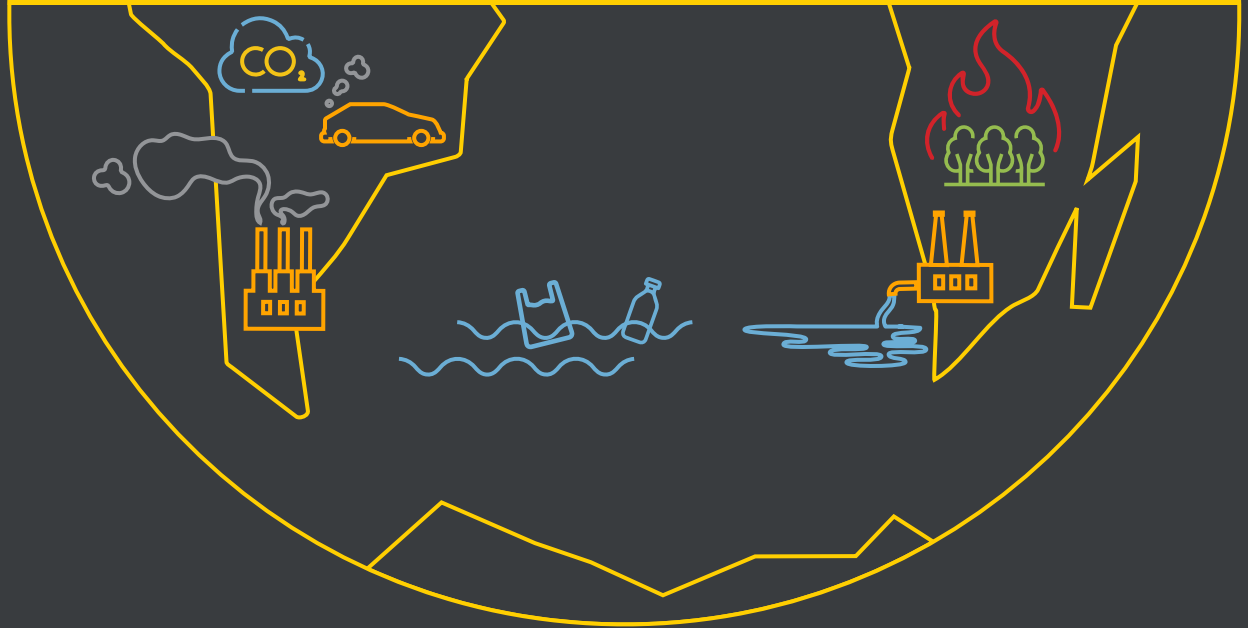




**OUR ENERGY IS FOR OUR FUTURE**



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# READER GUIDE



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You can go through pages by clicking the arrows.



Indicates internal reference.



Indicates stakeholder opinion.



Indicates the information available online.



Indicates an information block.



Indicates assured data.



<https://www.enerjisainvestorrelations.com/>

# ABOUT THE REPORT

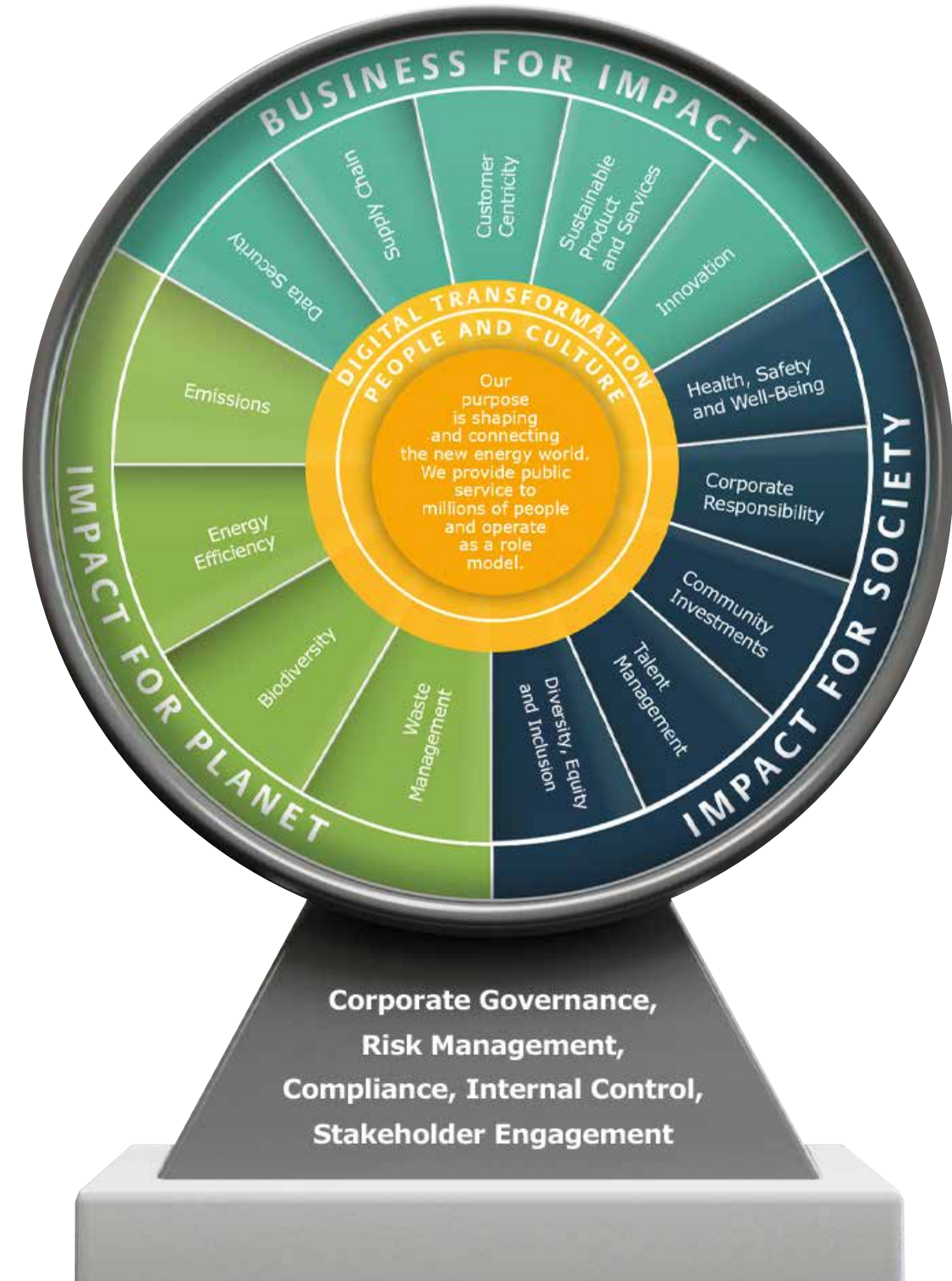
At Enerjisa Enerji A.Ş. (Enerjisa Enerji)<sup>1</sup>, we aim to develop ground-breaking practices in our sector and conduct our operations with an exemplary approach. As a pioneer in Corporate Governance and Risk Management, Occupational Health and Safety and Environmental Management in the energy sector, we stay abreast of global trends and stakeholder expectations to further improve our Environmental, Social and Governance (ESG) performance. Our goal is to lead the energy sector in this area, both in Turkey and globally. We currently have operations in three primary spheres: electricity distribution, retail sales and customer solutions.

