from 51% of stakeholders. We also assessed the external trends of the energy and distribution/ retail sector and considered the global risks outlined by the World Economic Forum, insights that will define the future of the electricity industry, industry-specific material issues defined by Sustainability Accounting Standards Board (SASB) and Sustainable Development Goals.

While evaluating the priority of each area for Enerjisa, we addressed the strategy and targets of Enerjisa Enerji together with the strategies of its main shareholders, Sabancı Holding and E.ON and asked the opinions of the senior management, consisting of Enerjisa Enerji A.Ş. Leadership Team members. In addition, we used four factor impact analysis methodology of SASB. We evaluated significant risks and opportunities concerning finance, law, innovation and competition.



1. Uninterrupted Energy

2. Occupational Health and Safety

3. Financial Performance

4. Accessible Energy

5. Smart Technologies

6. Customer Satisfaction and Customer Orientation

7. Mobile Solutions

8. Talent Management

9. Stakeholder Management

10. Electricity Theft & Loss

11. Climate Change and Carbon Management

12. Ethics and Transparency

13. Data Security

14. Countering Bribery and Corruption

15. Supporting Local Development

16. Employee and Human Rights

17. Waste Management

18. Employee Satisfaction and Loyalty

19. Water Management

20. Transparency in Energy Pricing

21. Gender Equality

22. Biodiversity



MATERIAL ISSUES

LEVEL OF IMPORTANCE

MATERIAL ISSUES

HOW WE MANAGE SUSTAINABILITY ISSUES?

SUSTAINABLE DEVELOPMENT GOALS AND THEIR RELATIONS

RELEVANT SECTION

The level of priority in areas where the strategic perspectives of stakeholders and Enerjisa Enerji overlap.












Common priorities of stakeholders and Enerjisa Enerji.

Enerjisa's approach to these issues and its activities in this regard.

Sustainable Development Goals, to which Enerjisa directly and indirectly contributed. All issues managed with strategic priorities contribute to the topics followed by the global agenda.

Shows the Report section that details high priority and very high priority areas and expresses their relevance to our strategic approach.



LEVEL OF IMPORTANCE <i>The level of priority in areas where the strategic perspectives of stakeholders and Enerjisa Enerji overlap.</i>	ISSUES <i>Common priorities of stakeholders and Enerjisa Enerji.</i>	HOW WE MANAGE SUSTAINABILITY ISSUES <i>Enerjisa Enerji's approach to these issues and its activities in this regard.</i>	SDGs AND THEIR RELATIONS <i>Sustainable Development Goals to which Enerjisa Enerji has directly and indirectly contributed. All issues managed with strategic priorities contribute to the topics followed by the Global Agenda.</i>	RELEVANT SECTION <i>Shows the Report section that details high priority and very high priority areas and expresses their relevance to our strategic approach.</i>
Very High Priority Areas	Uninterrupted Energy	Continuous energy supply is at the heart of our business. Any problem that may arise during the supply of electricity poses an important risk for our business and directly affects the lives of our customers. To be able to provide uninterrupted energy, we focus on the following key aspects: Grid Investments: To ensure continuity of energy supply, we continuously make grid investments to improve the technical quality and expand the network. New connection requirements, as well as the demand through the primary use of the renewable energy sources connected to the distribution network are the main sources of the network expansion requirements. Risk Management: We make risk assessments to avoid problems that may potentially disturb the energy supply, such as safety issues at transformers. New Technologies and Innovative Practices: We utilize digitalization and innovative technologies to develop projects and applications for uninterrupted energy, network quality and sustainability of the energy supply. Storage Systems: Uninterrupted solar and wind energy supply depends on the intermediate storage systems. We are working to establish storage systems in our distribution network that will serve various purposes with varying structures and capacities. We will ensure that they remain relevant for their operational purposes.	  	We provide an uninterrupted energy supply with a customer-oriented approach. We benefit from digitalization and will implement future technologies to prevent any problems that may arise in the electricity supply. Our management strategies for this issue, particularly regarding grid investments, new technologies, innovative products and services and our approach from a risk-opportunity perspective, can be found in the <i>Responsible Public Service, Preparing for the New Energy World</i> and <i>Corporate Governance</i> sections.
	Occupational Health and Safety	Electricity delivery to end users poses high risks with regard to Occupational Health and Safety (OHS). Therefore, we consider OHS management a natural and essential component of our business and take measures to identify the factors that may lead to accidents. We promote our OHS culture among employees as well as contractors and business partners. We also ensure that all our equipment and processes comply with the international standards.		We consider OHS as an integral part of our business. You can find our OHS performance, which we continuously improve, in the section <i>Occupational Health and Safety</i> section of <i>Role Model Within the Sector</i> .
	Financial Performance	A strong financial structure and performance are essential for us to implement our strategic priorities. We achieve financial sustainability by setting medium and long-term goals, creating value for our investors and shareholders.		As a sector-leading company, we strive to make our strong financial performance sustainable. You can find the economic value we create in the <i>Company Profile</i> section.
High Priority Areas	Accessible Energy	In parallel with the growing population and demand for electricity, we increase our delivery quantities by strengthening our electricity infrastructure. We strive to ensure that all segments of society benefit from energy. Therefore, we deliver electricity to every point in our distribution regions. To meet each new demand, we have expanded our distribution network and retail services across the country.		You can find our works regarding access to electricity across Turkey in the <i>Company Profile</i> and <i>Responsible Public Service</i> sections.
	Smart Technologies	Digital transformation and technologies are some of our most important strategic steps. We established a Digital Transformation Office to benefit from leading smart technologies, such as augmented reality, artificial intelligence, block chain and chat-bots. We carry out significant modernization and improvement works, particularly in our distribution networks, thanks to our investments in smart technologies. We are also among the stakeholders of the Turkey Smart Grids 2023 Vision and Strategy Roadmap.		You can find the improvements we have achieved through smart technologies in the <i>Responsible Public Service</i> and <i>Preparing for the New Energy World</i> sections.
	Customer Orientation and Customer Satisfaction	Building a customer-oriented culture and satisfying customer needs has become increasingly important with the advancement of technology and increasing customer expectations. On top of that, people can now freely choose their supplier in the electricity retail industry. We therefore aim to offer the best services to our customers by continuously improving our products and services. Through our customer-oriented approach, we are developing exclusive services and products to ensure that we utilize cutting-edge technologies and keep up with the increasingly digitalized world.		You can learn more about our efforts to boost customer satisfaction in the section <i>Customer Centricity</i> section of <i>Responsible Public Service</i> .
	Mobile Solutions	We are contributing to new applications that stand out in the energy sector, such as energy storage systems, electric transportation and charging infrastructure. We are closely following the innovations in electric vehicle charging stations, electricity storage systems and other systems that help consumers produce their own electricity.		You can find the products and services we develop for innovative business areas in the <i>Innovation for Future Energy</i> section of <i>Preparing for the New Energy World</i> .
	Talent Management	Together with our employees, we resolve to create the energy sector of the future. All of our employees receive the opportunity to discover, understand and appreciate themselves and to use their skills in the most accurate and efficient way in support of their self-actualization. At Enerjisa, we strive to bring in fresh talent and to help our existing qualified employees further develop in their careers.		You can find the talent management programs we have developed to attract and retain talents at Enerjisa in the <i>Preparing for the New Energy World</i> section.
	Stakeholder Management	As a publicly listed company, it is essential to manage the demands and expectations of our stakeholders effectively. We seek the insights of our stakeholders throughout all our processes. We also strive to strengthen our communication with communities in the regions in which we operate. We solidify this communication with various collaborations.		You can find our activities to protect the rights of shareholders in the <i>Corporate Governance</i> section of <i>Role Model Within the Sector</i> . You can find all tools we use for stakeholder management and communication, particularly with customers and public authorities, in the <i>Responsible Public Service</i> section.



The distribution grid is one of the pillars of the economic, cultural and scientific progress of modern society. It is a critical infrastructure, which provides security, stability and comfort to customers as well as industrial competitiveness. Being a Responsible Public Service lies at the core of our Company.

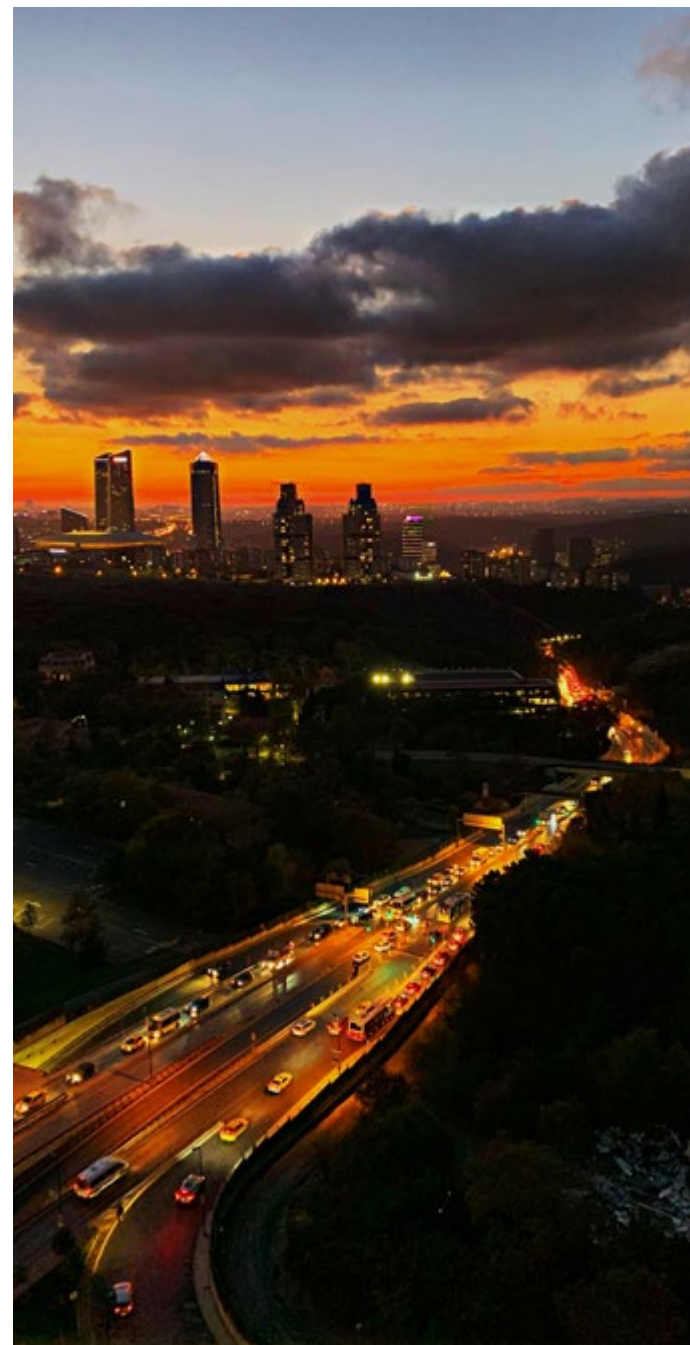
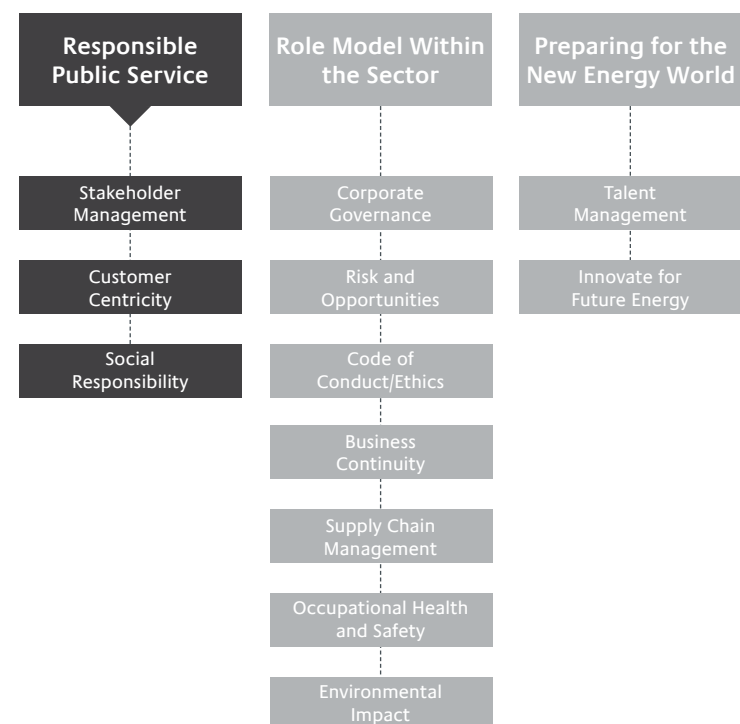


RESPONSIBLE PUBLIC SERVICE

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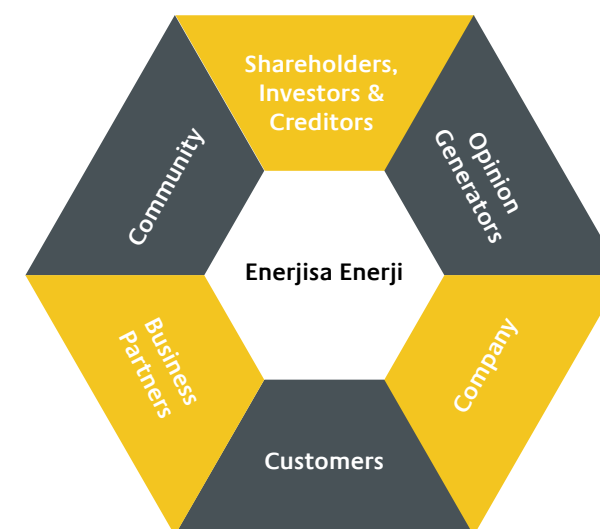
RESPONSIBLE PUBLIC SERVICE

The distribution grid is one of the pillars of the economic, cultural and scientific progress of modern society, given that it brings electricity to all citizens who want to be connected to it without exception or discrimination. It is a critical infrastructure, which provides security, stability, comfort, progress to customers as well as industrial competitiveness. This brings a tremendous responsibility to our Company and being a **Responsible Public Service** lies at the core of our Company. Our long-term business success depends to a large degree on our ability to understand and address our stakeholders' expectations. Equally important is helping our customers, our employees, policymakers and other stakeholders to understand our business activities and their role in propelling the energy transition. This helps us earn stakeholders' trust and maintain our good reputation.



STAKEHOLDER MANAGEMENT

We believe in the importance of open, transparent and honest communication with stakeholders and we care about their opinions and expectations. We map our stakeholders and identify the short and long-term impacts our business has on them. We then determine the best communication platform, method and ideal communication frequency for each stakeholder group and continually seek opportunities to dialogue with each of them to understand their viewpoints. These communication platforms and methods allows us to engage with them in the best way possible.



We have also developed a **Stakeholder Engagement Plan (SEP)** in accordance with the Performance Requirement 10 of the European Bank for Reconstruction and Development (EBRD PR10) on Information Disclosure and Stakeholder Engagement, in the scope of our credit agreements with the bank. SEP is an action plan drawing the framework of the factors that are important for our interaction with stakeholders and sets out paths for engagement. The SEP aims to present a transparent, inclusive and responsive implementation in a cooperative manner in line with the procedures in place. The SEP also provides a framework to be rolled-out to our distribution companies to ensure the effectiveness of stakeholder engagement and grievance resolution practices.

Please click to read [Stakeholder Engagement Plan \(SEP\)](#).



STAKEHOLDER MANAGEMENT

We continuously communicate with our stakeholders, both internal and external, through various channels as outlined in the table.