One of our top priorities is providing our customers with sustainable and innovative solutions. To this end, we established Enerjisa Müşteri Çözümleri A.Ş. in 2017 to engage in customer solutions activities. With over 11,000 employees, we reach around 10.3 million customers in 14 provinces across three operational regions and serve a population of 21.9 million people.

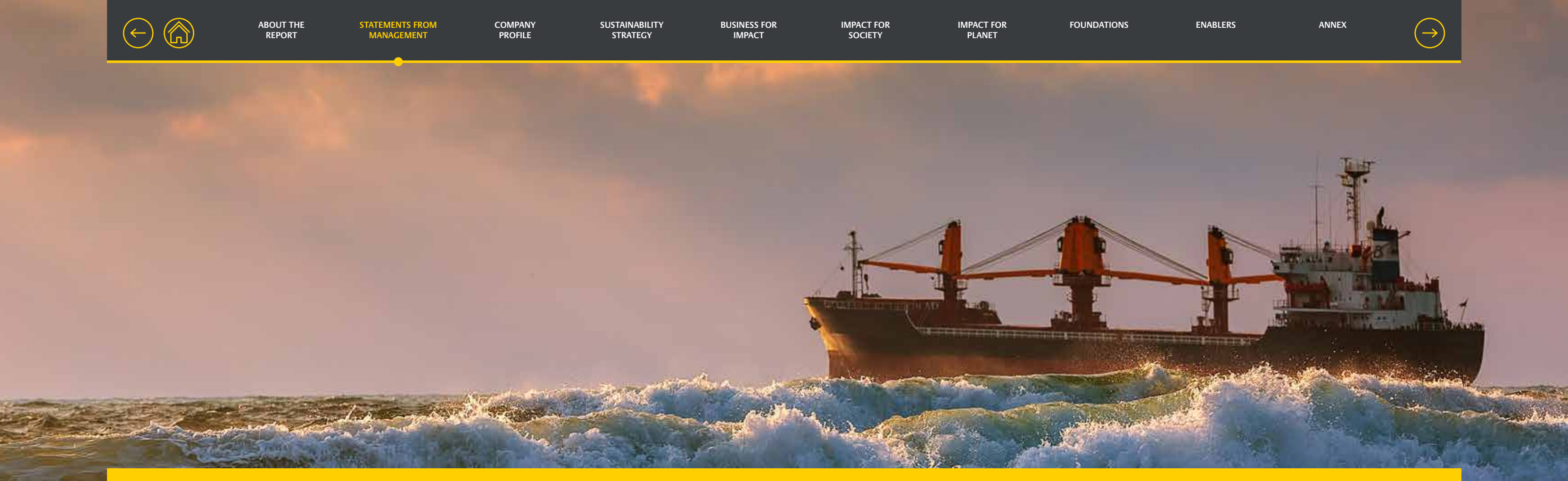
The 2021 Sustainability Report (“Report”) covers the period from 1 January 2021 to 31 December 2021. The Report is prepared in line with the International Framework outlined by the International Integrated Reporting Council (IIRC) and in accordance with the GRI Standards: Core option. In view of changing trends and the growing importance of some specific ESG issues for both our Company and stakeholders, we reviewed our material topics in 2021 and redefined the scope in line with feedback collected from our stakeholders to manage our performance holistically.

To demonstrate our performance in a substantive, measurable and comparable manner, we generally share data from the last three years. We also highlight our contributions to Sustainable Development Goals (SDGs). References to the UN Global Compact and the Women’s Empowerment Principles (WEPs) can be found at the end of the Report.

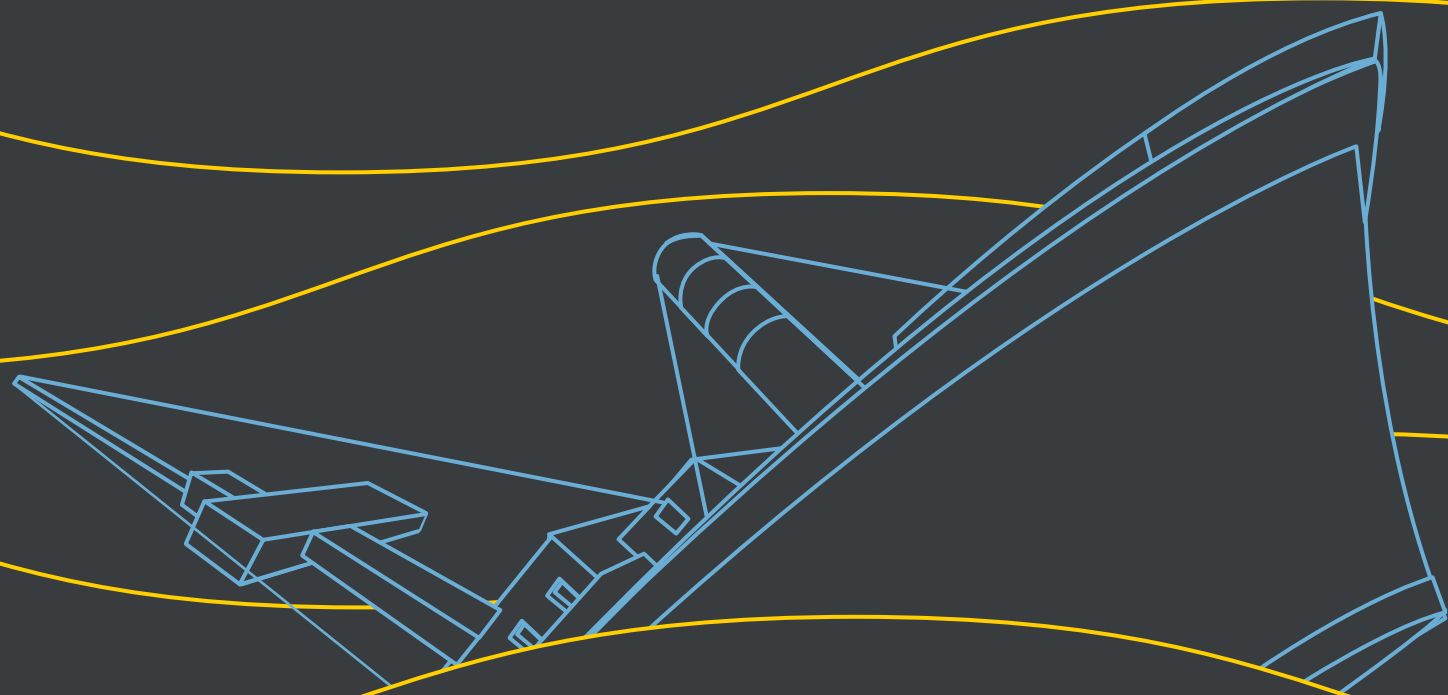
Please send any questions, comments and suggestions you have in connection with the Report to [investorrelations@enerjisa.com](mailto:investorrelations@enerjisa.com).



<sup>1</sup> Başkent Elektrik Dağıtım A.Ş. (BASKENT EDAS), Enerjisa Başkent Elektrik Perakende Satış A.Ş. (BASKENT EPSAS), İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş. (AYEDAS), Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş. (AYESAS), Toroslar Elektrik Dağıtım A.Ş. (Toroslar EDAS), Enerjisa Toroslar Elektrik Perakende Satış A.Ş. (Enerjisa Toroslar EPSAS), Enerjisa Müşteri Çözümleri A.Ş., and Eşarj Elektrikli Araçlar Şarj Sistemleri A.Ş. (Eşarj) are the entities covered in this report.



# WE LEAD THE INDUSTRY WITH OUR PRUDENT MANAGEMENT PRACTICES



**STATEMENTS FROM MANAGEMENT**

- 5 Chairman's Message
- 6 Message from the CEO
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# CHAIRMAN'S MESSAGE

“As we lead the New Energy World, we support a cleaner, carbon-free energy landscape with all our activities. Taking a multidimensional approach, we are committed to developing sustainable products and services that move humanity towards a reliable, growing energy ecosystem while investing in innovation.



Dear Stakeholders,

With the responsibility we have for people and the planet, we work relentlessly to create value for all our stakeholders. At Enerjisa Enerji, we touch the lives of a quarter of the population in Turkey through our electricity distribution, retail and customer services businesses. We make every effort to provide this vital service without interruption and to provide the highest quality service to our customers.

The deployment of the Covid vaccination globally resulted in a controlled normalization in 2021. Despite the economic challenges and supply chain problems triggered by the pandemic, we are pleased to see that the strong growth trend in Turkey in the second half of 2020 accelerated further in 2021.

Strong economic growth and weather conditions caused global demand for electricity to rise more than 6% in 2021. However, the strong growth in energy demand, low investments in the energy systems and the Ukrainian war have put pressure on the energy supply, leading to spikes in electricity procurement costs and prices and impacting both households and businesses.

We could describe the energy sector using a “Trilemma” triangle, with “Sustainability and particularly Climate Change” on one side and “Economic Development and Affordability” and “Supply Security” on the other sides. Striking the right balance between these concerns and collaboration with multiple stakeholders are required for the effective functioning of the energy ecosystem.

New policies should be swiftly put into effect in the transition to a low-carbon economy throughout the world. Given the lion's share of carbon emissions are produced by the energy sector, the sector bears much of the responsibility for this transition. To achieve the transition to a low-carbon economy, the energy sector must undergo a just transformation; while this transformation comes at a cost. On the other hand,

“We believe that infrastructure and network investments stand out as tools of efficiency that benefits both the environment and prosperity. Provision of high-quality, uninterrupted, and loss-free energy to end-users enables the allocation of resources to high-value sectors, with an enormous multiplier effect for developing countries.

the current global energy crisis also underpins the importance of energy independence and security, which can be addressed by acceleration of the energy transition, investments in renewables and other clean energy sources and energy efficiency measures.

2021 was also the first year of the 4<sup>th</sup> regulatory period, and new tariff parameters have been introduced for increasing the transparency and quality of the sector, as well as further incentivizing investments. While contributing to our business growth through sustainable products and services with a responsible value chain and innovation, we undertake relevant activities in accordance with the parameters of the new regulatory period. In 2021, we completed the infrastructure investments we committed to in spite of all the adverse conditions. We will continue to increase our investments as well as our service quality in line with expectations. We believe that infrastructure and network investments stand out as tools of efficiency that benefits both the environment and prosperity. Provision of high-quality, uninterrupted, and loss-free energy to end-users enables the allocation of resources to high-value sectors, with an enormous multiplier effect for developing countries.

As we lead the New Energy World, we have integrated sustainability into our business model and support a cleaner, carbon-free energy landscape with all our activities. We take a multidimensional approach to sustainability and we are committed to developing sustainable products and services that move humanity towards a reliable, growing energy ecosystem while investing in innovation. Our R&D and innovation programs enable us to develop sustainable products, services and innovative solutions. This year, we carried out several largescale and pioneering projects in the area of Customer Solutions, which gained momentum last year under the Energy of My Business brand.

We believe that a well-defined corporate governance is the key to maximizing our financial, operational and ESG performance. Hence, we continue to improve

the transparency, accountability and sustainability of our management structure. Sustainability is a regular agenda item for our Corporate Governance Board Committee and hence our Board. Since 2021, we factor sustainability performance and initiatives into our Company/CEO scorecard, which is approved by the Board of Directors. These targets are then disseminated to the relevant business units and their realization impacts annual performance and thus remuneration.

It is a pleasure to share with you our 2021 Sustainability Report thanks to the incredible effort and contributions from our management, our employees and all of our stakeholders. Our goal is to become the energy company of the future, an aspiration that can only be achieved with the support of all our stakeholders.

Kivanç Zaimler  
Chairman, Enerjisa Enerji

# MESSAGE FROM THE CEO

“Our investments reached TL 2.8 billion and our sustainable investments were TL 330 million in 2021. We continue to develop sustainable products and services as part of our goal to be the leader of the New Energy World shaped by mega energy trends.