Shareholders, Investors & Creditors	STAKEHOLDER GROUP	COMMUNICATION METHODS	ISSUES BROUGHT BY STAKEHOLDERS
	Shareholders	<ul style="list-style-type: none">General AssemblyBoard meetingsCommittee meetingsQuarterly investor teleconferencesInvestor Relations websiteWebcasts / PodcastCorporate reports	<ul style="list-style-type: none">Creating valueEnsuring financial sustainabilityManaging sustainability risksAdopting a target-oriented management approachSharing environmental performance transparentlyComplying with the Corporate Governance PrinciplesFluid and transparent dialogue
	Investors	<ul style="list-style-type: none">General AssemblyRoadshowsInvestor conferencesQuarterly investor teleconferencesMeetingsTeleconferences and videoconferencesSurveys (on environmental, social and corporate governance)Investor Relations websiteWebcasts / Podcasts	<ul style="list-style-type: none">Creating valueEnsuring financial sustainabilityEnsuring fair market value for the stockImproving the Company's reputationIncreasing transparencyComplying with the Corporate Governance PrinciplesTracking and improving Environmental, Social and Governance (ESG) performanceEfficiency in the management of enquiries and requests
	Financial Institutions	<ul style="list-style-type: none">MeetingsConferencesTeleconferences and videoconferencesInvestor Relations website	<ul style="list-style-type: none">Ensuring financial sustainabilityIncreasing transparencyImproving the Company's reputationTracking and improving Environmental, Social and Governance (ESG) performanceEfficiency in the management of enquiries and requests
	Credit Rating Agencies	<ul style="list-style-type: none">MeetingsConferencesTeleconferences and video conferencesInvestor Relations website	<ul style="list-style-type: none">Ensuring financial sustainabilityIncreasing transparencyEnsuring fair market value for the stockStrengthening the Company's credibilityEfficiency in the management of enquiries and requests
Opinion Generators	Analysts	<ul style="list-style-type: none">MeetingsTeleconferences and videoconferencesQuarterly investor teleconferencesAnalyst DaysConsensus SurveysInvestor Relations websiteWebcasts / Podcasts	<ul style="list-style-type: none">Ensuring robust, efficient governance and risk managementPromoting financial sustainabilityImproving transparencyAccurately informing the market about the CompanyPreparing assessment reports that reflect Company's fair valueImproving the Company's reputation and reliabilityEfficiency in the management of enquiries and requests
	Press	<ul style="list-style-type: none">Sponsorship and industrial events	<ul style="list-style-type: none">Informing the publicBoosting the Company's reputation and brand value



STAKEHOLDER MANAGEMENT

	STAKEHOLDER GROUP		COMMUNICATION METHODS	ISSUES BROUGHT BY STAKEHOLDERS
Company	Employees		<ul style="list-style-type: none">• IKON & Mobile applications• Intranet• Employee engagement focus groups• Team Leaders information meetings• CEO briefing meetings• Management meetings• Human Resources meetings• Trend Talks• Trainings	<ul style="list-style-type: none">• Stable employment and equal opportunity• Professional development and recognition• Attracting and retaining talents• Increasing employee loyalty• Ensuring Occupational Health and Safety• Freedom of association and dialogue with management• Ethical and responsible business conduct• Broadening the knowledge and skills of employees, primarily blue-collar employees• Investing in smart technologies
	Subsidiaries and Affiliates		<ul style="list-style-type: none">• Meetings• Corporate reports• Participation in technical committees, working groups	<ul style="list-style-type: none">• Promoting leadership in the use of new technologies• Managing sustainability risks• Promoting financial sustainability
Customers	Customers		<ul style="list-style-type: none">• Customer Service Centers• Enerjisa Transaction Centers• Mobile Service Vehicles• Alternative Sales Channels• Call Centers• Digital channels (mobile application, website)• Customer representatives• Social media channels• Satisfaction surveys	<ul style="list-style-type: none">• Developing customer-oriented solutions• Increasing customer satisfaction• Increasing R&D activities• Promoting impartiality and transparency• Ensuring data security• Enabling a continuous supply of energy from renewable energy sources• Offering green products taking into account of sustainability risks and opportunities
Business Partners	Suppliers and Business Partners		<ul style="list-style-type: none">• Meetings and training days• Joint projects	<ul style="list-style-type: none">• Establishing alternative supply infrastructures for uninterrupted energy in distribution regions• Ensuring customer satisfaction and continuous energy supply• Ensuring compliance with contract liabilities• Compliance with Enerjisa OHS, environment and ethics policies
Community	Government Agencies and Regulatory Bodies		<ul style="list-style-type: none">• Meetings• Conferences, sector meetings• Phone calls	<ul style="list-style-type: none">• Improving stakeholder engagement• Promoting financial sustainability• Transparency regarding actions carried out and their impact• Safety and security of facilities and of the electricity supply
	Unions		<ul style="list-style-type: none">• Face-to-face interview	<ul style="list-style-type: none">• Freedom of association
	Non-Governmental Organizations		<ul style="list-style-type: none">• Conferences• Management meetings• Focus groups	<ul style="list-style-type: none">• Ensuring leadership and increasing awareness on energy efficiency, e-mobility, green products• Protection of the natural environment
	International Organizations and Initiatives		<ul style="list-style-type: none">• Joint projects	<ul style="list-style-type: none">• Ensuring leadership and increasing awareness on energy efficiency, e-mobility, green products• Taking part in industrial cooperations
	Universities		<ul style="list-style-type: none">• Joint projects	<ul style="list-style-type: none">• Encouraging stakeholder cooperation• Attracting top talents• R&D studies
	Local Governments		<ul style="list-style-type: none">• WhatsApp Local Authorities (Muhtar) Hotline	<ul style="list-style-type: none">• Improving stakeholder engagement



STAKEHOLDER MANAGEMENT

RELATIONS WITH GOVERNMENTAL BODIES AND LOCAL AUTHORITIES

As a sector-leading company, we are aware that the development of a regulatory framework is necessary to encourage investments, efficiency and quality in an effort to ensure a reliable and cost-effective network infrastructure in Turkey.

Government agencies and regulatory bodies are the primary stakeholders that directly affect our Company. As a sector-leading company, we are aware that the development of a regulatory framework is necessary to encourage investments, efficiency and quality in an effort to ensure a reliable and cost-effective network infrastructure in Turkey. Considering this, our relations with the public are based on the principles of transparency, equality and impartiality, whereas our relations with public institutions are independent of any political view and managed as required by our corporate identity. In this context, we keep in touch regularly with government agencies and regulatory bodies.













We actively participate in the policy debates on the issues that affect us – through lobbying, media interviews with our executives and their appearances as public speakers. We are always keen to offer our expertise voluntarily. In addition, policymakers and regulators frequently invite us to different platforms to benefit from our technical and energy expertise as part of their decision-making processes. These types of advocacy are important because the energy sector is significantly influenced by policy and regulatory decisions.

For example, Enerjisa Chairman is acting as the Chairman of the TÜSIAD Energy Working Group and is a Board Member of IICEC which is an independent Center at Sabancı University that makes energy policy research and gathers key stakeholders involved in energy and climate fields around the world. Enerjisa CEO is acting as the Chairman of EUROGIA2020 which is the EUREKA Cluster for low carbon energy technologies. EUROGIA2020 is a bottom-up, industry driven, market oriented programme which addresses all areas of the energy mix, from renewable energy to efficiency and reduction of carbon footprint of fossil fuels.

As part of the annual **Enerjisa Local Governments Communication Plan**, we pay regular visits to governors, district governors, municipalities and Muhtar (officially elected neighborhood representatives) in our regions. Through our face-to-face interviews, we learn about the expectations and requests of public institutions and we have the opportunity to improve our business processes. Accordingly, we frequently hold meetings with different stakeholders such as municipalities and district governors and primarily with local representatives (Muhtar), in our service areas.

In order to contribute to the activities that carry the sector forward and extend sustainability vision in private sector at the leadership level, we take active part in non-governmental organizations and initiatives.

We become a member of non-governmental organizations to contribute to the activities that carry the sector forward and to spread the vision of sustainability in the business world at the leadership level. These organizations include:

Member Organizations	
Association of Distribution System Operators – ELDER	
Turkish Industry and Business Association – TÜSIAD	
The United Nations Global Compact – UNGC	
International Investors Association – YASED	
Solar Energy Investors Association – GÜYAD	
Turkey Cogeneration Association – TÜRKOTED	
Business Council for Sustainable Development Turkey – SKD Turkey	
Turkish Investor Relations Society – TÜYİD	
The Corporate Governance Association of Turkey – TKYD	
Turkey Ethic and Reputation Association – TEİD	
EUROGIA2020	
Women's Technology Empowerment Centre – WTEC	

CUSTOMER CENTRICITY

We provide electricity to one in four people in 14 provinces across Turkey.

Enerjisa Enerji is Turkey's largest electricity distribution and retail company in a regulated sector. As of December 31, 2019, we had 11.2 million distribution network connections accounting for approximately 26% of all distribution network connections in Turkey and 9.9 million customers representing approximately 22% of the retail electricity market. We are established in 14 provinces over three distribution regions and we provide energy to one in four people in Turkey through our retail sales operations. Our customer base and the amount of energy we distribute soared due to increasing population and urbanization. We prioritize providing approximately 10 million customers in Turkey with uninterrupted energy by adopting a customer-oriented approach and operational excellence in our business model. In this context, we measure customer satisfaction with the best applications and manage all business and product development processes to meet all our customers' demands and expectations.

CUSTOMER SATISFACTION AND FOCUS

We continuously improve to meet our customers' ever-changing expectations and needs. We offer the best services and create new applications and make new investments in line with our customer-oriented approach.

Our customer satisfaction and communication efforts reflect our internal policies and international standards. We provide services at international standards in accordance with the **ISO 10002 Customer Satisfaction Standard**. We provide training to enable our employees to respond to customer expectations in the most efficient way. In 2019, 300 employees had customer satisfaction training.

One of our key priorities is to optimize customer experience. We strive to ensure that a customer focused culture is adopted by all our operational units to advance the quality of service we provide to our customers.



OUR APPROACH FOR INCREASING CUSTOMER SATISFACTION

WE UNDERSTAND THE CUSTOMER

WE FORESEE CUSTOMER NEEDS

WE DEVELOP REQUEST MANAGEMENT

WE MEASURE AND ENSURE CUSTOMER SATISFACTION

Please click to read the [Customer Satisfaction Policy](#).

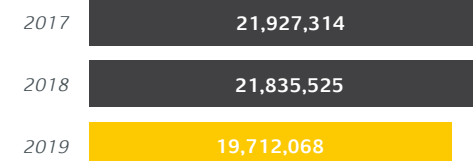
DISTRIBUTION

While our distribution companies continue their operations by offering new services to customers and investing in the field of customer experience, they keep improving their operational processes in line with the quality and sustainability principles.

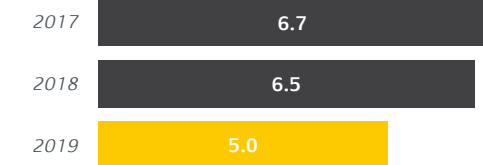
We prioritize the diversification of customer communication channels that provide one-to-one contact with the customers in light of today's needs. We continue our intense operations by responding and resolving customer queries and complaints through these channels promptly. Accordingly, customers can send us their requests and feedback using traditional communication channels such as petition, email, registered electronic email (KEP), telephone and internet, as well as our mobile application Mobile 186, Twitter support accounts, corporate Facebook accounts, corporate şikayetvar.com account and WhatsApp Muhtar Support Line. The information shared through these channels is logged and shared with the operational units in accordance with the Company's customer experience principles. Feedback received from operational units is transmitted back to customers using their feedback channel of choice. In 2019, we resolved all feedback received through the various channels.

Boasting its nearly 800 staff size, Enerjisa Enerji's distribution call center represents an important channel for our Company. Enerjisa Enerji received 19.7 million calls through its call center in 2019. The respond rate of the received call was 97.5% and the service level value was 90.4%. Consequently, our Call Center performed well above the sector average.

RESPOND NUMBERS OF THE RECEIVED CALLS



CALL CENTER RESPONSE SPEED (sec)



We actualized numerous new projects to improve our call center services.

- **360 CRM Screens Project:** A more user-friendly, practical and concise interface (other than the SAP CRM interface) was designed for the Distribution Call Center employees. Using this interface, customer representatives can view basic information about their customers in one shot and access detailed information when necessary. We aim to improve customer and customer representative satisfaction and therefore, see an increase in efficiency.
- **Autodialer:** This project enables the switchboard to automatically dial and connect any external call that was manually made by a Call Center employee. Within the scope of the project, external calls are made using the Autodialer technology and the call is automatically transferred to the relevant representative once the customer has answered the phone. In 2019, we made 8.7 million calls via Autodialer.
- **IVR Optimization:** This project enables the system to recognize the customers who call the 186 Call Center and uses the interactive voice response (IVR) system to read back the available information about any planned outages in their region. This way, customers can meet their needs over IVR without being connected to a Call Center Representative.

CUSTOMER CENTRICITY

RETAIL

We strive to offer the best customer experience with 41 Enerjisa Customer Service Centers, 81 Enerjisa Transaction Centers and 12 Mobile Service Vehicles in 3 regions. We processed 2.5 million transactions at these centers in 2019.

While diversifying our channel and service offerings to provide the best customer experience, we also aim to use our resources in the most efficient manner. In this respect, we continuously review and improve our processes. In 2019, we strengthened our channel structure and expanded both the product range and the service network. Our sales channels are shown below:

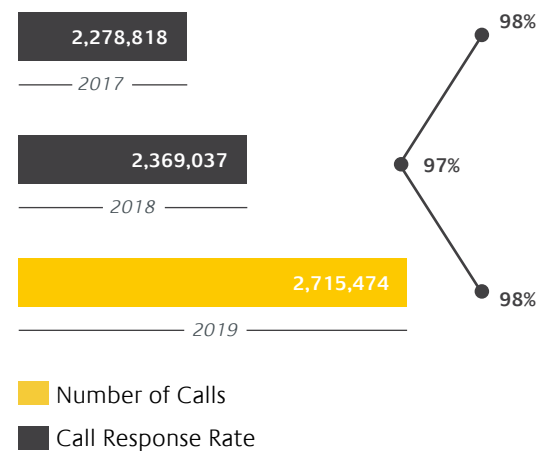
Residential and Commercial	Physical Sales Channels	<ul style="list-style-type: none">• 41 CSCs• 81 ETCs• These channels provide solutions for subscription, termination and transfer transactions of residential and commercial customers and respond to applications and requests.
	Digital Sales Channels	<ul style="list-style-type: none">• Subscription and termination transactions completed by telephone• Invoice viewing• Application/request tracking
	Call Center	<ul style="list-style-type: none">• Contract transactions• Billing• Eligible customer transactions• Information updates• Appointments• Technical support
Corporate	Medium-Sized Customers	<ul style="list-style-type: none">• Electricity sales• Customer-specific solutions• VIP support line• Personalized services
	Large-Scale Customers	<ul style="list-style-type: none">• Reactive energy service
	Sophisticated Scale Customers	<ul style="list-style-type: none">• Energy efficiency• On-site production• Energy monitoring service – Energy IoT Platform



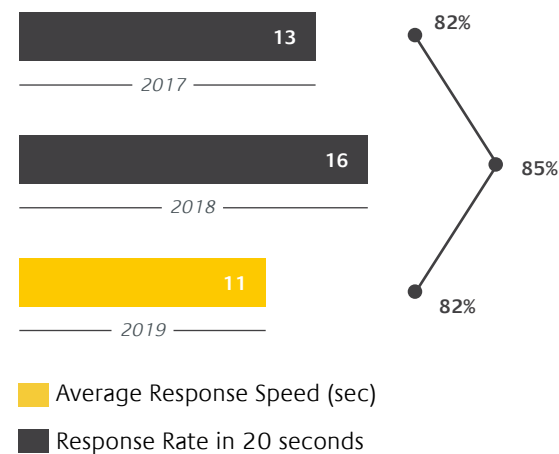
CUSTOMER CENTRICITY

Boasting its nearly 150 staff size, Enerjisa Enerji's retail call center represents an important channel for our Company. The Call Center received a total of 4,359,308 calls in 2019, 38% of which were handled by the voice response system and 98% of the 2,715,474 queued-up calls were answered. The average response time was 11 seconds. The most frequently received calls were about billing (36%), followed by subscriptions (30%).

NUMBER OF CALLS AND RESPONSE RATE (%)



CALL RESPONSE SPEED (sec)

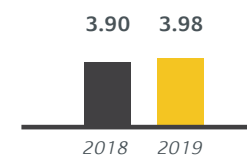


CUSTOMER SATISFACTION

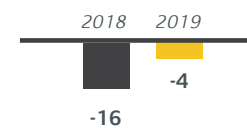
We increased both our customer satisfaction and net promoter scores compared to the previous year.

We measure customer satisfaction regularly. The results of the monthly qualitative Customer Satisfaction Survey (CSAT) and Net Promoter Score (NPS) are shared with all stakeholders through the Customer Experience Committee, which includes the Company's senior management. In 2019, we reached out to more than 42,000 customers via our monthly surveys. Thanks to the end-to-end customer satisfaction model we launched in 2018, we managed to measure real-time customer satisfaction at 36 points where customers meet Enerjisa. We reached out to 3,500 customers on average in a month. We analyze the results, prioritize issues by importance and create projects to improve our customer service processes.

CSAT (Over 5)



NPS (-100 to +100)



CONTINUOUS ENERGY SUPPLY

We must achieve supply continuity in the most efficient way to provide our customers with uninterrupted energy and improve customer satisfaction. To do so, we regularly monitor the statistics relating to power outages. Previously, the System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI) were calculated manually. Since 2017, they have been calculated automatically via the fault logging and management system.

We established the new Outage Management System (OMS) in Ayedaş and Başkent at the end of 2018 and in Toroslar in the first quarter of 2019. Before the system implementation, SAIDI and SAIFI were calculated with the inputs provided by employees in the field from their tablet screens. With OMS, we have integrated the remote monitoring systems (OSOS, SCADA) into the outage management system. Thus, certain interruption data is now saved through these systems. In the first quarter of 2019, we have completed the installation of 3,000 modems in 3 regions, which will transmit only information regarding interruption. This allowed us to follow up and record the interruption more closely. At the first stage, an increase in SAIDI and SAIFI was recorded as the measurement is improved. But on other hand, they enabled the maintenance to be carried out more efficiently since we could record the place of the interruption correctly with the improvements.

We also aim to increase the workforce of maintenance every year. As the spare lines are very limited in Turkey, we need to cut electricity during maintenance and repair works as well. Although this increases the SAIDI and SAIFI values, we are working for a more robust and resilient network for the following years.





CUSTOMER CENTRICITY

CUSTOMER ORIENTED PROJECTS

In 2019, we carried out various innovative projects to increase customer satisfaction.

Customer Satisfaction Measurement System

We established a measurement system to measure and monitor customer satisfaction throughout Enerjisa Enerji's customer journeys at all contact points. We currently measure customer satisfaction at 36 points and are planning new projects to increase these satisfaction levels.

Digital Dashboard

We track the metrics affecting the customer experience on a single platform. We made it easier to share the critical values with relevant employees so that a quick action can be taken when necessary.

RPA

Through a robotic process, we automated the evaluation steps of the customer claims relating to damages.

Portable Vehicle Track System

With this project, we developed a portable vehicle track system for field vehicles to help us easily address the issues regarding distribution operations in the regions that have extreme winter conditions.

Customer Experience Analytics

We started working on analytical models using 100 operational data sets to understand the driving reasons behind the CSAT and NPS scores and predict how customers will evaluate the Company in the future.

Customer Focus Project

We develop training programs and projects to improve the customer-oriented perspective of customer-facing employees. In 2019, approximately 300 employees, predominantly those who are in direct contact with the customer, participated in the training programs titled Customer Experience, Customer Focus and Understanding Your Customer. 50 people selected within the scope of Experience Ambassadors project shared their brief customer experiences with approximately 600 employees working at their locations.

En Portal

For the first time, we have directly delivered announcements, training, exams and surveys to the Enerjisa Transaction Centers (ETCs) with this platform, which was built to communicate directly with the field and to improve brand loyalty.

Disconnection-Reconnection SMS

We notify the customer via SMS after the power has been disconnected or reconnected.

Digital Subscription Project

With this project, we aim to easily and quickly complete the subscription and termination transactions of our customers through web and mobile app channels. This way, we save time and workload in the processes through digitalization and provide our customers with the ease of completing their transactions without resorting to physical channels.

Service Design Strategy Project

We launched initiatives to determine the service design strategy for our customers whose needs and expectations change with technological and demographic trends. Customer visits planned in this context were completed in 2019.

Service Strategy-Outage Journey

We developed different strategies based on customer groups and channels by conducting customer research and data analytics. For the project, we first examined the disconnection-outage journey.

The Repeated Project

We aim to analyze repeated customer requests. Within the scope of this project, we detect repetitions in verbal, written and digital requests. Additionally, we calculate the first-contact resolution rate and analyze customers' request journey.

E-Government Gateway Subscription and Termination

We have made improvements to this channel and moved it to the live system to allow our customers to send their subscription and termination requests over the e-government channel. The customers can now actively submit their applications for subscription and termination using this channel.

Document Printing and Postal Service

We delegate the printing of written Customer Relations requests to other firms and ensure that they are posted to customers.

Online Appointment System (OREO)

Our customers can make appointments online before visiting the physical channels and change or cancel their existing appointments, if necessary.

Envision

With this application, customer requests through petition can be written electronically and signed with an e-signature. In 2019, approximately 319,000 customers used Envision to send their requests or sign a document.

CUSTOMER INFORMATION SECURITY

As the digital data becomes more widespread and our customer base and the amount of energy we provide increases, we must enable confidentiality and security to manage the larger amount of customer data.

We protect the data of millions of customers in the regions we operate in line with legal regulations, internal policies and international standards. In 2019, we renewed the **ISO 27001 Information Security Management System** certificate. We have also established a Personal Data Protection Committee, which ensures the full compliance of our operations with the Law on the Protection of Personal Data (LPPD). We provide our employees with training on the LPPD and data security. In 2019 while 2,709 employees benefitted from LPPD training of 2.458 hours. 266 employees received data security training of 470 hours. If the customer requests it, we can mask their personal data via the CRM application used in our call center.

All notifications about the policy are delivered to our customers through call centers, websites and through announcements and disclosures at company buildings and operation centers. We have created individual customer confidentiality policies for each of our distribution regions.



Please click to read the [AYEDAŞ Customer Confidentiality Policy](#).

Please click to read the [Toroslar EDAŞ Customer Confidentiality Policy](#).

Please click to read the [Başkent EDAŞ Customer Confidentiality Policy](#)

SOCIAL RESPONSIBILITY

As Enerjisa Enerji, we are carrying the responsibility of being a public service provider. At the core of our business we aim to provide the best service to the society, in addition to that with our ambition to improve our **Environmental, Social and Governance** performance, we give high importance to create value to society with our social responsibility contributions as well. We are carrying out our social responsibility both by voluntary contributions from our employees, as well as direct financial support.



I PROTECT THE WORLD'S ENERGY



SINCE 2010, WE HAVE PROVIDED
TRAINING TO MORE THAN
250,000 STUDENTS FROM
580 SCHOOLS IN 14 PROVINCES
AND OVER 380 ENERJİSA
ENERJİ EMPLOYEES HAVE
PARTICIPATED IN THE
PROJECT.

VOLUNTARY CONTRIBUTIONS

- **I Protect the World's Energy:** As Enerjisa, we value operations that will add value to society and cultivate conscious awareness of energy saving, spread that concept among the public and children, who are the ambassadors of our future. In this respect, we conducted a social responsibility project **I Protect the World's Energy** to create awareness for energy efficiency by signing a protocol with the Ministry of National Education in 2010. We reached out to 6,100 children and provided them with energy efficiency training in 2019. Since the beginning of the project, we have provided training to more than 250,000 students from 580 schools in 14 provinces and over 380 Enerjisa Enerji employees have participated voluntarily in the project.
- **Vocational Training Collaboration Agreement:** Under the scope of the agreement signed with the Ministry of National Education at the end of 2017, we started giving basic sectoral training to more than 1,000 vocational high school/ academy students at Enerjisa Enerji's technical and mobile training centers.

FINANCIAL SUPPORT

- **Donations:** We keep supporting our society with our donations as well. Every year we donate to Sabancı Foundation which shares the industrial and economic strength of the Sabancı Group, by improving the society socially and culturally. In 2019 we made TL 10,441,985 of to Sabancı Foundation, which is mainly used for education and cultural projects in Turkey.
- **Sponsorships:** In addition, we sponsor projects that add value and unite stakeholders from Turkey and across the world to share their opinions about various subjects, such as digitalization, innovation and energy efficiency in the sector. In this regard, we have provided a financial support of approximately TL 1 million and sponsored Turkey Energy and Natural Resources Summit, Turkey Energy Summit and Financial Times Digital Energy Summit in 2019.



We aim to develop sector-leading practices and perform our operations with an exemplary attitude. We manage our company ethically, responsibly and transparently. Our priorities include providing our employees with a safe working environment and monitoring the environmental impacts of our operations.



ROLE MODEL WITHIN THE SECTOR

- Kastamonu

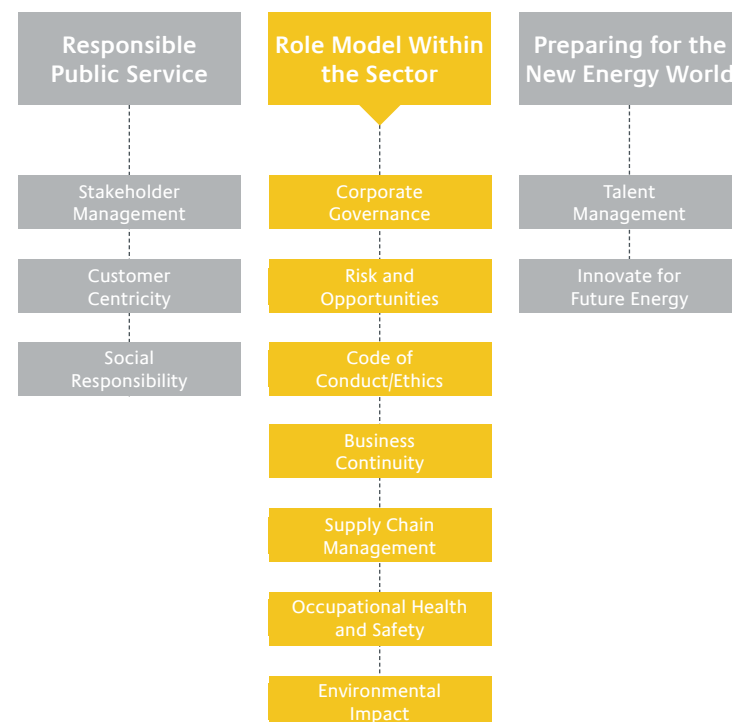
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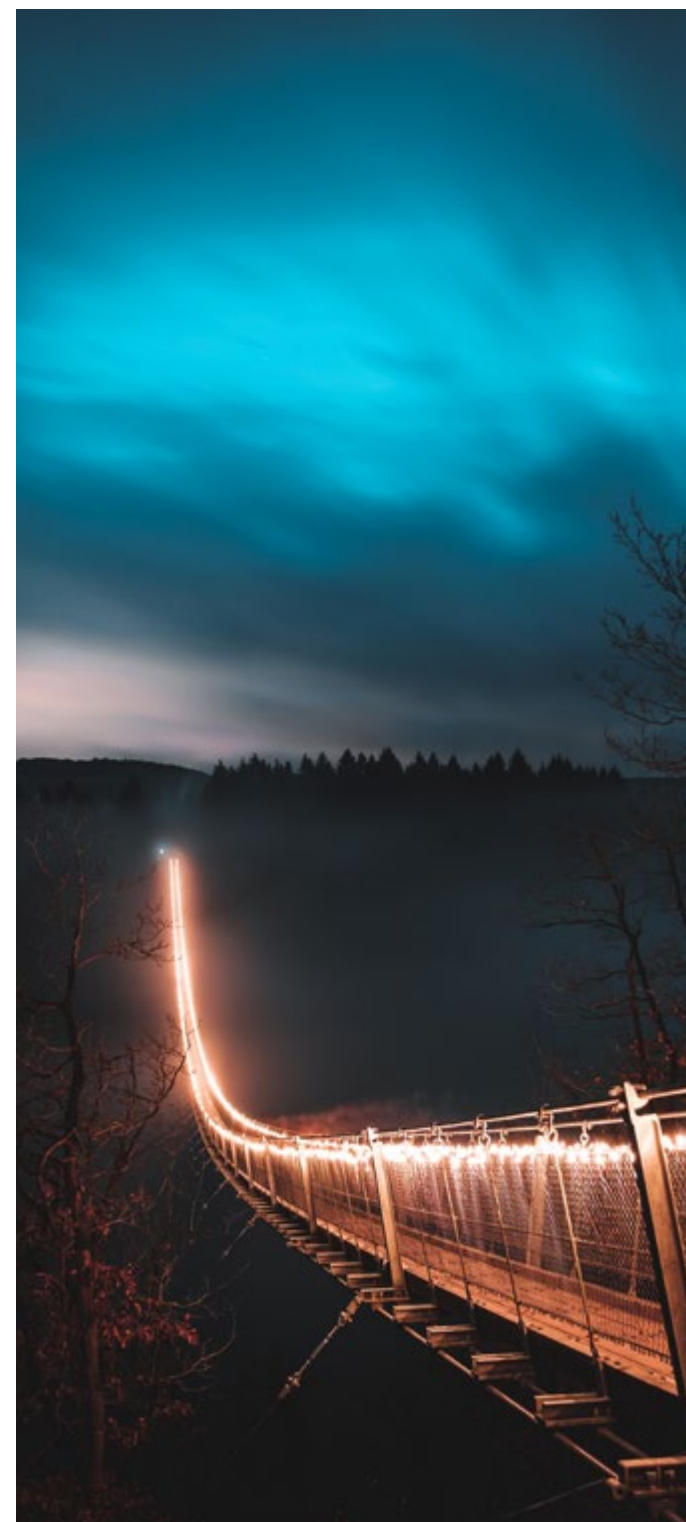
ROLE MODEL WITHIN THE SECTOR

As the pacesetter in the energy sector, we view corporate governance and compliance as an absolute must. We can only be successful over the long term if we manage our company ethically, responsibly and transparently. Our priorities include providing our employees with a safe working environment and monitoring the environmental effects of our operations.

At Enerjisa Enerji, we aim to develop sector-leading practices and perform our operations with an exemplary attitude. We are a pacesetter in **Corporate Governance** and **Risk Management**, **Operational Health and Safety** and **Environmental Impact** in the energy sector and we are following the global trends to improve our Environmental, Social and Governance (ESG) performance further.



CORPORATE GOVERNANCE



Corporate governance refers to the way we manage, monitor and control our Company and its operations. Our corporate governance structure relying on transparency, accountability and responsibility principles ensures us to operate within the specific standards.

Following our successful public offering in 2018, we focused on corporate sustainability to develop a strategic and holistic approach regarding economic, environmental and social factors to create long-term value. In 2019, by receiving our first Corporate Governance rating, we have certified that we are in significant compliance with the Corporate Governance Principles issued by the Capital Markets Board and that we have established a transparent and open communication by acting with a sense of responsibility towards all our stakeholders and society. Our Corporate Governance Rating was determined as 9.45 out of 10. Thus, we became one of the companies with the highest corporate governance rating and Enerjisa Enerji was included in the BIST Corporate Governance Index as well. We strengthen our compliance with corporate governance principles and share developments transparently through our annual *Corporate Governance Principles Compliance Report*.

➔ You can read the *Corporate Governance Rating Report* to receive detailed information about our performance.

Following the public offering, we established the Investor Relations Department in 2018 to manage and strengthen our relationships with shareholders. This department plays an active role in protecting and facilitating the exercise of shareholders' rights, in particular the right to obtain and review information and ensures continuous communication between the management and the shareholders.

The highest management body, the Board of Directors, has eight members, including two independent board members. Female members constitute one-quarter of the Board. The Chairman and CEO positions are held by different people. The Internal Audit Committee, the Early Risk Detection Committee, the Corporate Governance Committee and the Sustainability Committee operate under the Board of Directors.

In line with our vision and mission, we continuously review and update the business processes that we identified through a comprehensive Process Model. To increase the effectiveness of our corporate governance, we determine and monitor performance indicators, risks and opportunities under the leadership of process owners and implement necessary improvements.



RISK AND OPPORTUNITIES

Both financial and non-financial risks, such as climate crisis, changing sector dynamics, regulations, public policies and tariffs and retaining talents in human resources affect the electricity distribution sector. We map these risks in order to manage them by identifying the level of influence. This structure has three phases: defining, evaluating and categorizing the risks. With this system, we ensure transparency and influence decision-making processes with regular reporting.

All risks and opportunities are identified through a detailed assessment process. For each risk and opportunity, best, base and worst cases are simulated with their probability of occurrences. Correlations are considered during consolidation of risk and opportunity impacts. For the risks that are not easy to quantify, impact and occurrence levels are defined based on alternative approaches and prioritized accordingly. These assessments form the basis of the Enerjisa Risks and Opportunities reporting, which is presented to top management as well as to the Enerjisa Early Risk Detection Committee.

The Enerjisa Board delegates the monitoring of risks to the Early Risk Detection Committee. Members to the committee are selected board members as well as the Enerjisa CFO. Aside from receiving regular Risks and Opportunities reports, each meeting agenda includes an in-depth review of a prioritized topic. The Early Risk Detection Committee is chaired by an independent board member and reports directly to the Enerjisa Board. You can reach the [Working Principles of the Early Risk Detection Committee from here](#).

Based on their sources, we classify risks and opportunities into five main categories: Regulatory risks and opportunities, market risks and opportunities, credit risks and opportunities, liquidity risks and operational risks. For each risk and opportunity, best and worst cases are simulated with their probability. The risks that cannot be expressed in numerical terms, but can cause negative outcomes in the Company's strategic and operational activities are regarded as qualitative risks. These risks are monitored and prioritized according to their potential impact levels and recorded with risk-reducing practices. Quantifiable risks that have financial impact are reported after sensitivity analysis.

	TYPE OF RISK	DEFINITION OF RISK	RISK MANAGEMENT
Financial Risks	Regulation Risks and Opportunities	The electricity distribution and retail businesses are regulated under the supervision of the Energy Market Regulatory Authority (EMRA) and are governed by the Electricity Market Law and relevant secondary regulations. The EMRA determines the items of the National Tariff for each tariff period. As majority of the Company's revenues is generated from our electricity distribution operations and retail sales, which are both subject to regulated tariffs set by the EMRA, changes to these tariff components constitute a significant deviation from the Company's plans. Additionally, the regulations issued by the EMRA impose organizational and operational restrictions and requirements with respect to our electricity distribution and retail sales operations. These requirements and restrictions are audited by regulatory authorities. Any non-compliance detected during these audits may have an adverse effect on financial and operational plans.	We regularly consult with sector players to monitor regulatory risks and opportunities. Additionally, we, as the market leader, actively seek discussion with all market players through transparent reports and systematic projects.
	Market Risks and Opportunities	Our Company is affected by fluctuating interest rates because of our financial debts and by exchange rate fluctuations because of the Renewable Energy Resources Support Mechanism (RERSM). Additionally, our retail sales operations are likely to be influenced by over-the-counter price and volume fluctuations in commodity markets due to our sourcing strategy and by other fluctuations in commodity prices due to our raw material procurement for the distribution business.	We regularly discuss hedging strategies and their effectiveness in finance and commodity committees.
	Credit Risks and Opportunities	Our Company is exposed to counterparty credit risk due to our sales to regulated and liberalized customers. We are also exposed to another credit risk because of our transactions with financial counterparties (primarily lenders). Moreover, Enerjisa Distribution companies also face counterparty credit risk due to their distribution system users, such as municipalities and provincial special administrations, which are in their distribution regions and use general illumination. However, as distribution companies receive reimbursements for overdue receivables from the EMRA within two years, the credit risk from our distribution business has an adverse impact on our cash flow, but not on revenue.	We manage credit risks by requiring security deposits from regulated customers and letters of guarantee or other forms of securities from liberalized customers to secure present and future invoices. Timely invoicing, efficient receivable management and the credit scoring of large customers enable us to mitigate credit risk as much as possible. For the mitigation of financial counterparty credit risks, in addition to reporting and monitoring activities, we are exclusively engaging with counterparties possessing ratings no more than two notches below the Turkish sovereign rating. Moreover, we ensure the diversification of banks in our portfolio of financial derivative instruments and cash deposits.
	Liquidity Risk	Our Company is exposed to liquidity risk due to our ongoing funding needs for distribution network investments. While we expect that these funding needs can be covered by external debt capital providers, some market conditions may disturb conventional liquidity sources.	We manage liquidity risks by actively seeking to extend average tenors of the loan portfolio and to develop alternative sources of debt capital (e.g., corporate bonds). Furthermore, we regularly forecast our short- and mid-term funding needs to identify our liquidity needs in time and prepare and act accordingly.
	Operational Risks	All processes in our main business lines are exposed to operational risks related to Information Technology, Occupational Health and Safety (primarily in the distribution business) and Environment and Reputation.	For all types of operational risks, we devise procedures and policies, which are published in the Company's quality systems. Additionally, several committees are assigned to review the probability of risk occurrence and to monitor existing mitigation actions.
Non-Financial Risks	Occupational Health and Safety Risks	The process of the delivery of electricity through our distribution business line to end users has high risks for Occupational Health and Safety (OHS). Accidents that can potentially occur during the maintenance and repair of power lines pose significant threats to the health of our employees and our Company's reputation.	We manage risks related to our Company and contractors within the scope of ISO 45001:2018 . OHS is embraced by the Executive Management. The Occupational Health and Safety Manager of the distribution business reports to the Head of the Distribution Business Unit, who reports to the CEO and is responsible for the three distribution regions. We employ the Fine-Kinney method with the participation of employees, occupational safety specialists and the workplace physician and we divide risks into very high, high, important, possible and low categories. We set monthly and annual targets to increase OHS competency.
	Risks Related to Climate Crisis and Environment	Extreme weather conditions due to climate change may disrupt power lines.	We regularly monitor and report our environmental performance and carbon emissions. We support projects that will increase energy efficiency.
		Spillage of transformer oil during operation, maintenance or storage and causing water and soil pollution due to the lack of spill and leakage protection and improper storage is a risk.	Transformer oil spill risk is monitored in the risk register as a low risk.
		Forest fire is a risk factor.	Forest fire risk monitored in the risk register as a very low risk.
	Risks Related to R&D and Innovation	Errors in the prioritization of projects, corporate strategy and noncompliance among on-going projects may reduce the efficiency of R&D projects. In addition, problems in the accessing of resources may hinder project completion.	We make R&D investments that meet the changing needs of customers and advance digitalization and technological infrastructures in line with our corporate strategy. We seize innovation opportunities to lead the future's energy sector. We involve the relevant business units in specific projects to achieve all necessary improvements to develop our business.