Dear Stakeholders,

In the second year of the pandemic, the challenges for the global economy continued. While vaccination efforts helped normalization in business and social life, supply chain problems and increasing inflationary pressures have affected all industries worldwide to some degree. In addition, environmental and social crises continue to shape the world’s agenda, with climate change posing a major risk and inequality rising both globally.

Despite all these adverse conditions, we delivered robust results in 2021. With our agile management style, supply planning and support for the local supply chain, we sustained our momentum in our investment activities and our investments reached TL 2.8 billion in 2021. Our sustainable investments in 2021 were TL 330 million, while the customer solutions business unit accounted for 30% of our sustainable investments. We continue to develop sustainable products and services as part of our goal to be the leader of the New Energy World shaped by mega energy trends.

In 2021, we created the Sustainability and Corporate Capabilities function to ensure a strategic and integrated approach to corporate sustainability and expanded our Sustainability Executive Committee to include business units. Developing an environmental, social and governmental (ESG) framework linked to business strategy is now crucial. We define the major trends that shape the energy sector as digitalization, decarbonization, decentralization, urbanization, customer centricity and deregulation. We revised our ESG framework in line with these mega trends in 2021 to effectively manage our risks and opportunities. We focus on three areas within our strategic framework: Business for Impact, Impact for Society and Impact for Planet. We see People & Culture and Digital Transformation as enablers that will help us reach our targets.

“We revised our ESG framework in line with these mega trends in 2021 to effectively manage our risks and opportunities. We focus on three areas within our strategic framework: Business for Impact, Impact for Society and Impact for Planet. We see People & Culture and Digital Transformation as enablers that will help us reach our targets.

Our **Business for Impact** focus aims to develop sustainable products and services to better serve our customers while sustaining business growth, fostering a responsible value chain and keeping innovation at the heart of our business. We encourage the widespread use of highly efficient electric vehicles in parallel with our commitment to accelerate the transition to a low-carbon, resilient and resource-efficient economy. In this context, we increased our stake to 94% in Eşarj, the first and fastest electric vehicle charging station network in Turkey. We continue to support the entrepreneurial mindset through our in-house and open innovation platforms NAR and İVME. Our R&D expenditures reached TL 9.4 million in 2021.

Our **Impact for Society** focus aims to help create a more inclusive and prosperous society and a talented, diverse and equal workforce. Today, the ratio of female white-collar employees at Enerjisa Enerji is 31% while the ratio of women in managerial positions is 26%. We are committed to increasing those ratios and support female leadership across our workforce. We launched our Diversity, Equity and Inclusion activities platform Not Without You (Sensiz Olmaz) in 2021. We emphasize Corporate Social Responsibility and Community Investments with the aim of creating a positive impact on the society. Our donations in 2021 totaled TL 38.6 million. We seek to raise social awareness of energy efficiency, particularly in primary school pupils. With the “I am Protecting the Energy of the World” project, we have been targeting to raise awareness regarding energy efficiency among children since 2010. Since the start of the project, we have provided energy conservation training to more than 300,000 pupils with the voluntarily participation of our 420 employees. The social impact of the project (SROI) was 2.7 in 2021, thus every 1 TL invested in the project generated a social return of 2.7 TL. In collaboration with UNDP and Sabancı University, we launched the Sentrum Project to boost the tourism sector in Turkey and created a sustainable tourism center model, in Küçükköy, Ayvalık.

Our **Impact for Planet** focus aims to reduce our ecological impact by facilitating the transition to carbon-neutral business and zero-waste operations. Our CDP Climate Change and CDP Water score increased to B in 2021. In line with our carbon-neutrality target, we supplied almost all our direct electricity consumption from renewable resources. We took initiatives to increase our energy, water and resource efficiency throughout all our operations.

Digitalization is the core of our business and our digitalization investments since 2009 have reached TL 1.5 billion. We developed our digital transformation model E-TERNAL to holistically strengthen sustainability with digitalization. Our company had the highest score on the digital maturity assessment of E.ON and Sabancı Holding among their subsidiaries.

Meanwhile, I would like to underline that we remain as a supporter of the United Nations Global Compact to this day and further, which we have been a signatory to since 2019.

I am delighted to share our 2021 Sustainability Report in which we outline our ESG vision and targets, performance and best practices, risks and opportunities. I also would like to thank all our stakeholders for supporting us on our sustainability journey.

Sincerely,

Murat Pınar  
CEO, Enerjisa Enerji

# MESSAGE FROM THE CFO

“Our CAPEX investment of TL 2.8 billion in 2021 with a 56% yoy growth demonstrates our commitment to provide uninterrupted energy.”



Dear Stakeholders,

Despite the challenges faced due to uncertainties caused by supply chain interruptions and inflationary pressures, we successfully executed our strategy and delivered strong financial, operational and ESG performance in 2021 thanks to our sound business model, strong risk management and most importantly, highly engaged employees.

The electricity network is the backbone of the electricity system and all industries, providing access to energy in a reliable manner. In today's world, grids are becoming the internet of the New Energy World and have an important role in the transition to net zero economy. This is the reason why we have carried out significant grid investments and will continue doing so in the future as well. In 2021, we continued to expand our grid infrastructure. We invested TL 2.8 billion in our power distribution grids, which was 56% higher than in 2020. We have a strong balance sheet, providing us with the flexibility needed to sustain our investments even during a time of heightened uncertainty across the markets.

Financing is a critical pillar in accelerating the energy transition investments. We completed our Green Finance Framework in 2021 and received the relevant Second Party Opinion. Additionally, we signed a new “Inclusive and Green-focused” loan agreement with the EBRD. This loan agreement for the Turkish Lira equivalent of 110 million USD with a 7-year term marks yet another successful transaction for Enerjisa.

The success of any company is not solely dependent on financial performance. We review our ESG strategy regularly and integrate it with our corporate strategy and business models. We believe that strong corporate governance, compliance, integrated risk management and internal control mechanisms coupled with effective stakeholder engagement are the drivers of a sustainable performance. In 2021, we continued to expand our

“We are taking steps to transform our organization into an impact-focused business as we lead the way in adapting to the New Energy World that will provide us with a cleaner, smarter, more sustainable and digital way of living while meeting energy needs.”

ESG-related policies including our “Third Party Relations Policy”, which outlines our fundamental principles for working with third parties, our “Anti-Retaliation Policy”, which ensures the protection of whistleblowers, and our “Diversity and Inclusion Policy”. In 2021, we established our internal control system to ensure that the control environment, controls, information and communication channels are effective and efficient at Enerjisa.