CODE OF CONDUCT/ETHICS

To ensure that Ethics Principles are understood and embraced by all employees, we trained 31% of our employees with one hour of training per person, which totaled 3,216 hours.

The Enerjisa Code of Conduct (Enetik) sets a common framework in all business processes. All Enerjisa employees pledge to follow this framework, which defines the foundation of our business practices. The Enerjisa Code of Conduct covers various essential ethical principles concerning but not limited to respect for human rights and environmental protection, creating sustainable relationships including anti-bribery and anti-corruption as well as fair competition, protection of personal data and privacy; protection of corporate information and assets, the principles concerning written and visual media and social media, conflicts of interest, political activities, association memberships, the acceptance and payment of money, gifts and donations, external duties, dress code, working with relative and Occupational Health and Safety. To ensure that Ethics Principles are understood and embraced by all employees, we trained 31% of our employees with one hour of training per person, which totaled 3,216 hours.

The Ethics Committee and Compliance Management Unit are responsible for the implementation of Enerjisa Code of Conduct. Compliance Officers guide employees proactively in this respect. In addition to ensuring that Enerjisa Code of Conduct is universally embraced, Compliance Management Unit monitors and informs employees about issues that may cause violation of the Enerjisa Code of Conduct. It also supports the Internal Audit with respect to violations thereof.

All employees and stakeholders of Enerjisa can report cases of non-compliance with or violations of the Code of Conduct to Enerjisa Enetik via various channels. Email: ENETİK@enerjisa.com, ethics notification form at www.enetik.enerjisa.com, by phone: +90 (216) 579 09 14, by fax: +90 (312) 573 55 55, or by mail: P.K. 2 06510 Emek/Ankara. You can also notify us via the Sabancı Holding ethics line. The head of the Internal Audit Department is the only person authorized to access notifications and is responsible for the security, confidentiality and management of all notification channels. Thoroughly examined notifications are reported to the executive management and the Disciplinary Board when deemed necessary. The Audit Committee is informed about notifications reported to the Disciplinary Board. In 2019, we received 102 notifications and resolved all of them.

Risks related to the violation of ethics are obtained from relevant units in qualitative risk assessment, performed twice a year and reported to the Early Risk Detection Committee or the Enerjisa Risk Management Committee. At the beginning of each year, we assess the risks that might arise from the violation of ethics with the Backtesting study, during which we assess the performance of the previous year's risk reports. We examine the reported expectations and their probability and effects.

➤ You can access the [Enerjisa Enerji Ethics Policy here](#).

We manage anti-bribery and anti-corruption cases considered under the Enerjisa Code of Conduct with the Policy binding upon all employees and stakeholders. The Ethics Committee and the Compliance Management Unit have specific duties to prevent and end all types of bribery and corruption. All sanctions imposed for a violation of ethics also apply for bribery and corruption. The online ethics training for our employees includes anti-bribery and anti-corruption training.

In 2019, we received 56 notifications regarding bribery and corruption via our ethics channels. We resolved all these notifications. After evaluations, 52 employees were faced with disciplinary action. There is also one ongoing public prosecution concerning corruption.

➤ You can access [Enerjisa Anti-Bribery and Anti-Corruption Policy here](#).



INTERNAL AUDIT

The Internal Audit Department conducts all audit actions to ensure that Enetik, our corporate standards and our business applications are followed in all business processes. The Internal Audit Department reports directly to the Audit Committee, which is composed of independent members of the Board of Directors. The internal audit plan that defines the framework of audits is updated annually upon the approval of the Audit Committee and the Board of Directors.



BUSINESS CONTINUITY

Business continuity is the ability of an organization to sustain its products and services at an acceptable level after the interruption incident (**ISO 22301:2019**). We attach great importance to business continuity with the responsibility to provide a service that touches the lives of approximately 21 million users in the energy distribution and retail business lines. In this framework, we have been maintaining Business Continuity Management System practices for an organizational aim that is resistant to potential interruptions and crises in Enerjisa Enerji A.Ş. and subsidiaries since 2015. We as the Group Risk Management under the Corporate Finance and Treasury Directorate of the CFO organization are following global Business Continuity Management (BCM) standards, prepare all documentation with this approach and put into effect for Enerjisa Enerji A.Ş. and 3 Retail Companies since the BCM project which was completed in 2015.

We create Enerjisa BCM documentation in accordance with **ISO 22301:2019** standards and update annually with the contribution of all related stakeholders of the process. In order to spread Business Continuity Management System standards to the whole organization, with the decision of the senior management, we took the step to ensure that retail companies have **ISO 22301:2019** certification in order to use e-invoice and e-Archive infrastructure. Within the scope of the related certification, 3 retail companies are certified. Our distribution companies receive support from private integrator companies for the use of e-invoice and e-Archive infrastructures.

The spine of business continuity infrastructure is the durability of the technological infrastructure. We touch on 60+ critical business units, taking into account the business units and corporate functions across the organization. Group Risk Management (for Group and Retail companies) and The Process Development Team (for Distribution companies) carry out the coordination of all meetings and actions to be held within the scope of BCM, arrange briefings for critical business about the annual update period and organizational (or unit based) changes to be reflected to documentation.

Updates of critical business units are received through BIA (Business Impact Analysis) documents and in light of this information, Business Continuity and Crisis Management Plans are updated.

CRITICAL BUSINESS UNITS

Critical units are business units that have the process as long as they need to be up and running even if they are at critical level until the end of the first month of the crisis. On the other hand, it may be possible that the critical processes of these units affect Enerjisa Enerji in general.

TRAINING

5 Annual Business Continuity Briefing Sessions were organized with the participation of all critical business unit managers in İstanbul, Ankara and Adana. During these sessions, the participants were informed about the changes made within the year and reminded about the preparation methodology of BIA documents for the upcoming annual update process.

In BIA documents, Critical Units share the information below;

- Critical processes
- IT applications used in critical processes
- RTO (Recovery time Objective), RPO (Recovery Point Objective), MTPOD (Maximum Tolerable Period of Disruption) scores of critical processes
- Internal and external dependencies on critical processes
- Printed or virtual critical document information
- Critical personnel list and contact information
- 1 to 3 disruption scenarios and 2 alternative solution steps (This information was started to be asked as of January 2019)

COORDINATION

We selected the facilities that meet the standards during field assessments in 3 regions for Crisis Command and/or Alternative Work Location to be used in the scenarios of potential interruption or crisis. In order to keep these locations physically ready, we work with the cooperation of Location Managers and the Department of Administrative Affairs representatives. We

determined 12 alternative locations for 3 regions and updated the plans according to this work.

On the other hand, the units that are expected to support the crisis management team in these types of crises and are defined in the crisis organization schemes are shown below;

- Corporate Communications Group Management
- Corporate Legal
- Occupational Health and Safety Management
- Information Technology Operations Management
- Directorate of Human Resources Administrative Affairs
- Group Risk Management

As a development that started for the first time in 2019 with the participation of the function managers, we established the Business Continuity Committee and held two meeting. The committee meets twice a year with moderation of Group Risk Management even if any incidents occurs or not. The first meet is held following the audit of **ISO 22301:2019** which takes place in February each year and the agenda includes sharing of audit outputs and quality improvement recommendations for the BCM structure. The second meeting is planned to be based on a review of the improvement level according to workplan in November.

CEO who is the natural leader of the crisis management team and the absolute crisis manager in case of potential crises is briefed on annual basis in April (following the completion of the first meeting of the certification audit and Business Continuity Committee). Within the context of this session, the CEO is informed about his role and responsibilities within the crisis management organization and also the updates in the relevant plans are presented. The CEO Briefing session of 2019 has been completed on 10.04.2019.

DRILLS AND EXERCISES

In the context of the revolts, we follow two methods to assess how much the scenarios and predictions in our consolidated plans will respond to real-life needs;

Scenario-based table exercise: With the participation of all the representatives of the crisis management team and support functions under the chairmanship of the CEO once a year, we perform scenario-based table exercise and share the final report of this exercise with the auditors during the **ISO 22301:2019** certification audit conducted every year as well as the process stakeholders. We invite members of the board of Directors from both Sabancı Holding and E.ON.

Disaster Recovery Testing: We perform disaster recovery tests with the leadership of IT Department, without a break for around 24 hours in November on annual basis. It is the responsibility of the Group Risk Management team to participate in the test study as observer and archive the result reports. We share the result report with the audit company during the **ISO 22301:2019** certification audit. All IT applications used in Enerjisa are simultaneously disabled during the drill in parallel with a real disaster scenario. We then measure the RTO (Recovery Time Objective), RPO (Recovery Point Objective) and MTPOD (Maximum Tolerable Period of Disruption) timings as defined in our BCM plans. After completion of the exercise, we synchronize the obtained data in IT and Group Risk Management documents, co-ordinate the arrangements and share radical differences with relevant business units if any occurred. We successfully carried out the latest test which the Group Risk Management Team participated as an observer in November 2019.

SUPPLY CHAIN MANAGEMENT

We expect our suppliers to meet minimum standards for a good environmental, social and governance (ESG) performance, including respect for human rights.

In order to maintain the quality of the network and meet the new connection requirements, we keep investing in our network in 14 provinces located in the 3 distribution regions and deliver uninterrupted electricity to over 21 million users and almost 10 million customers. The investments require us to manage thousands of constructions projects at various sizes across the regions, hence supply chain management plays a critical role.

We have approximately 732 suppliers involved in the construction of infrastructures and power plants, construction, repair and maintenance of our distribution network, construction and renovation of buildings and purchasing of goods and services. Of these, 29 are tier-1 critical suppliers. Our supplier network consists only of local suppliers.

As a company that takes its responsibilities seriously, we are committed to doing business ethically, respecting human rights, protecting the environment and ensuring proper work conditions.

We expect our suppliers to share our commitment to high ESG standards and have processes in place to ensure that they do. In this respect, we ask our Suppliers to commit to **Enerjisa Supplier Code of Conduct** and **Compliance Statement** and accept to comply with Enerjisa Enerji Anti Bribery and Anti-Corruption Policy as well as the OHS and Environmental Policies.

For us the quality and the sustainability of our supply chain is very important. We therefore keep supporting our suppliers and business partners via:



Training: We provide our suppliers training in different topics.



Supplier Financing: Especially during turbulent macroeconomic environments, suppliers have difficulty in terms of reaching financing, which risks their financial sustainability. We provide supplier financing in agreement with banks to our suppliers and ensure their financial stability.

We also try to minimize our environmental impact and care about circular economy for our supply chain management. In this respect we focus to:



Maximise recycling: We separate and recycle copper from scrap metals and waste cables.



Reduce CO₂ emissions and fuel consumption: We are evaluating the use of hybrid and/or electric vehicles with field units and the Administrative Affairs Directory. In 2020, the project test phase will begin following pilot practices. In addition to this, with the completed tower crane optimization project between Silifke and Kozan, we aim to reduce the fuel consumption of cranes by 35% in 2020.

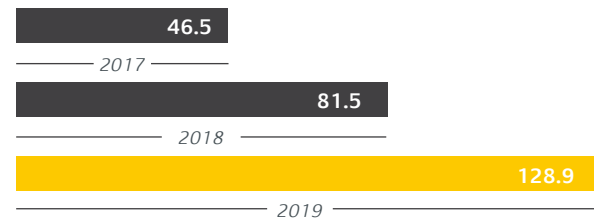


OCCUPATIONAL HEALTH AND SAFETY

We aim to become one of the leading companies in the energy sector, both in Turkey and globally. We see Occupational Health and Safety as the top priority and manage it according to the international standards.

Transfer of the electricity to end users through the distribution businesses poses high Occupational Health and Safety (OHS) risks. For this reason, dissemination of the Occupational Health and Safety culture across all business partners, especially employees is the main priority of us. We continue to invest in OHS.

OHS INVESTMENTS (TL million)



OHS is embraced by the Executive Management to manage risks related to our Company and contractors proactively. The Occupational Health and Safety Manager of the distribution business reports to the Head of the Distribution Business Unit, who reports to the CEO and is responsible for the three distribution regions.

We manage OHS in line with **ISO 45001:2018 Occupational Health and Safety Management System**. In addition, we employ the Fine-Kinney method with the participation of employees, occupational safety specialists and an in-house physician and we divide risks into very high, high, important, possible and low categories. We set monthly and annual targets to increase OHS culture.

It is important to spread the culture of Occupational Health and Safety to all business partners, particularly employees. We organize events to raise OHS awareness in every region in which we operate during the OHS Week, from May 4 to 10.

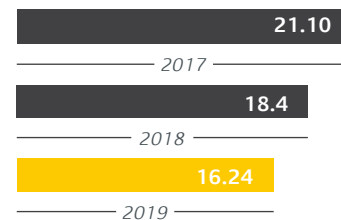


Please click to read our [Occupational Health and Safety Policy](#).

OHS TRAININGS

We approach occupational health and safety from the risk perspective. Our employees must first be qualified in this field to apply our high standards and manage risks in these areas. Training sessions in which employees are informed about safe working conditions play an important role in OHS management and help develop employees' occupational skills.

AVERAGE OF OHS TRAINING PER EMPLOYEE



In 2019, 40.25% of all training sessions were about OHS and employees received OHS training of 16 hours on average. We also corrected the duplicate training records thanks to the improvements made to the training follow-up system. Although the rate of average OHS training hours per employee appears to decrease, we have created a more efficient training plan with new categories. This explains the decrease in average OHS training hours per employee in 2018. The decrease in 2019 was due to the reclassification of the Three-Day OHS Training for White-Collar Staff: Working at Heights, as technical training.

In addition to the requirements of the OHS legislation, we undertook training and other activities on the following topics in 2019 to increase the awareness of employees about occupational health and safety and to support their ownership of the issue:

- **Accident Investigation Training:** It is important to find the root causes of accidents and to take the necessary precautions to prevent recurrences. In this context, we provided our employees who took part in the investigation of incidents and accidents with Investigation of the Accident by Reenactment and Root Cause Analysis training. These serve to improve the efficiency of the incident investigation process.
- **Traffic Campaign:** Enerjisa Enerji's routine operational activities require many employees to drive. Therefore, we launched a traffic communication campaign to ensure that such employees are protected from any potential collisions and to increase their personal awareness of the traffic rules. Banners and videos prepared with the basic headings of speed limit compliance, seat-belt usage and the prohibited use of mobile phones while driving deliver the key campaign messages.
- **ISO 45001:2018 Information on Occupational Health and Safety Management Systems, Implementation Changes and Internal Auditor Training:** We organized a training seminar that focused on the contents of **ISO 45001:2018** standard, the implementation changes brought by the new standard and the differences with **OHSAS 18001:2007** and gap analysis. Following these training, 115 employees from each unit of the Başkent, AYEDAŞ and Toroslar EDAŞ were certified as internal auditors for **ISO 45001:2018**.
- **Environmental Management System Trainings:** We provided training on waste management and chemical management within the implementation of the **ISO 14001:2015 Environmental Management System** principles.

In addition to those training programs, as part of Compass Professional Development program, the Human Resources Technical Training team has delivered Safe Work on the Field trainings for the field employees of Grid Operations. Approximately 500 field employees participated in the trainings.



OCCUPATIONAL HEALTH AND SAFETY

IMPROVEMENT

Improvement efforts to prevent occupational accidents are imperative to foster a safe working environment. As such, we focus on the root causes of incidents by investigating fatal accidents and injuries and launch innovative initiatives and practices that employ technology to prevent accidents across the company, particularly in the riskiest processes. These initiatives and practices include:

Online Streaming and Video Confirmation

Activities such as high-voltage energy control, maneuvering and working at heights pose a great risk. We employed video push-to-talk devices to ensure that employees engaged in these activities and work in such environments use the necessary personal protective equipment. Through this project, we also monitor safe work practices. In this way, the activity can only begin once permission from an authorized official other than the field team is attained. We aim to prevent potential accidents by increasing the surveillance using the Video Verification System. With this system, the number of critical accidents declined by 40% in 2019 y.o.y.

Technical Analysis of Local Grounding Practices in Distribution Grids

Within the scope of the Grounding Analysis Project, we made analyses with various topology, operations and an installed subscriber generator capacity and evaluated whether the existing and newly designed grounding equipment is suitable for Occupational Health and Safety. Following the analyses, newly designed grounding equipment has commenced operation. In this way, we have cut down equipment weight and equipment costs and provided operational efficiency in its maintenance/repair activities, creating a safe work environment for operators.

Hydraulic Overhead Line Cutting from Ground Tool

We began using Long-Handled Cable Cutters to eliminate the inherent hazards and risks of working at heights. We therefore changed our work methods and eliminated the risks associated with climbing a pole to complete a job. Consequently, accidents and injuries caused by pole falling from heights while secured to a tree and pole fractures have decreased significantly.

High Voltage Detector Tester

We offer our employees the opportunity to perform a full function test with the high-voltage detector tester, which was specially designed for our Company. The high-voltage detector tester identifies electronic problems in a high-voltage detector, which may arise from climate or storage conditions and such, prior to work. The high-voltage detector tester assures employees of the accuracy of the high-voltage detector and helps prevent accidents that can arise from defective detectors.

Model - based Critical Behavior Analysis and Change Project

We completed the Critical Behavior Analysis Project, which launched in 2018, in coordination with the faculty members of the Department of Psychology at the Middle East Technical University (METU) and published the final report. We are currently developing a roadmap to increase the safety culture within the framework of this report.



OCCUPATIONAL HEALTH AND SAFETY

OHS PERFORMANCE INDICATORS

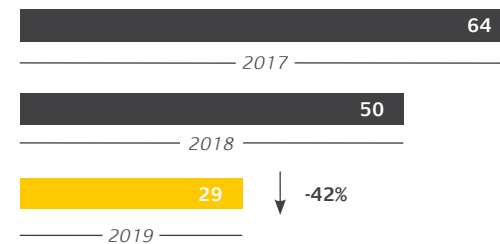
At Enerjisa Enerji, we consider fatal accidents completely unacceptable and care for the health of our employees and contractors. We thoroughly investigate the causes of all accidents, including fatal accidents caused by our Company and/or contractors. We conduct comprehensive risk analyses regarding OHS and identify and implement actions to eliminate these risks.

In our Company, we regularly monitor the impact of all OHS-related investments and initiatives based on particular indicators. We conduct risk analyses on issues such as the Occupational Health and Safety risks of contractors in the construction business, seismic compliance of buildings acquired from public, the construction standards of recently leased buildings and compliance with OHS rules of pilot and installation works requiring equipment.

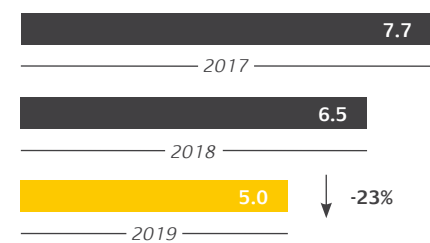
- Thanks to our investments and efforts in OHS, we managed to significantly decrease the **Rate of Critical Accidents**. The number of critical accidents was 29, signifying a 42% decrease compared to 2018.
- Thanks to our measures, **Total Recordable Incident Frequency Rate Excluding Slip, Trip and Fall Accidents (TRIF w/o STF)** was down to 5, signifying a 23% decrease compared to 2018.
- Total Recordable Incident Frequency Rate (TRIF):** Total recordable incident frequency rate improved by 18% and was recorded at 8.2.
- Lost Time Injury Severity Rate (LTISR)** decreased to 58.8, signifying a 31% decrease.

We shoulder the responsibility of developing a responsible behavioral OHS culture among our business partners and contractors. In this context, we conduct one-on-one visits to the contractors and request their Security Development Plans. In 2020, we aim to carry out further inspections of the contractors within the scope of OHS.

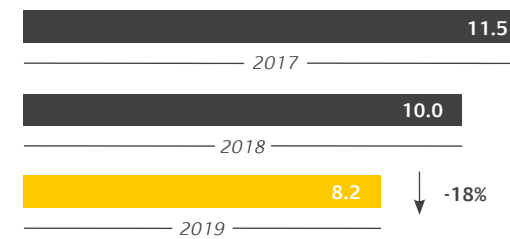
NUMBER OF CRITICAL ACCIDENTS



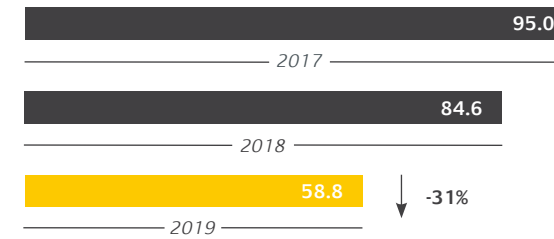
TOTAL RECORDABLE INCIDENT FREQUENCY RATE EXCLUDING SLIP, TRIP AND FALL ACCIDENTS (TRIF w/o STF)



TOTAL RECORDABLE INCIDENT FREQUENCY RATE (TRIF)²



LOST TIME INJURY SEVERITY RATE (LTISR)³



² (Total number of recordable incidents that occurred/Working hours in the last 12 months) x 10⁶
³ (Total number of employees lost due to incidents/Working hours in the last 12 months) x 10⁶



ENVIRONMENTAL IMPACT

With climate change becoming a crisis, the extent of environmental pollution and the decrease in biodiversity due to the loss of natural habitats proves that the recent steps taken in service of environmental protection remain insufficient. An increase in human population and the use of high energy-consuming technologies greatly affect this situation. In addition to the measures taken by states and individuals, the private sector has a great responsibility in achieving environmental sustainability.

The activities performed as part of electricity distribution business, such as construction of new power lines, may be associated with environmental and social impacts. From an environmental perspective, as power lines under 154 kV are not covered under Annex 1 and Annex 2 of the national Environmental Impact Assessment (EIA) Regulation, operations of the electricity distribution companies are not subject to national EIA Regulation. Therefore, environmental impacts associated with the construction of new power lines is regarded as limited. In that respect, we have obtained “**EIA out of scope**” opinion letter from Ministry of Environment and Urbanization (MoEU) for electricity distribution lines, operations and installed facilities of Başkent EDAŞ, Toroslar EDAŞ and AYEDAŞ on 02.02.2017, 06.02.2017 and 06.02.2017, respectively.

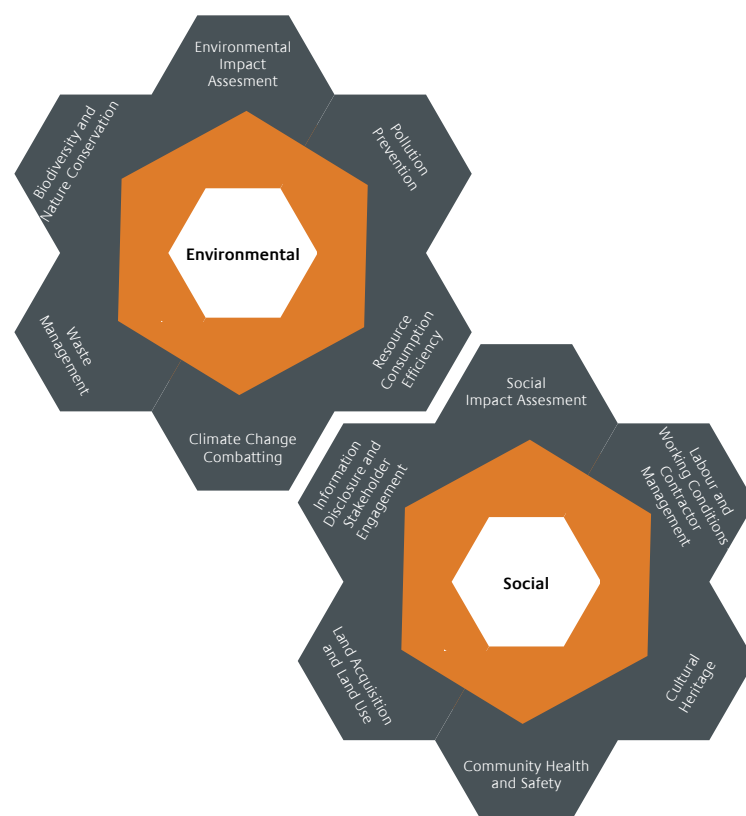
The environmental management across our distribution companies is carried out through the certified **ISO 14001:2015 Environmental Management System**. We were audited by TÜV NORD Technical Control and Assessment Inc. within the scope of **ISO 14001:2015 Management System**⁴ for 3 regions in 2019 and the audit did not indicate any non-compliances.

We act with respect and responsibility for the environment in all our activities. We focus on reducing the harmful effects of our activities on the environment by continuously improving our environmental performance. Accordingly, in 2019, we revised our Environmental Policy in line with our environmental sustainability goals and included topics such as resource efficiency, air and water emissions, climate change mitigation and biodiversity in our policy.

In 2019, environmental investments and expenditures in the distribution companies amounted to TL 933,000. One third of this amount is devoted to investments in Hazardous Waste Storage Sites. Other expenditures were made for the supply of environmental protection materials in three regions. In 2019, Enerjisa's consolidated environmental investments and

expenditures totaled TL 1,307,762. No environmental award or penalty was received in 2019.

Meanwhile, our cooperation with international institutions such as the European Bank for Reconstruction and Development (EBRD) for loan and bond processes, as well as our intention to meet the ESG requirements of institutional investors keep us up to date and help to improve our environmental impact approach. In this respect, we have developed our Environmental and Social Action Plan as follows:



CLIMATE CHANGE

The private sector has a significant responsibility in addressing climate change. Extreme weather conditions and rising average temperatures pose direct risks to the energy distribution industry. Increasing energy diversity by including renewables in distribution network, improving the efficiency of power transfer and spreading smart networks and energy storage systems present opportunities for our sector.

At Enerjisa Enerji we are aware of our role in combating climate change. We aim to decrease our direct and indirect environmental impact and carbon emissions and increase our energy efficiency in all processes, as we deliver energy to consumers. Our greenhouse gas emissions in 2019 stood at 39.945 tons. We reduced our greenhouse gas intensity per unit of revenue by 30% compared to 2017 levels.

We regularly monitor energy consumption and carbon emissions, support efficiency-improving initiatives and strive to decrease our environmental impact of all types under 3 scopes.

- **Monitoring of Natural Resource Consumption:** We define our annual energy consumption reduction targets based on the location-specific **ISO 14001 Environmental Management System** by effectively monitoring the electricity, water and fuel consumption in our buildings. Consequently, we aim to reduce our air emissions and greenhouse gas emissions.

3 scopes according to the Greenhouse Gas Protocol which is the most widely used framework that helps to identify, calculate and report (GHG) emissions are as follows:

SCOPE 1 emissions covers all direct GHG emissions, coming from sources that are owned or controlled by the company, such as fuel combustion, company vehicles and fugitive emissions. We monitor our Scope 1 emissions through **ISO 14001 Environmental Management System** and participate in project aiming to reduce the direct use of SF6 gases.

- **The Climate Project on the Use of SF6 Gases in the Electricity Sector:** We participated in the Climate Project on the Use of SF6 Gases in the Electricity Sector, a project which aims to reduce greenhouse gas emissions and prevent SF6-induced climate change effects. This project is financed by the European Union and run by the Waste Paper and Recyclers Association (AGED) and the Association of Distribution System Operators (ELDER). With this project, we aim to establish a framework that complies with the Regulation on Fluorinated Greenhouse Gases to monitor and recycle SF6 gas, a greenhouse gas widely used in the electricity sector.

SCOPE 2 accounts for indirect GHG emissions from consumption of purchased electricity, heat or steam. Through the purchase of renewable energy, we aim to offset Scope 2 emissions, our indirect emissions. Since 2017 we reduced our Scope 2 emissions 18%.

- **Renewable Energy Use:** In 2019, with I-REC, one of the international renewable energy certificates, we met 989 MWh of our electricity consumption from renewable energy and reduced carbon emissions from electricity consumption. Starting from 2020, we aim to use renewable energy fully in our own premises, starting with pilot buildings.

SCOPE 3 emissions covers other indirect emissions from sources that are not owned and not directly controlled by the company such as waste disposal, business travel and purchased goods and services. We identified, calculated and reported our Scope 3 emissions for the first time in 2019. We aim to develop project and programs which will reduce GHG emissions in our value chain.

- **Smart Grids:** Through pilot projects, we examine the grids which are installed compatible with the renewable energy systems oriented for future energy infrastructure and energy storage systems. Electricity public transportation and charging infrastructure are managed in an integrated way. With these pilot projects, we aim to provide significant advantages in terms of energy efficiency and greenhouse gas emission reductions. Additionally, through the studies on the smart electricity meters and automatic electricity meter readings, we aim to prevent the loss of energy caused from faulty electricity meters.
- **The HASAT Project:** In cooperation with the Association of Distribution System Operators (ELDER) and participation with other Electricity Distribution Companies (EDAŞ), we launched the HASAT project to develop innovative practices and methodologies that will increase energy efficiency in the electric distribution industry and create a roadmap for energy efficiency. With this project, we aim to determine infrastructural and systematic improvements and develop practices that will encourage customers to use energy more efficiently.

⁴ The dates of recent audits: 5-8 November 2019 Toroslar EDAŞ (ISO 14001 and ISO 45001); 18-21 November 2019 for Başkent EDAŞ and 16-18 December 2019 for AYEDAŞ.



ENVIRONMENTAL IMPACT

Green Energy Tariff: We took an important step in procurement and sale of green energy, which has been certified by internationally accredited institutions and introduced green energy products in the last quarter of 2019. With the Green Energy Tariff products, our users will have the opportunity to reduce or neutralize the greenhouse gas emissions generated due to their electricity consumption. In this scope, we provide 2 products:

Carbon Reduction Certificate which is a standardized and tradable credit expressed in terms of metric tons of CO₂ and claimed by a real or legal person (a business/ power plant that generates energy from renewable energy sources).

Renewable Energy Certificate, a market-based tool that represents the proprietary rights of environmental, social and other non-power qualities of renewable electricity generation. It certifies that each 1-MWh unit of energy has been generated from a renewable energy source and delivered to the grid.

- **Energy Performance Model:** In 2019, we began a new cooperation with the Union of Chambers and Commodity Exchanges of Turkey (TOBB) to address climate change. We implemented the Energy Performance Model, aiming to achieve energy efficiency, at the TOBB ETU Hospital in Ankara. This model covers the replacement of old lighting products with more efficient LED lights and their maintenance during the contract term. Consequently, the institution will save 1.6 million kWh of electrical energy per year which corresponds to TL 383,000. We predict that the widespread use of the model, which is in line with the 2017–2023 National Energy Efficiency Action Plan, will also contribute to the national economy.
- **Beni AI (Give Me a Lift) Practice:** We achieved fuel consumption and greenhouse gas emission reduction by supporting car-pooling through the Beni AI (Give Me a Lift) Practice which is one of the nominees of the competition staged to reward achievements of Sabancı Group companies and employees and encourage sharing best practices.

RESOURCE EFFICIENCY

We focus our efforts to resource and energy efficiency and we execute notable projects.

- **Reuse Malfunctioned or Demounted Grid Materials:** Malfunctioned materials used as part of the electrical grid operations, such as transformers, are evaluated through Material Quality Control processes. We have invested TL 500,000 for the material quality control and repair equipment which enables us to decide whether the demounted and malfunctioned grid materials delivered to the Recycling Test Centre can be reused. Significant gains have been achieved in terms of both resource utilization and waste generation thanks to these investments.
- **Reuse & Recycling of Materials:** It is critical for us to reuse or recycle all kind of materials like cables, poles, panels, cutters, fuses, meters and network materials. It is managed in accordance to the Waste Management Regulation of the Ministry of Environment and Urbanization considering the waste types, codes and hierarchy. Recycling, recovery and final disposal processes are managed in a holistic manner within the scope of our waste agreements with EKOVAR Çevre Geri Dönüşüm A.Ş. in TOROSLAR and BAŞKENT, AKADEMİ Çevre Entegre Atık Yönetimi Endüstri A.Ş. in AYEDAŞ. Recycling and recycling of all kinds of waste materials with economical value and technically possible are carried out within this scope.
- **New Connection Digitalization Project:** In 2020, we will speed up the New Connection Digitalization Project which will eliminate paper waste by digitalizing the new connection requests. As a result, we will prevent the use of 7.5 million A4-size paper sheets and save 750 trees each year.

WASTE MANAGEMENT

Feeling a strong sense of responsibility towards the environment, we manage waste in accordance with the applicable legislation, international standards, OHS and Environmental Policies. We take measures to prevent the domestic, industrial, hazardous and non-hazardous waste from our operations at the source and implement measures to improve reducing and recycling.

We have prepared the Waste Management Procedure within the scope of **ISO 14001:2015 Environmental Management System** for the identification of the methods to be applied for reduction, collection, transportation, storage, recycle and/or final disposal of domestic, hazardous and non-hazardous wastes generated from the activities and operations of electricity distribution companies in line with the provisions of relevant national legislation.

The hazardous and non-hazardous wastes generated from electricity distribution operations are transferred to licensed waste management facilities from the temporary waste storage areas established in Logistics Service Centers. In accordance with the Waste Management Procedure, we have made necessary agreements with licensed waste management facilities in three distribution regions for the management of hazardous and non-hazardous wastes.

We also ensure that legally required Hazardous Substances and Hazardous Waste Financial Liability Insurances for all storage areas where the hazardous wastes are temporarily stored is renewed on annual basis before expiry. We have obtained Temporary Waste Storage Permit for 5 Hazardous Waste Temporary Storage Areas. For rest of 3 , permit application process is ongoing.

Our waste management approach can be summarized as follows:

- **Hazardous Waste Management:** We aim to reduce the environmental impact of our operations and recycle waste back into the circular economy by leveraging the life cycle approach. We ensure the proper collection and recycling of the grid waste from our operations and reduce the amount of waste by recycling suitable materials restored from the grid waste, which first undergoes the Material Quality Control and Recycling Test Center processes. We store the hazardous waste in compliance with legislation and dispose them with the help of licensed recycling companies.