We are taking steps to transform our organization into an impact-focused business as we lead the way in adapting to the New Energy World that will provide us with a cleaner, smarter, more sustainable and digital way of living while meeting energy needs.

We are pleased to report concrete progress toward our sustainability goals. Our ranking on sustainability indices is improving, a reflection of our efforts in this area. An important development in this regard is our inclusion to FTSE4Good index series in 2022, which is designed to measure the performance of the companies demonstrating strong environmental, social and governance performance.

We initiated the process to identify potential climate targets in 2021 with the aim of developing and publishing our climate strategy. We aim to establish a decarbonization strategy in 2022 by defining scenarios and targets as well an implementation pathway to realize our commitments towards the Net Zero Project.

As we pursue ways to establish environmental, social and corporate governance areas for creating shared value, both stakeholders' opinions and megatrends in our sector are important to us. This year, following a comprehensive stakeholder analysis, we updated our materiality matrix in line with changing business dynamics and priorities. As a reflection of the critical role our sector plays in the transition to a low-carbon world, we placed climate change and carbon management at the top of our priority list.

I am proud to share our 2021 Sustainability Report with you as it transparently discloses our performance in environmental, social and corporate governance. I have full confidence in our impact-focused strategy and our ability to capitalize on the opportunities in Turkey and in the energy sector.

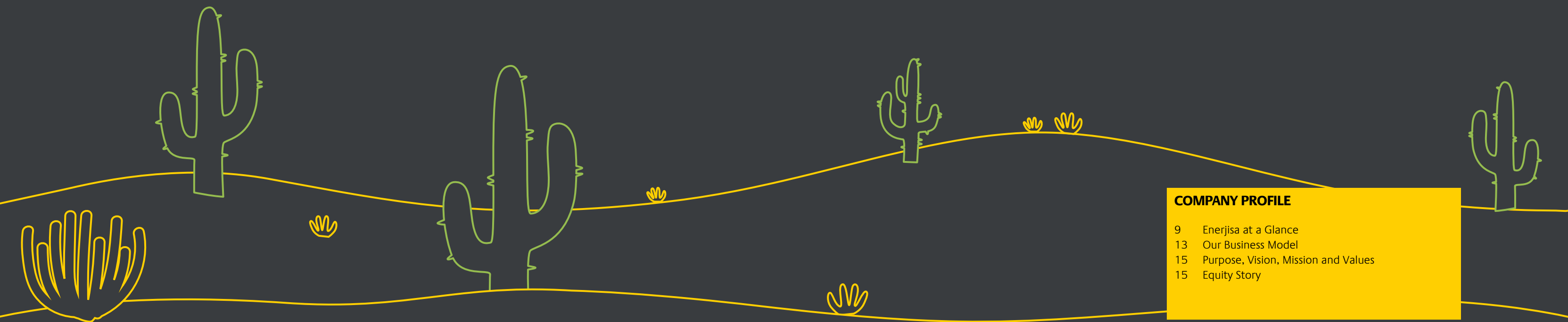
I would like to take this opportunity to express my gratitude to my colleagues for their committed contributions and to our investors, customers and other stakeholders for their invaluable support.

Dr. Michael Moser  
CFO, Enerjisa Enerji





# OUR ENERGY IS FOR OUR FUTURE



**COMPANY PROFILE**

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# ENERJİSA AT A GLANCE

## KEY FINANCIAL INDICATORS (2021)

Operational earnings growth

**34%**

Leverage (net financial debt / operational earnings)

**1.2x**

Underlying net income growth

**29%**

Dividend Payout  
TL 1.24 per share

**61%\***

\*Dividend payout ratio based on Underlying Net Income

## KEY OPERATIONAL INDICATORS (2021)

**11,300**

Employees



**31%**

White collar



**69%**

Blue collar



### Distribution

**TL 11.2 billion**

RAB  
(Regulated Asset Base)



### Retail

**35.8 TWh**

Sales volume



### Customer Solutions

**263**

Public charging locations



**309,907 km**

Distribution network length



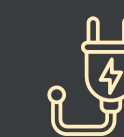
**10.3 million**

Retail customers



**494**

Charging plugs



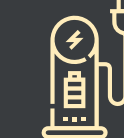
**TL 2.8 billion**

Infrastructure investments



**170**

Fast-charging plugs



**22.6 MWp**

Solar Power Capacity (SPP)



## ABOUT ENERJİSA

We are the leading company in electricity distribution, retail sales and customer solutions in Turkey. Reaching a population of 21.9 million with more than 11 thousand employees, we serve 10.3 million customers in 14 provinces across three distribution regions.

As a public service provided to millions of people, we have been a role model in Turkey's electricity market since 1996, thanks to our grid investments, sustainable products and services, efficiency, customer satisfaction and technology-focused business model.

Sustainability is a core value of our business and is integrated into our strategy and management. Our approach to sustainability keeps us focused on the impact of our products and services, ensure we leverage opportunities in the transition to a cleaner, greener, low-carbon energy sector and nurture a resilient supply chain while empowering equality.