- **Non-Hazardous Waste Management:** In line with the Zero Waste goal, we have installed recycling bins in our headquarter buildings, to ensure the accurate and easy separation of waste.

Domestic and recyclable wastes are sent to the relevant Municipalities and authorized companies of the relevant Municipalities or licensed waste management facilities, respectively. Waste vegetable oils generated from catering services of contractor activities were sent to licensed companies for disposal in line with the Waste Oil Control Regulation. We continue to undertake awareness-raising activities within the Company to prevent waste from disposable plastic, paper and similar materials. In addition we participated in the Business Plastic Initiative which was founded in collaboration with Global Compact Turkey, Turkish Industry and Business Association (TÜSİAD) and the Business Council for Sustainable Development Turkey (BCSD Turkey) and we have set our targets for 2021.

PROTECTING BIODIVERSITY

We manage the operation of an extensive electrical grid covering a wide geographical area. The electrical grid and its associated impact area (e.g., right of way construction, repair and maintenance activities, operation of the grid itself, etc.) inevitably overlap with areas of high ecological importance designated as Ramsar sites, national parks and various nature conservation areas in Turkey.

We emphasize the importance of protecting biodiversity, aiming to reduce the potential negative effects of our operations on natural life. In 2019, we included the goals of protecting habitats and natural life in our Environment Policy. When new investments pass through the wildlife development and conservation areas, we prepare Ecosystem Assessment Reports and take measures to reduce the environmental impact of our investments in accordance with the applicable legislation.

Turkey is located on two major bird migration routes in the world makes it an important feeding and breeding area for birds. In addition to the presence of protected areas in the distribution regions, the electrical grid operated by AYEDAŞ, Toroslar EDAŞ and Başkent EDAŞ also intersects with important flyways of soaring birds.

ENVIRONMENTAL IMPACT

The projects we carry out under protecting biodiversity are as follows:

- **Daphne Project:** Trees under the power transmission lines can cause outages and fires by physically contacting the lines after the installation. Energy transmission lines are cleaned from vegetation in a certain cross-section in accordance with the relevant regulations. When necessary, trees are removed from the area by cutting or pruning. However, this process has an important ecological and financial impact.

With the project, we aimed to ensure line security and prevent possible fires by planting suitable tree species instead of underline cutting or pruning. Thus, we aimed not only to ensure the safety of the distribution line, but also to protect the sustainability of nature and the environment. Thus, malfunctions and losses caused by trees in energy distribution lines will be reduced, long-term power cuts will be prevented, loss costs will be reduced and the balance and ecological conditions of nature will be preserved.

We primarily focused on choosing a tree species with high added value and economical return. After completing a thorough research, we decided that the *Daphne* species was the most suitable option. Within the scope of the project, 5,500 saplings were planted in the area determined in Bartın province. This project has various direct and indirect results, such as decreasing the workload of maintenance teams, preventing possible accidents, reducing the repairing cost and decreasing energy losses.

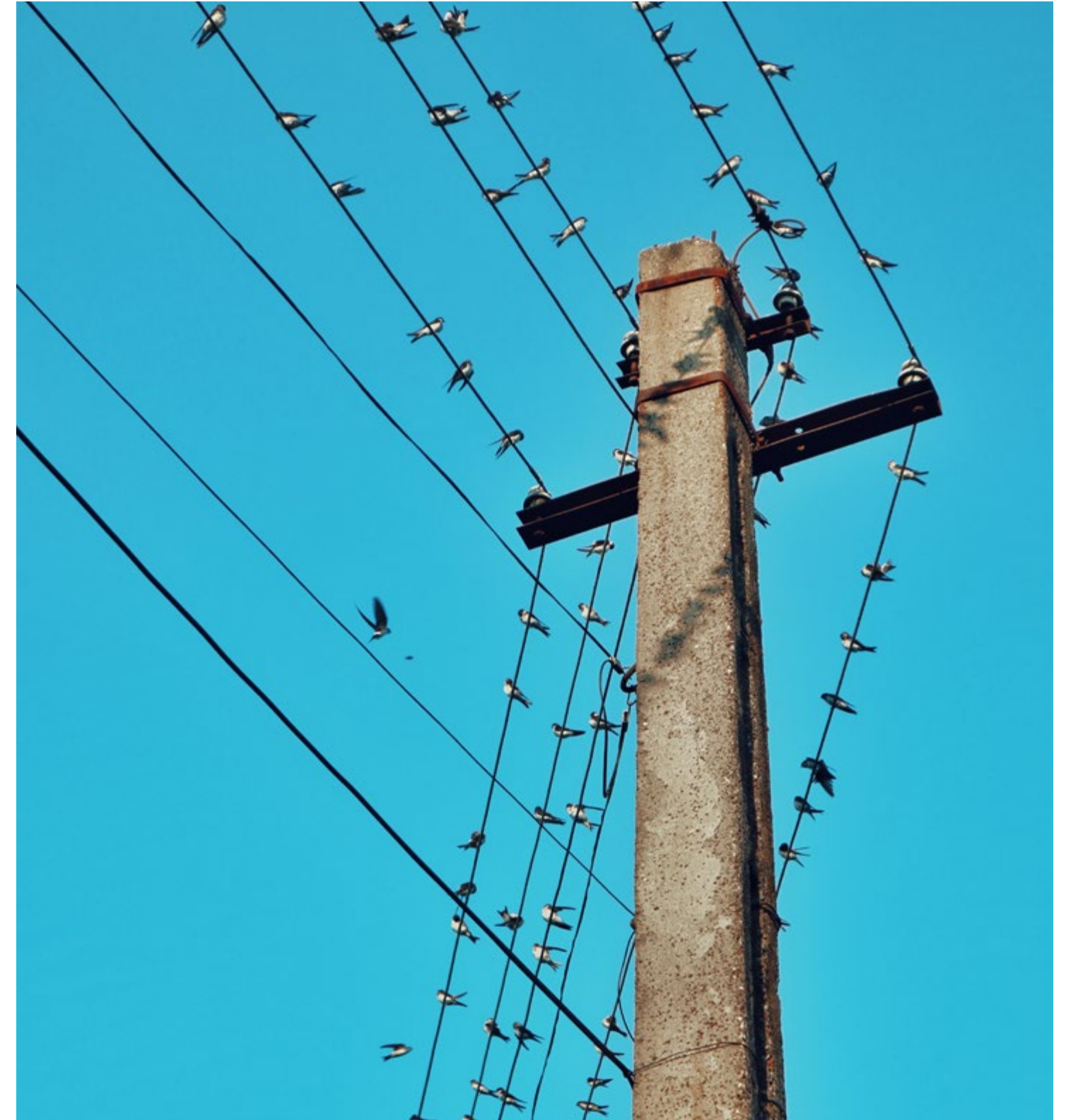
- **High Voltage Aerial Line Insulation Project:** Birds, particularly migratory birds, face the risk of electrocution as they commonly perch on utility poles and nest or enter between two conductors. These kinds of interactions often lead to fatality for birds. Within the scope of the High Voltage Aerial Line Insulation Project, which started at the end of 2017, several existing power lines have been retrofitted by the installation of insulators. The investments made to date and 2020 budget is as follows:

INVESTMENT AMOUNT (TL)	2018 (A)	2019 (A)	2020 (B)
AYEDAŞ	-	140,000	-
Başkent	88,000	111,000	700,000
Toroslar	35,000	95,000	700,000

- **Bird Deterrent:** To protect birds, we have begun covering the conductors situated on migration routes or considered risky for birds with insulation materials. We installed Bird Deterrent devices on a chosen line in Adana and began monitoring its functioning. With this project, we aim to protect both bird populations and biodiversity in the region.
- **Bird Diverter:** We have also started a pilot project to install Bird Diverters along selected sections of aerial lines to minimize bird mortalities due to electrocution and collision.

Furthermore, according to our Environmental Policy, Sustainability Commitment and Environmental and Social Action Plan, Ecosystem Risk Assessment has been performed and Biodiversity Action Plan has been prepared based on findings. Within the scope of these studies, the following actions have been identified;

- Ecosystem variety and characteristics within our distribution regions to be defined,
- Habitat types, vulnerability, rarity and conservation status to be identified,
- Potential impacts of electricity distribution activities on ecosystem and related habitat to be assessed,
- Action Plan to manage and monitor the mitigation actions to be prepared.





We operate in a dynamic energy sector that is transforming with megatrends. We have a clear vision of potential changes and value creation opportunities. We keep investing in our talents, enforcing our brand value and differentiating with our innovative strategies lead the changing energy world.



PREPARING FOR THE NEW ENERGY WORLD

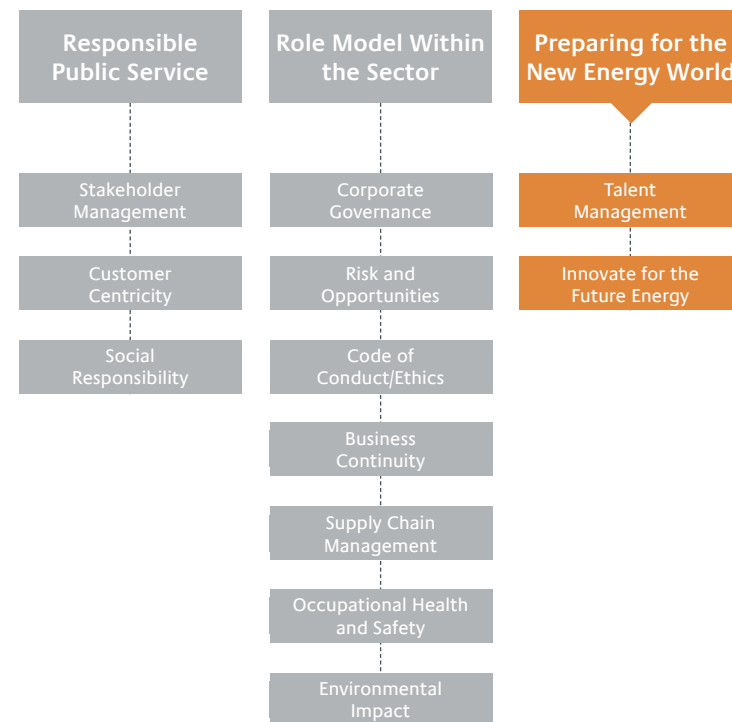
PREPARING THE NEW ENERGY WORLD	46
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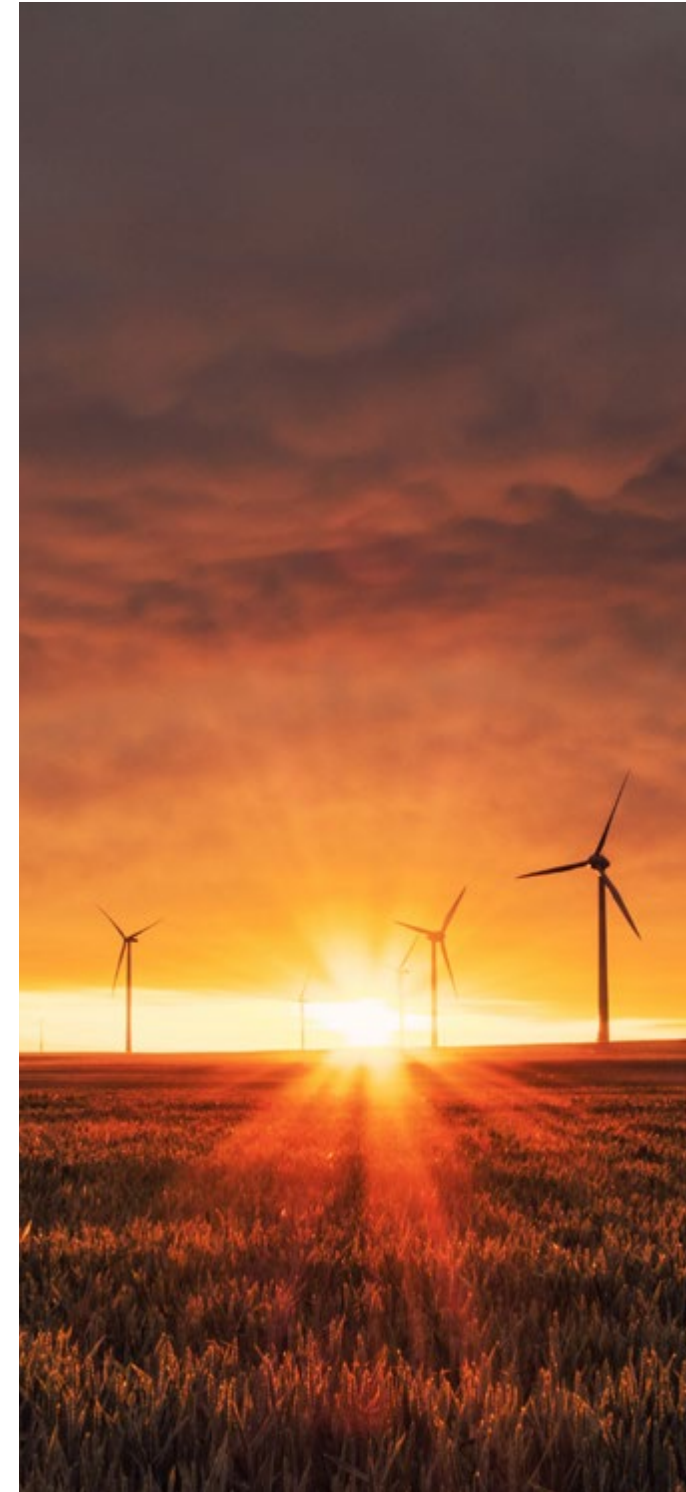
PREPARING FOR THE NEW ENERGY WORLD

We operate in a dynamic energy sector that is transforming with megatrends and we have a clear vision of potential changes and value creation opportunities. We keep investing in our talents, enforcing our brand value and differentiating with our strategies lead the changing energy world.

Today, the energy sector is undergoing a big transformation. The rules of the energy world are rewritten with amended legislation and regulations, new actors in the market, improved responsible products and services, the ever-changing demands and expectations of consumers. As the leading and largest electricity distribution and retail company in Turkey, we closely observe the changes and trends of the ever-changing energy world and focus on our diverse, young and equipped human resource, as well as our strong and reliable brand, to successfully keep up with the changes in our sector.



TALENT MANAGEMENT



To shape the new energy world and lead the sector, we need talented and equipped human resources that meet our current and future needs. We work with the most equipped individuals in the sector thanks to our vision of being the most desirable employer. To ensure our employees realize their full potential, we offer development opportunities and an equal, inclusive and safe work environment where they feel valued.

We view talent management as a way to create value by granting all employees the opportunity to discover, understand and appreciate themselves and to use their skills in the most accurate and efficient way. We support our employees to develop the talents and skills required by their positions and train them to increase their professional capacity in line with our “right person for the right job” approach. As well as contributing to employee development, we play an important role in bringing qualified labor to the industry.

Trusting that every employee is a talent, we follow global trends for diverse employee profiles in many different areas and introduce new approaches to support their priorities. In this context, we use talent management systems to determine and evaluate employee performance and competence. We develop short-term and medium-term succession plans for all critical positions to ensure the sustainability of talents. We support continuous development with leadership, personal and professional development programs that are tailored for the needs of our employees.

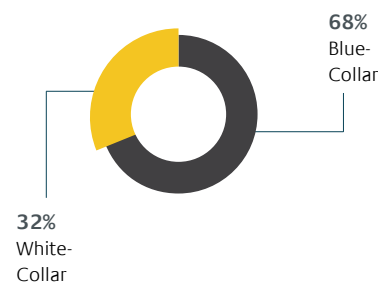
WORKING AT ENERJISA

At Enerjisa, employee satisfaction is of utmost importance. To attract and retain talent, we strive to improve working conditions and become the most desirable employer. As always, in 2019 we continued to offer our employees a meaningful and fair work environment that cultivates a positive organizational climate, communication and culture, to help them become the best in their respective areas in the energy sector and utilize their full potential in their career journey. We provided employment to 10,240 people in 2019. Blue-collar workers represent 68% of our total workforce.

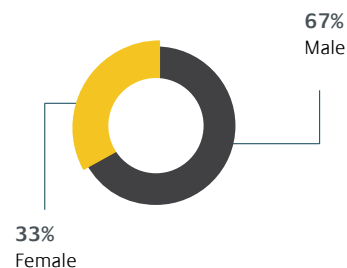


TALENT MANAGEMENT

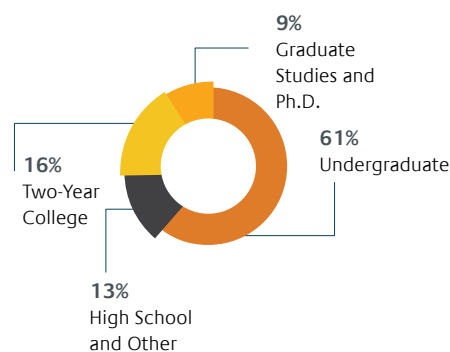
DISTRIBUTION OF HEADCOUNT



WHITE-COLLAR GENDER DISTRIBUTION



WHITE-COLLAR EDUCATIONAL STATUS



TOTAL
10,240

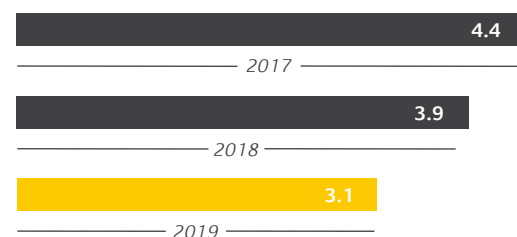
AVERAGE AGE: 35
AVERAGE SENIORITY: 4.9

We also take advantage of technological tools and digitalization in our human resources practices to improve and accelerate working processes and lean on data driven decisions. Our Digital Human Resources Platform, IKON, ensures that our employees working in different regions are informed at the same time about all company updates, reach HR & self service applications via their mobiles and share their feedbacks via instant, quick and user friendly surveys.

At Enerjisa, we care about our employees to have work-life balance and choices on their working conditions. In 2019, as the initial actions of our flexible approach, we started flexible working model including flexible working hours, flexible dress code and remote working in all headquarters. Through the Employee Support Program, we ensure that employees and their families receive counseling on psychological, medical, financial and legal topics.

In order to provide best working conditions to our employees, we measure employee satisfaction through surveys. We took several actions to improve our last year's employee satisfaction score which was 71%. In 2019, the employee turnover rate was 3.1%. Our employee turnover rate has improved by 30% in the last three years.

EMPLOYEE TURNOVER RATE (%)



Employee participation in management differentiates us in the sector. We listen to our employees in periodic in-house meetings and annual goal-setting and performance evaluation meetings and we involve them in decision-making mechanisms, committees and projects. Our employees can also share their requests, suggestions and views through various channels, such as the intranet, IKON and other software, suggestion systems, feedback systems and surveys. Employees are informed about the overall outlook of the company through annual management meetings. With live broadcasts at the end of each quarter, the

senior management team shares the developments about the company with all employees and answers their questions.

DIVERSITY

Diversity and inclusion are fundamental principles of our vision and values. We consider individual differences as we offer equal opportunities to our employees. We manage equally all human resources processes and do not discriminate employees on the basis of language, race, gender, political opinion, belief, religion, sect, age, physical disability or similar reasons. We have established an Ethics Committee to ensure all necessary actions that could be considered as discrimination or abuse are taken and to be reported by employees under the protection and safeguard of the principles of confidentiality. We share all fundamental principles under the Code of Conduct with employees.

We support gender equality in the workplace as in all areas of life. Accordingly, we are among the signatories of the 2019 United Nations Women's Empowerment Principles.

EMPLOYEES BY GENDER



Additionally, in 2019, we ranked first in the category of Exemplary Energy Company at the Women Energizing Turkey Awards presented by the Ministry of Energy and Natural Resources, given to women who contribute to Turkey's national and domestic energy sector.

The ratio of women board members is 25%. 99% of male and female employees who were on maternal and parental leave returned to their jobs at the end of their leave.

At Enerjisa, our large and diverse employee profile consists of people from across four generations working side by side. In

2019, 70% of our recruits were under the age of 30. In addition, as of 2019, 47% of our employees have worked at Enerjisa Enerji for between 5 and 10 years. The programs we launch encourage creativity, cooperation, talent development and innovation within the company thanks to the diversity, equality and differences among employee groups of different age, sex and position.

In 2019, 70% of our recruits were under the age of 30.



TALENT MANAGEMENT

LEADERSHIP DEVELOPMENT PROGRAMS

We aim to raise effective leaders with the programs lead our organization in the fastest and most effective way in dynamic world conditions.

Program Name	Scope of the Program
LEAP Digital Program (Leadership Acceleration Program)	With the LEAP Digital Program (continuation of LEAP - Leadership Acceleration Program) in 2019, our aim is to enable director-level employees to reflect further the opportunities of new technologies to their respective functions and to facilitate the leadership competencies required by the digital age. Leap Digital consists of 4 modules and 20 directors participated in the first module in 2019. At the end of the program, all participants will be entitled to obtain the globally recognized ESMT Digital Excellence Certificate via our partner, European School of Management and Technology-Berlin, one of the best executive training schools according to Financial Times rating.
STEP	With the Manager Development Program STEP, which was organized in collaboration with the Sabancı University Executive Development Unit (EDU), we aim to strengthen the leadership traits of managers and group managers, aligned with our values, competencies and strategic priorities. The program integrates 360 Degrees Leadership: Me-My Team-My Company-The Future with 2 modules that consist of multi purpose tools such as in class trainings, online simulations, tele-classes, peer-to-peer feedback, case analysis. In 2019, 142 employees were involved in this development journey.
JUMP	One of our development programs JUMP that was designed with a blended learning method aims to support first level team and process leaders and increase their effectiveness in their existing roles and to develop their leadership skills. The program started in December 2017 and in the first half 2019, 263 participants completed the program.
Young Energy	In order to develop the young high-potential human resources at the beginning of their career, in other words our young talent pool and to raise the leaders of future; the 5 th generation of Young Talent Development program was launched in 2019. This program have been conducting regularly since 2010 and having graduated 4 generations. By 2019, both internal and external applications were accepted and viewed with different measurement and evaluation tools. Finally, 28 participants were identified as Young Energy 5 th for a one-year training and development program as of December 2019.

PERSONAL DEVELOPMENT PROGRAMS

We provide various essential training and development programs to help our employees reach their career goals and realize their potential.

Program Name	Scope of the Program
YODA Mentoring and YODA Reverse Mentoring Program	With the YODA Mentoring and YODA Reverse Mentoring programs, we have created a platform that enables different generations of Enerjisa Enerji employees to learn from each other. Through these programs, we aim to increase in-house learning while creating a common spirit among different generations.
EnAkademi	In 2019, 3,200 employees received training on EnAkademi, the online training platform through which we provide Enerjisa employees with the training and individual development tools to help them reach their career goals.
Gate: Individual Awareness Journey	At Enerjisa, we support our specialist-level employees by determining their strengths and areas of improvement with online self coaching, e-learning and in-class development tools. In 2019, we conducted a pilot study and presented our platform to 50 employees.



TALENT MANAGEMENT

PROFESSIONAL DEVELOPMENT PROGRAMS

We aim to train a competent and qualified workforce for our sector with our professional programs developed in line with the technical knowledge and skills that the energy sector requires.

Program Name	Scope of the Program
Sales School	With the Sales School project we launched in 2014 in cooperation with Sabancı University, we are making great advances, such as increasing service quality, operational excellence and customer satisfaction, while developing our employees to face the many behavioral and technical challenges required of the sector, primarily from a Sales and Customer Orientation perspective. In 2019, 243 employees attended the Sales School.
KOZA Development Program	With the KOZA development program launched to support the young talent pool for the sales function as a sales representative/ official development program in 2019, we supported the development of 38 Sales Official and Representatives who successfully completed the selection process and improved their current skills and prepared them for their next role.
We Learn From Each Other	Thanks to the We Learn from Each Other platform we created in 2019, we are fostering a culture of shared learning within the Company by enabling Enerjisa employees to share their knowledge and experience with each other. With this platform, 172 employees have gained in-depth knowledge and competence pertaining to industry dynamics, as well as new approaches befitting the digitalized world and a global outlook to the energy sector, regardless of their departments.
Technology Development Workshop	With the Technology Development Workshop, which is designed to nurture the effective business cultures of Enerjisa Enerji's IT teams through rising trends, we intend for all IT teams to participate in various theoretical and applied training programs in line with trending technologies and new project management methodologies for two years. We also aim to include other functions in the workshop. In 2019, we launched the workshop with 97 employees.
Safe Work on the Field	We conducted training at our training centers, with the participation of 887 employees, to improve the technical knowledge and skills of our employees in Grid Operations, one of the main service processes of distribution companies and to raise awareness on work efficiency and occupational health and safety (OHS).
Engineer Development School	The Engineering Development School aims to develop the skills of engineers working at distribution companies, improve their technical capacity and efficiency and prevent occupational accidents by creating a training system for the distribution operations. In 2019, 307 employees received training.
Vocational High School Coaches Program	In cooperation with Vocational High Schools, we encouraged our employees to voluntarily and regularly share their experiences, knowledge and time to support the development of students and have increased students' internship opportunities and employability. We included 16 graduates of the project in the vocational training process (internship).

OTHER TRAINING

Formed to energize and inspire the organization with the passion, perspective, potential and diversity of the young Enerjisa staff, the **Young Advisory Board** will serve our leadership team as an advisory body by participating in numerous projects and tasks developed to add value. In 2019, the Young Advisory Board project was awarded the Sabancı of the New Generation Award.

In 2019, Enerjisa senior leaders attended **X-CELERATE** high-level leadership development program organized by Sabancı Holding, **X-Posure** for mid-level leaders preparing for future roles and the **TPX** leadership development programs, a young talent program with high potential young employees.

Also in 2019, 16 people participated in **Advanced Data Analytics Academy**, which was established in collaboration with Sabancı Holding, Sabancı University and Sabancı EDU. All of our participants successfully graduated from the program and one of our participants graduated as one of the 3 most successful individuals.

In 2019, 9 employees participated in the leadership development program which is organized by the Yenibirli der Association in collaboration with Boğaziçi University. The program consists of training, mentoring, coaching and networking sessions.

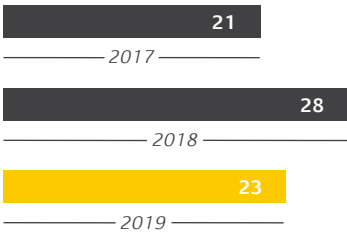
With the introduction of the **Enter** project, our new generation talent management program, seniors and graduate students in electrical/electronics engineering received the opportunity to get a glimpse of the energy sector and the Enerjisa Distribution processes. During this one-year period, future engineers were assigned to different tracks (investment, customer and grid) and received the opportunity to experience and learn about the engineering processes involved in the energy distribution business. They were mentored by talent coaches and explored individual areas of interest. In 2019, 27 future engineers began their one-year industry journey in three regions. The Enter talent program was granted with the TOP100 TALENT First Prize in the Energy Sector by TOPTALENT in 2019.

The **Our Customers** training, which was designed for our field employees to improve their dialogue with both internal or external customers, aims to increase customer satisfaction, one of our key priorities. In 2019, 1,014 employees boosted their competence in communication, stress and conflict management thanks to the training.

To ensure that our employees understand the impact of the changes in the world and Turkey, technologies and trends on our way of doing business and to improve their way of doing business accordingly, we started organizing Trend Talks meetings in 2019. All employees can connect online from Enerjisa offices and interactively participate by asking questions. In 2019, 2,500 employees participated in four meetings held in different Enerjisa regions.

In 2019, overall we continued to support the professional and personal development of Enerjisa employees with technical and professional training programs, including master's programs, online foreign language courses and training courses on information security, competition law and ethics among others.

AVERAGE ANNUAL TRAINING HOURS PER EMPLOYEE





TALENT MANAGEMENT

HIGH PERFORMANCE CULTURE

A strategic priority of our Company is the High Performance Culture based on continuous learning, agility, passion, determination and responsibility. We focused primarily on the Performance Management System in 2019 to support the sustainability of this culture.

We organized 26 workshops with approximately 200 managers and other higher-level executives to ensure that the goal-setting process is executed using the same approach across the Company. The workshops hosted by the function managers helped ensure that the Company's objectives were distributed across functions and individuals with the same approach, following the Company's strategic priorities.

During the year, we updated our performance process to support the High Performance Culture in line with the feedback provided and shared by our employees. Consisting of three fundamental stages: target-setting process, continuous performance management process and year-end evaluation process; our performance management system has become a structure that supports employees to review, update and enter targets throughout the year different from the previous years. Studies about new generation performance management system like more flexible, supporting performance dialog with receiving and giving instant feedback have been completed in 2019 and will be taken live in 2020. In order to support leadership team in terms performance management, performance coaching sessions have been held and will continue in 2020.

In addition to all these, we intend to internalize and preserve its High Performance Culture. Therefore, we strive to integrate our values, which were revised in 2019.

REWARDS AND BENEFITS

At Enerjisa, the rewards and benefits are based on the principles of fairness, transparency, competitiveness and rewarding high performance and are assessed in line with the wage market, overall sector and macroeconomic indicators. We aim to create a positive and competitive working environment by implementing a competitive and fair wage policy through regular market analyses, attracting large numbers of required talent to Enerjisa Enerji and earning current employees' loyalty.

With the various applications developed using the **You Are Worth It** platform, it is possible to appreciate the individual efforts and development of employees as well as their contribution to corporate development. This way, the Company can celebrate its employees' special and important days and foster appreciation.

Within the scope of the grading review studies carried out in 2019, all the jobs are re-evaluated via globally used job evaluation methodology and grading structure had been reviewed and updated.

EMPLOYEE VOLUNTEERING

We support the voluntary participation of our employees in our social responsibility projects to contribute to the social welfare. These projects increase employee motivation and enhance our corporate perception. In 2019, we voluntarily took part in social responsibility projects with a total of 48 employees. We voluntarily support educational events and theater plays under the projects aimed at raising awareness on energy efficiency, energy saving and the environment in primary school students.

INNOVATION FOR THE FUTURE ENERGY

We operate in a dynamic energy sector that is transforming with megatrends and we have a clear vision of potential changes and value creation opportunities. We carry the responsibility of delivering a critical service for the society and we get prepared for the new world of energy. We focus on global technological developments, implementing new innovative ideas that add value to human life and finding customer-oriented solutions.

We are already preparing for today's fundamental changes by helping to shape regulation, exploring new business opportunities and leading the sector into the New Energy World.

In addition to our core business areas in electricity distribution and retail, we lead the sector with our efforts in energy efficiency and e-mobility solutions. Moreover, we closely follow opportunities in innovative business areas such as electric vehicle charging stations, electricity storage systems, smart home technologies and systems that help consumers produce their own electricity. We carry out our operations for customer solutions and distributed generation under **Enerjisa Müşteri Çözümleri A.Ş.**

**ENERGY IS LIFE.
ENERGY IS PROGRESS.
OUR FUTURE IS ENERGY.**

**TOGETHER WE ARE GOING TO BE
THE ENERGY COMPANY...**

- that stands for a climate-conscious community of unlimited possibilities
- the energy company that supplies energy for the digital age and digitizes energy
- the energy company that enables people to produce their energy anywhere
- the energy company that revolutionizes the availability of energy





INNOVATION FOR THE FUTURE ENERGY

INNOVATION CULTURE

We allocated approximately TL 9.7 million for innovation in 2019.

We see innovation as a key strength to get ready for the Future Energy. We have an Innovation Department which fosters the innovation culture within the Company. The innovation team focuses on the trends in technology, development of products and services to improve business processes, whilst using big data and new digital solutions. Our innovation projects have been instrumental in the transformation of the sector. We contribute to and guide the existing and/or new legislation and studies by reporting the output of the projects to public institutions and regulatory authorities.

- We ranked in the top five and reached the finals in the category of Innovation Strategy at InovaLIG, organized by the Turkish Exporters' Assembly.
- Smart Box (Akıllı Kutu) project has been granted the Commercialization Potential Award in TÜSİAD's Digital Transformation in Industry Program.
- Corporate intrapreneurship program NAR is considered as the best practice by companies in Turkey and around the world.

We try to strengthen our innovation culture by means of both internal and external methods:

OPEN INNOVATION

We collaborate with start-ups, companies, technology development zones and universities in pursuit of open innovation:

- **Cooperation with Start-ups:** We implement three different business models as we cooperate with start-ups to attract innovative ideas to Enerjisa Enerji:
 1. Developing new products or services by making use of their in-depth knowledge about and agility in their expertise areas;

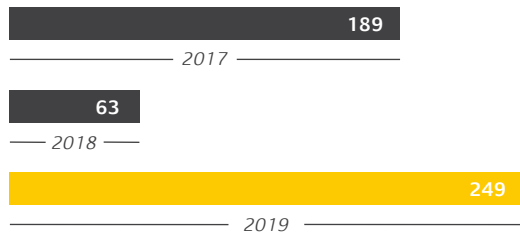
2. Offering customers the available products and services of start-ups by adding them to the Enerjisa's portfolio and therefore, establishing a channel between the product and the consumer and
3. Investing in start-ups.

- **Company Partnerships:** We focus on offering innovative products and services to our individual and corporate customers and expediting our digitalization processes via new technologies. In line with this, we realized Enerjisa Partner Hub, an open platform for companies of all scales willing to partner and/or develop products with us. Institutions and individuals willing to cooperate with us in energy efficiency, artificial intelligence, smart devices (IoT), electric mobility and energy monitoring-automation can apply to **the Enerjisa Partner Hub** via our website.
- **University Collaborations:** In 2019, we cooperated with METU, Sabancı University Inovent A.Ş., Bartın University, Özyeğin University, Gazi University, TOBB, Bilkent University, ITU Arı Teknokent, ITU Çekirdek and EIT InnoEnergy, which is funded by the European Union.

NAR CORPORATE INTRAPRENEURSHIP PROGRAM

It is our corporate intrapreneurship programme which has been held for 5 consecutive years. It enables collating innovative ideas from our employees for certain themes. Intrapreneurs receive practical and theoretical lean entrepreneurship training as part of the acceleration program. They are then included in the incubation process. In 2019, we received 249 ideas from employees, with record high interest in the programme. Certain projects aiming to develop products and services as part of the program had the opportunity to realize their solutions through the external partnerships and initiatives that they have established with the help of the Innovation Unit.

THE NUMBER OF IDEAS OBTAINED BY THE NAR



R&D

We are the sector leader with our R&D projects that are developed in line with considering operational efficiency, global international technological developments and Occupational Health and Safety.

We develop our R&D projects to achieve operational efficiency, keep pace with international technological developments and to improve occupational health and safety. Enerjisa Energy R&D Department carries out projects focused on developing new products, systems and design and primarily performs detailed analyses of the best global practices available for the distribution network, information and communication technologies and the relationship between these technologies. The R&D unit, which consists of 10 employees, focuses on the projects that improve the efficiency, reliability and continuity of electricity distribution. One of our primary objectives is to ensure the commercialization of the products and services we develop in these projects. These products and services are supported by local and foreign funding.