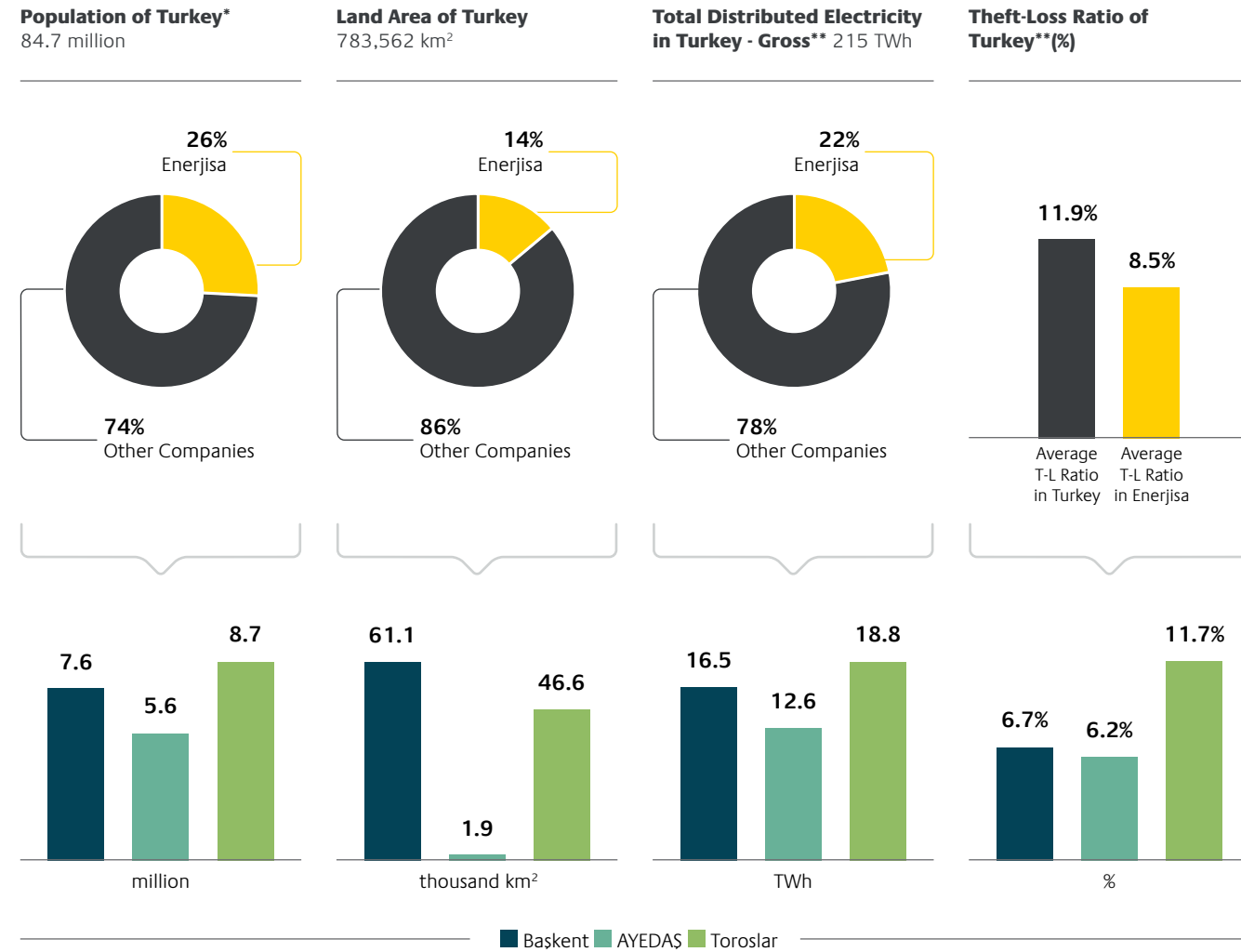
Following the successful public offering in 2018, we focused on Corporate Sustainability to develop a strategic and holistic approach to economic, environmental and social factors with the aim of creating long-term value. We have been included in the FTSE All-World Index and the MSCI Global Small Cap Index since 2018; the BIST Corporate Governance Index and the BIST Sustainability Index since 2019. Additionally, we are a constituent of the FTSE4Good Index Series as of June 2022. Our Corporate Governance Rating was 95.09 out of 100 in 2021.

We are among the signatories of the United Nations Global Compact (UN Global Compact), which is the world's largest voluntary corporate sustainability initiative and have been part of the United Nations Women's Empowerment Principles (WEPs) since 2019. In 2021, we declared our commitment to comply with the principles of Transparency International, demonstrating our pledge to adhere to high ethical standards.

We obtained third party assurance for significant ESG indicators for the first time in 2021. We not only raised our CDP Climate Change and Water Security scores to B in 2021, but we have also continued to improve our ESG performance in other assessments conducted by indices, rating agencies and assessment platforms in 2021.