The projects are identified and selected by considering the strategic goals of the Company, internal needs and expectations and the latest updates on international R&D developments. The

The selected projects in 2019 under Nar are as follows:

- **Gezgin:** Electric scooter sharing platform supporting sharing economy and mobility habits of individuals by helping them reduce their carbon emissions.
- **Prosa:** Preventative maintenance of meters via machine learning.
- **Safe Climbing:** A warning system for possible leaks in lighting poles.

R&D work plays an important role in fostering the innovation culture within the Company. Additionally, since the outputs related to the projects are shared with EMRA, they also help shape future legislation.

We are the sector leader in terms of its R&D projects and the funding received. We serve at both the management and technical evaluation committee of the EUROGIA 2020 cluster, operating in the energy field under the umbrella of international R&D support program EUREKA. The cluster is chaired by Enerjisa Enerji CEO Murat Pınar.

Additionally, we received 59 ideas via the Suggestion System, which we developed to include employees in the R&D processes. We implemented three of these ideas.

In 2019, we allocated approximately TL 5.3 million to R&D practices. R&D expenditures constitute 0.07% of the turnover.

In 2019, we received a total funding of TL 5,341,700 for our 9 projects supported by the EMRA R&D Fund.



INNOVATION FOR THE FUTURE ENERGY

Project Name	Purpose and Work
Micro-Grid Management Methods and Control Equipment Development	Developing micro-grid control hardware and management software.
Humidity Problem in Substations	Finding solutions to the adverse effects of humidity on electrical equipment in substations.
Producing Sensor and Monitoring Software for High-Voltage Overhead Lines and Increasing Efficiency of Energy Quality	Developing wireless theft and loss sensors that communicate with the Automatic Meter Reading System (AMR).
Error Warning System – Phase 2	Developing novel products that can identify hard-to-detect faults in low-voltage overhead lines.
Duplex Substation Design	Designing a smaller duplex substation to solve the space allocation problem of substations.
Energy Efficiency Harvest Project	Identifying applications that will increase energy efficiency in the electricity distribution industry.
Forestry the Land Under the Power Transmission Lines – Daphne Project for Reducing Losses and Preventing Fire Risk	Planting small trees with high moisture content under the lines to mitigate the risk of fire due to faulty lines and outages caused by slouched lines in contact with trees.
Fault Detection and Analysis Through Image Processing	Detecting and analyzing faults in transmission lines by using the image-processing technique.
Grid Downtime Estimation and Optimization	Developing a platform that utilizes artificial intelligence, big data, data analysis and business intelligence to predict and optimize grid downtime.

E-MOBILITY

For a more sustainable life, we promote the widespread use of electric and energy-efficient vehicles, the transportation technologies of the future and build the infrastructure for electric vehicle charging stations. In this context, we closely follow opportunities in innovative business areas, such as electric vehicle charging stations, electricity storage systems, smart home technologies and systems that help consumers produce their own electricity.

We became the controlling shareholder of Elektrikli Araçlar Şarj Sistemleri A.Ş. (EŞarj) in 2018 by acquiring the majority of the Company's shares. In addition to our leadership in distribution and retail in the electricity sector, we aim to take on an innovative and pioneering role in the electric vehicles business and play an active role in the transformation of the sector.

ENERGY EFFICIENCY SOLUTIONS

We follow energy consumption trends and develop products accordingly to ensure that customers use energy efficiently. We share the financial and environmental impacts of efficiency projects.

We started the “Save Your Energy” movement to create awareness for energy efficiency, which has been instrumental for the sustainability of energy resources. Since 2016 we help to foster more energy saving and technology practices with this movement.

GREEN PRODUCTS

We serve our customers with different products and tariffs to fulfill their expectations and needs in the regulated market and closely follow developments in Turkey and the world.

- **Smart Box:** We started the Smart Box project to raise user awareness on the consumption amounts of electrical devices, accurately forecast the demand that would affect electricity prices by using the data obtained from customers and to increase customer loyalty. Enerjisa customers can monitor their electricity consumption in real time via the

Enerjisa Mobile App using the Smart Box IoT device installed in their homes. They can also use energy more efficiently by setting alerts and utilizing the insights provided by the Smart Box smart algorithms. As of today, we have installed the Smart Box for more than 60 users.

- **Personal Energy Administration Kiosk Application (PEAKApp):** With the PEAKApp mobile app solution, we aim to correctly estimate the demand that would affect electricity prices and increase user awareness of how much electricity devices consume. The application was the first Enerjisa project funded by the European Union Horizon 2020 program to receive the TÜBİTAK Achievement Award and Austrian Energy Globe Jury Special Award. With the mobile app developed as part of the project, users can actively track their consumption and compare it against past consumption levels and experience competitive gameplay by earning points in line with their energy-saving objectives and competing with friends. Furthermore, in markets with variable electricity prices, users are informed about the hours of low-cost energy and can receive discounts with the points they earn. The application was tested by pilot groups in Austria, Estonia, Latvia and Sweden and projects results was reported to the European Commission.

DISTRIBUTED ENERGY

The first steps in addressing energy and climate crisis, both in our country and across the world, are ensuring energy efficiency and using renewable energy sources. We work towards adopting the decentralized, distributed energy model as an alternative to the central system energy model. Distributed energy helps to reduce losses and costs in electricity production, transmission and distribution; ensure supply security; lower foreign dependency; decrease greenhouse gas emissions; promote renewable energy sources and ensure regional development.



STATEMENT FROM
MANAGEMENT

COMPANY
PROFILE

INTEGRATED
MANAGEMENT

RESPONSIBLE
PUBLIC SERVICE

ROLE MODEL
WITHIN THE SECTOR

PREPARING FOR THE
NEW ENERGY WORLD

ANNEX



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- Zonguldak



PERFORMANCE INDICATORS

SOCIAL PERFORMANCE INDICATORS

EMPLOYEES PER CATEGORY	2017		2018		2019	
	Female	Male	Female	Male	Female	Male
Total number of employees	1,097	8,533	1,075	8,656	1,108	9,132
White-collar employees	1,041	2,026	1,020	2,084	1,050	2,178
Blue-collar employees	56	6,507	55	6,572	58	6,954
Employees covered by collective bargaining agreements	56	6,507	55	6,572	58	6,954
Total	9,630		9,731		10,240	
EMPLOYEES BY EMPLOYMENT TYPES	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
White-collar employees	3,067	0	3,104	0	3,228	0
Blue-collar employees	6,563	0	6,627	0	7,012	0
Employees with disabilities	271		287		307	
Total	9,630		9,731		10,240	
EMPLOYEES BY AGE	Female	Male	Female	Male	Female	Male
<30 years old	438	2,306	338	2,001	345	2,038
31–49 years old	651	6,088	731	6,512	755	6,927
>50 years old	8	139	6	143	6	159
Total	9,630		9,731		10,240	
CONTRACTORS ⁵	Female	Male	Female	Male	Female	Male
Number of contractors (by gender)	193	748	211	760	187	752
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
Number of contractors (by working hours)	941	–	971	–	318	621
EMPLOYEES IN MANAGEMENT BY GENDER AND AGE	Female	Male	Female	Male	Female	Male
<30 years old	6	6	9	9	1	10
31–49 years old	88	287	95	291	128	372
>50 years old	2	20	1	19	2	24
Board members	2	6	2	6	2	6

PARENTAL LEAVE	2017		2018		2019	
	Female	Male	Female	Male	Female	Male
Employees entitled to parental leave	82	717	76	746	88	699
Employees who returned to work following parental leave	73	717	72	746	85	699
EMPLOYEES WHO LEFT WORK BY GENDER AND AGE	Female	Male	Female	Male	Female	Male
<30 years old	72	212	55	188	37	149
31–49 years old	121	435	107	341	67	252
>50 years old	5	60	4	67	2	41
Total	198	707	166	596	106	442
Employee turnover	4.4%		3.9%		3.1%	
NEW EMPLOYEE HIRES BY GENDER AND AGE	Female	Male	Female	Male	Female	Male
<30 years old	128	784	90	445	93	640
31–49 years old	63	441	45	253	41	275
>50 years old	0	5	0	1	0	0
Total	191	1,230	135	699	134	915
OCCUPATIONAL HEALTH AND SAFETY PERFORMANCE	Enerjisa	Contractors	Enerjisa	Contractors	Enerjisa	Contractors
Number of critical injuries	46	18	36	14	21	8
TRIFR (w/o STF)	7.1	7.1	6.9	5.6	5.1	4.8
TRIF	12.7	8.8	11.8	6.4	9.6	4.9
LTISR	95.5	93.9	93.2	67.3	64.4	45.7

⁵ It only includes employees for cleaning and security services.

PERFORMANCE INDICATORS

ENVIRONMENTAL PERFORMANCE INDICATORS

ENERGY CONSUMPTION (MWh)	2017	2018	2019
Office buildings	27,572	23,576	24,836
Vehicles fuel	89,572	100,619	103,724
Total	117,144	124,195	128,560
Renewable energy	0	0	989
Renewable energy purchased	0	0	989
Renewable energy produced	0	0	0
Total net energy consumption	117,144	124,195	129,549
Energy intensity (million TL/MWh)	2.29	1.31	1.37
GREENHOUSE GAS EMISSIONS ⁶ (ton CO ₂ e)	2017	2018	2019
Scope 1	25,651.6	28,205.7	29,850.7
Vehicles	24,262.9	27,255.0	28,096.1
F-Gases & SF6	0,0	0,0	140.9
Fuels used inside the buildings	1,388.7	950,7	1,612.0
Generators (Diesel)	0,0	0,0	1.7
Scope 2	10,584.5	9,566.3	8,667.5
Energy consumption	10,584.5	9,566.3	8,667.5
Scope 3	0,0	0,0	1,286.1
Service vehicles	0,0	0,0	364.3
Travels by planes	0,0	0,0	921.8
Total	36,236.0	37,772.0	39,804.3
Emission intensity (million TL/ton CO ₂ e)	2.94	2.06	2.05
WATER CONSUMPTION (m³)	2017	2018	2019
City water	70,000	97,182	101,000
TOTAL WASTE AMOUNT (ton)	2017	2018	2019
Hazardous waste	7,570	10,700	5,563
Non-hazardous waste	14,000	11,118	6,675
Recycled waste	14,000	11,118	6,675

6 In 2019, we made retrospective improvements to the data from the past two years by improving data tracking. The greenhouse gas calculation methodology is based on “multiplying the data on greenhouse gas emissions from activities by emission factors or removal factors.” Greenhouse gas emissions were calculated in line with the Greenhouse Gas Protocol. The Global Warming Potential (GWP) coefficients were taken from the Intergovernmental Panel on Climate Change (IPCC) 5th Assessment Report.



I-REC Statement of Redemption

This declaration confirms the following I-RECs have been redeemed and so are no longer transferable or assignable.

Summary Data

Beneficiary	Enerjisa Enerji A.Ş.
Beneficiary Country	Turkey
Consumption Reporting Year	09-2019 to 12-2019
Number of redeemed certificates/ MWh represented	989
Redemption Purpose	Disclosure for Scope 2 Reporting
Redemption Account Holder	Enerjisa İstanbul Anadolu Yakasi Elektrik AS
Redemption Date	10-02-2020

Production Device

Production Device/Group	Seferihisar Wind Power Plant
Country of Origin	Turkey
Energy Source	Wind
Technology	Onshore
Support Type	Feed-in Tariff
Commissioning Date	22-10-2016
Carbon (CO ₂ /MWh)	0

Redeemed Certificates

From Certificate ID	To Certificate ID	Number of Certificates	Production Period from / to	Labelling Schemes	Offset Attributes
0000-0000-3956-5015	0000-0000-3956-6003	989	01-09-2019 16-09-2019	None Declared	Inc

Auditor notes:
This statement is proof of the secure and unique redemption of the I-RECs stated above for the named beneficiary to be reported against consumption in the country during the reporting year stated. I-RECs are assigned to a beneficiary at redemption and cannot be further assigned to a third party. No other use of these I-RECs is valid under the I-REC Standard. Where offset attributes are 'inc' the device registrant, who exclusively holds the environmental attribute rights, has undertaken never to release carbon offsets in association with these MWh; 'exc' means carbon offsets relating to these MWh *may* be traded independently at some point in the future.
For labelling scheme information please refer to the scheme's website. Labelling scheme listing may not be exhaustive.

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UNGC REFERENCES

AREA	PRINCIPLES	RELEVANT REPORT SECTION
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Role Model Within the Sector (Supply Chain Management)
	Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	Preparing for the New Energy World (Talent Management)
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Preparing for the New Energy World (Talent Management)
	Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.	
	Principle 5: Businesses should uphold the effective abolition of child labour.	
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges.	Role Model Within the Sector (Environmental Impact)
	Principle 8: Business should undertake initiatives to promote greater environmental responsibility; and	
	Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies.	
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Role Model Within the Sector (Corporate Governance)

WEPs REFERENCES

PRINCIPLES	RELEVANT REPORT SECTION - SUBSECTION
Principle 1: Establish high-level corporate leadership for gender equality.	Preparing for the New Energy World (Talent Management)
Principle 2: Treat all women and men fairly at work – respect and support human rights and nondiscrimination.	
Principle 3: Ensure the health, safety and well-being of all women and men workers.	
Principle 4: Promote education, training and professional development for women	
Principle 5: Implement enterprise development, supply chain and marketing practices that empower women	
Principle 6: Promote equality through community initiatives and advocacy	
Principle 7: Measure and publicly report on progress to achieve gender equality	

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	RESOURCES	OMISSION
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GRI 102: GENERAL DISCLOSURES 2016	GENERAL DISCLOSURES		
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GRI 102: GENERAL DISCLOSURES 2016	STAKEHOLDER ENGAGEMENT	
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	102-48	There is not any change in the scope and aspect boundaries.
	102-49	20-22
	102-50	4
	102-51	01.01.2018 - 31.12.2018 2018 Sustainability Report
	102-52	Annually.
	102-53	4
	102-54	4
	102-55	58
	102-56	No external assurance/audit.

GRI 200 ECONOMIC STANDARD SERIES

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GRI 307: ENVIRONMENTAL COMPLIANCE 2016	307-1	55

GRI 400 SOCIAL STANDARDS SERIES

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GRI 418: CUSTOMER PRIVACY 2016	418-1	31



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TRADE REGISTRY INFORMATION

TRADE REGISTRY NUMBER

800865

TRADE NAME

ENERJİSA ENERJİ ANONİM ŞİRKETİ

ADDRESS

Barbaros Mahallesi, Begonya Sok. Nida Kule, Ataşehir Batı
Sitesi, No: 1 / 1, Ataşehir 34748 İstanbul

PAID IN CAPITAL

1,181,068,967.12 TL

REGISTERED PAID IN CAPITAL

4,000,000,000.00 TL

TRADE REGISTRY DATE

21/12/2011

MERSIS NO

0335042909900015



GLOSSARY

AGED	Waste Paper and Recyclers Association
AMR	Automatic Meter Reading System
AYEDAŞ	İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş.
AYESAŞ	Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.
BCSD	Business Council for Sustainable Development
BCM	Business Continuity Management
BIA	Business Impact Analysis
BIST	Borsa İstanbul Stock Exchange
CSC	Customer Service Center
CRM	Customer Relationship Management
CSAT	Customer Satisfaction
DSOs	Distribution System Operators
EBITDA	Earnings before interest, taxes, depreciation and amortization
EBRD	European Bank for Reconstruction and Development
EBDR PR	EBRD Performance Requirements
EDAŞ	Elektrik Dağıtım A.Ş.
EDU	Executive Development Unit
EIA	Environmental Impact Assessment
ELDER	Association of Distribution System Operators
EMRA	Energy Market Regulatory Authority
Enetik	The Enerjisa Code of Conduct
EPSAŞ	Elektrik Perakende Satış A.Ş.
Esarj	Elektrikli Araçlar Şarj Sistemleri A.Ş.
ESG	Environmental, Social and Governance
ETC	Enerjisa Transaction Center
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
GÜYAD	Solar Energy Investors Association
IIRC	International Integrated Reporting Council
IoT	Internet of Things
IICEC	Sabancı University İstanbul International Center for Energy and Climate
IT	Information Technologies
ITU	İstanbul Technical University
IVR	Interactive Voice Response
KEP	Registered Electronic E-mail

KPI	Key Performance Indicators
LEAP	Leadership Acceleration Program
LPPD	Law on the Protection of Personal Data
LTISR	Lost Time Injury Severity Rate
METU	Middle East Technical University
MoEU	Ministry of Environment and Urbanization
MTPOD	Maximum Tolerable Period of Disruption
NPS	Net Promoter Score
OHS	Occupational Health and Safety
OMS	Outage Management System
OREO	Online Appointment System
OSC	Online Services Center
RAB	Regulated Asset Base
RERSM	Renewable Energy Resources Support Mechanism
RPO	Recovery Point Objective
RTO	Recovery Time Objective
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SAP	System Analysis and Program Development
SASB	Sustainability Accounting Standards Board
SCADA	Supervisory Control and Data Acquisition
SEP	Stakeholder Engagement Plan
TEİD	Turkey Ethic and Reputation Association
TKYD	The Corporate Governance Association of Turkey
TOBB	The Union of Chambers and Commodity Exchanges of Turkey
TRIF	Total Recordable Incident Frequency Rate
TRIF w/o STF	Total Recordable Incident Frequency Rate Excluding Slip, Trip and Fall Accidents
TÜBİTAK	The Scientific and Technological Research Council of Turkey
TÜRKOTED	Turkey Cogeneration Association
TÜSİAD	Turkish Industry and Business Association
TÜYİD	Turkish Investor Relations Society
UN	United Nations
UNGC	The United Nations Global Compact
WEPs	The Women's Empowerment Principles
WTEC	Women's Technology Empowerment Centre
YASED	International Investors Association