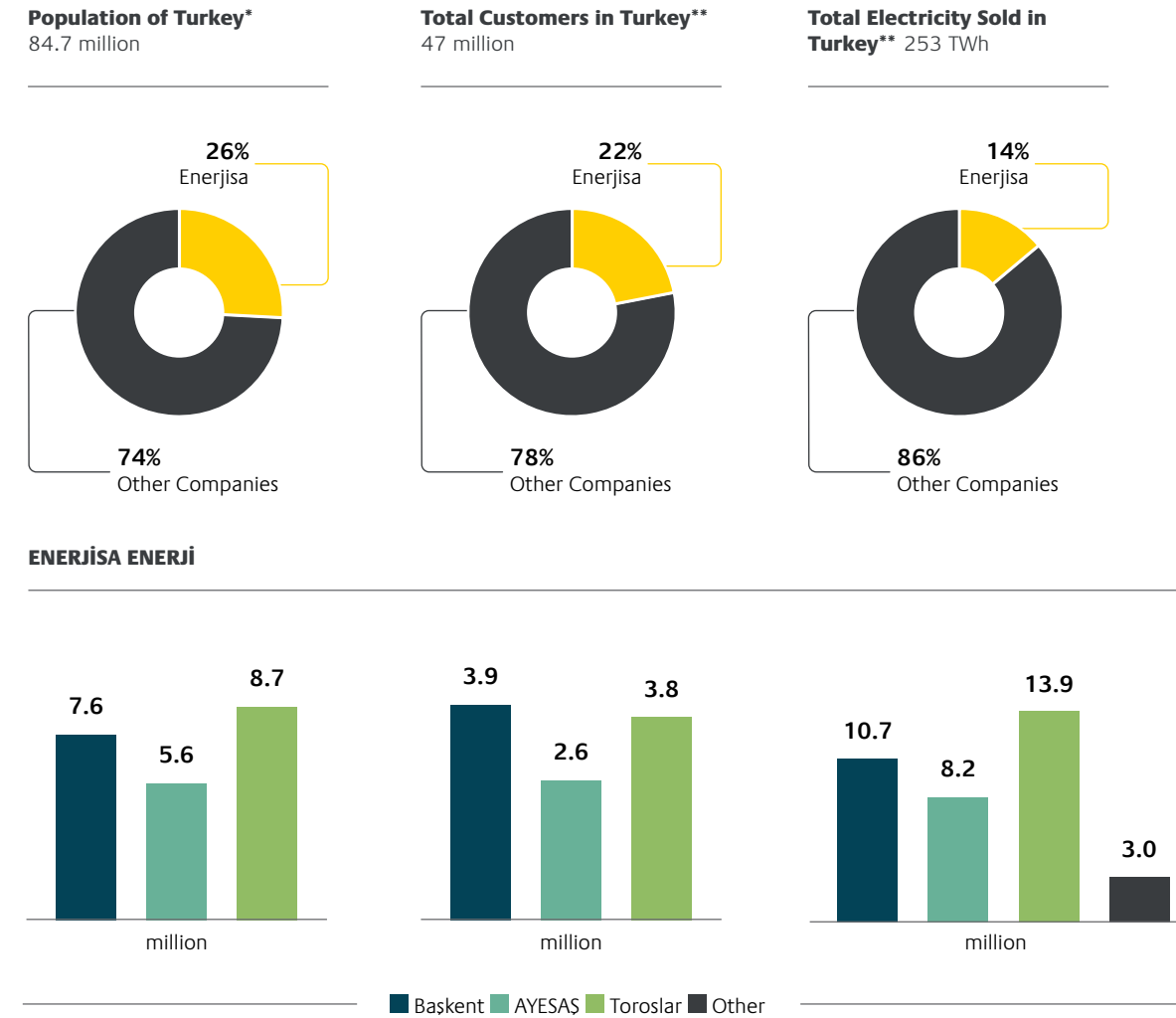
# ENERJISA AT A GLANCE

## DISTRIBUTION COMPANIES IN FIGURES



<b>Population</b>	<b>Land Area</b>	<b>Distributed Electricity - Gross</b>	<b>Average Theft-Loss</b>
<b>21.9 million</b>	<b>109,663 km<sup>2</sup></b>	<b>48 TWh</b>	<b>8.5%</b>

## RETAIL COMPANIES IN FIGURES



<b>Population</b>	<b>Number of Customers</b>	<b>Sales Volume</b>
<b>21.9 million</b>	<b>10.3 million</b>	<b>35.8 TWh</b>

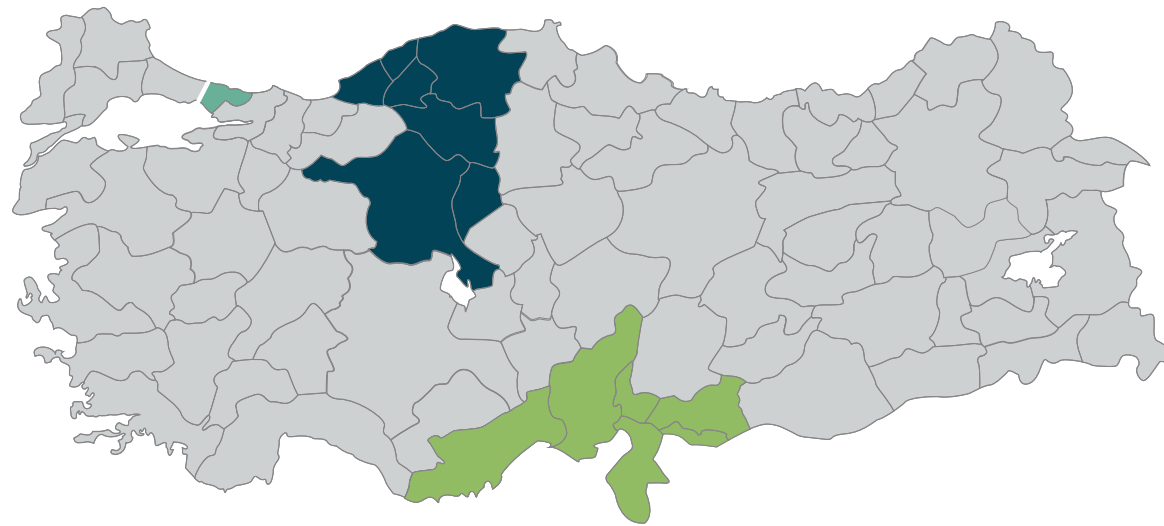
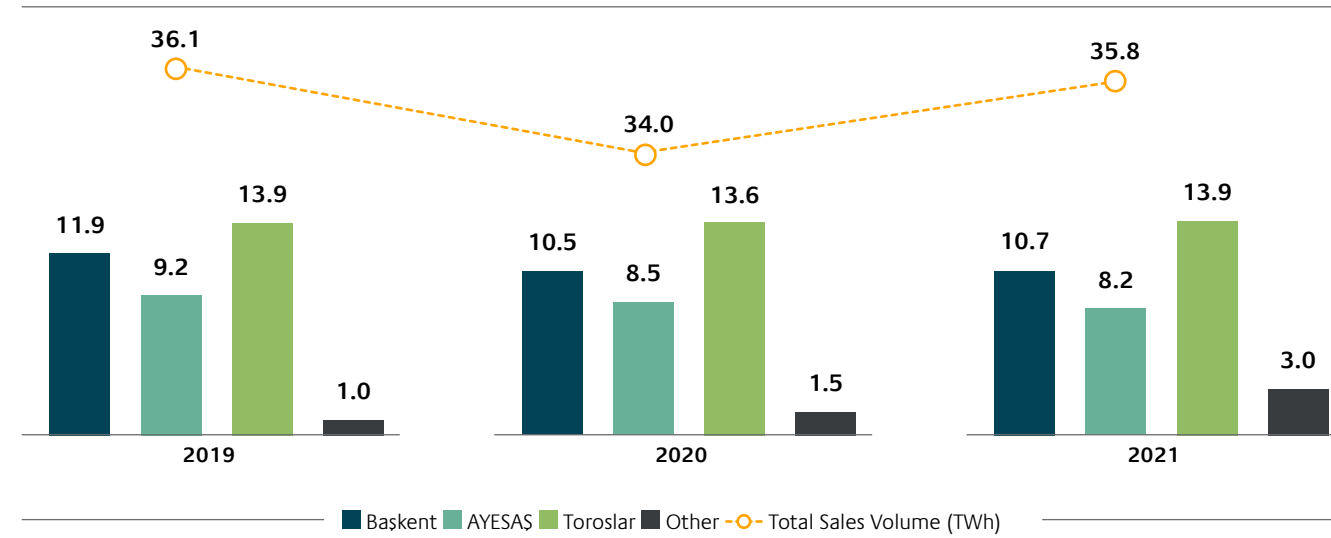
\*TURKSTAT  
\*\* EMRA 2021 Report

\*TURKSTAT  
\*\*EMRA 2021 Report

# ENERJİSA AT A GLANCE

## RETAIL COMPANIES IN FIGURES

SALES VOLUME BY REGIONS (TWh)



**Başkent**  
Ankara, Bartın, Çankırı, Karabük, Kastamonu, Kırıkkale, Zonguldak

**AYESAŞ**  
İstanbul - Anatolian Side

**Toroslar**  
Adana, Gaziantep, Hatay, Kilis, Mersin, Osmaniye



“We are the leading company in electricity distribution, retail sales and customer solutions in Turkey. Reaching a population of 21.9 million with more than 11 thousand employees, we serve 10.3 million customers in 14 provinces across three distribution regions.”

# ENERJISA AT A GLANCE

## KEY FINANCIAL AND OPERATIONAL INDICATORS

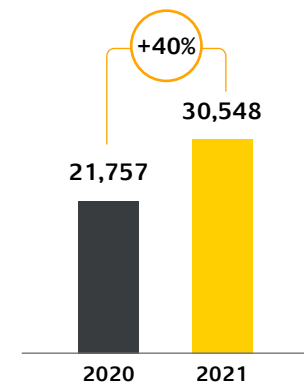
Our strong performance continued in 2021. Our Operational Earnings increased by 34% year-over-year to TL 7,494 million and Underlying Net Income increased by 29% year-over-year to TL 2,415 million.

The impacts of the Covid-19 pandemic continued in 2021. Supply constraints and recovery in demand led to an increase in commodity prices and companies

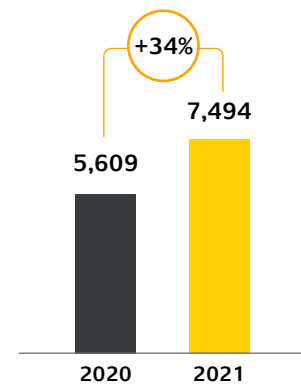
manufacturing goods used in grid investments encountered issues in material supply. Moreover, the fluctuations in exchange rates in 2021 also resulted in increases in material costs. Despite this conjuncture in 2021, we sustained our momentum in our investment activities thanks to our agile investment and supply planning. Our investments increased by 56% to TL 2.8 billion. We continued to meet customer needs with sustainable and innovative solutions in our Customer Solutions business line. The gross profit of Customer Solutions increased five-fold in 2021 compared to 2020.

## Consolidated Financial Indicators

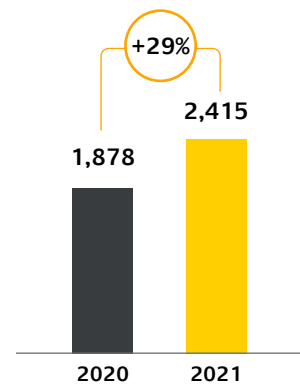
**Revenue**  
(TL million)



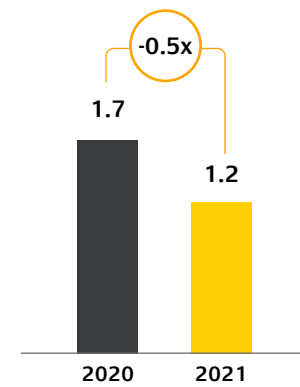
**Operational Earnings**  
(TL million)



**Underlying Net Income**  
(TL million)

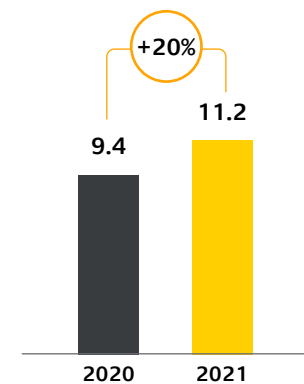


**Leverage** (net financial debt/  
operational earnings)

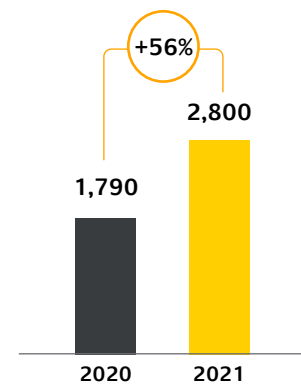


## Distribution Operational Indicators

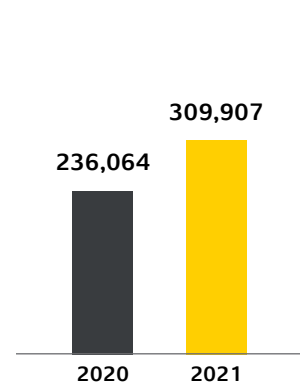
**Regulated Asset Base**  
(TL billion)



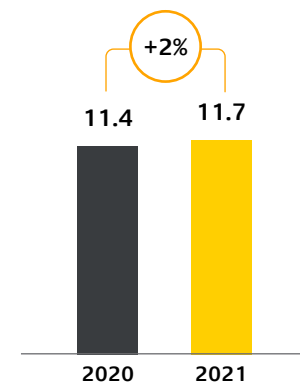
**Network Investments**  
(TL million)



**Network Length\***  
(km)



**Network Connections**  
(million)

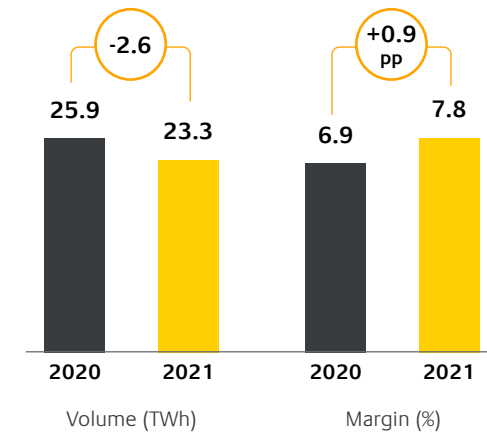


\*Calculation methodology changed in 2021.

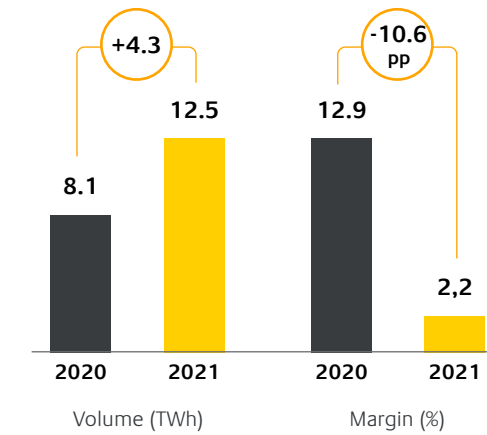
“Despite the conjuncture in 2021, we sustained our momentum in our investment activities thanks to our agile investment and supply planning.”

## Retail and Customer Solutions Operational Indicators

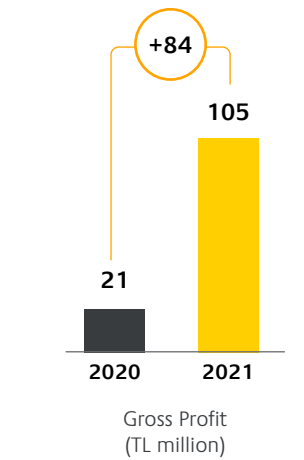
**Regulated Segment**



**Liberalized Segment**

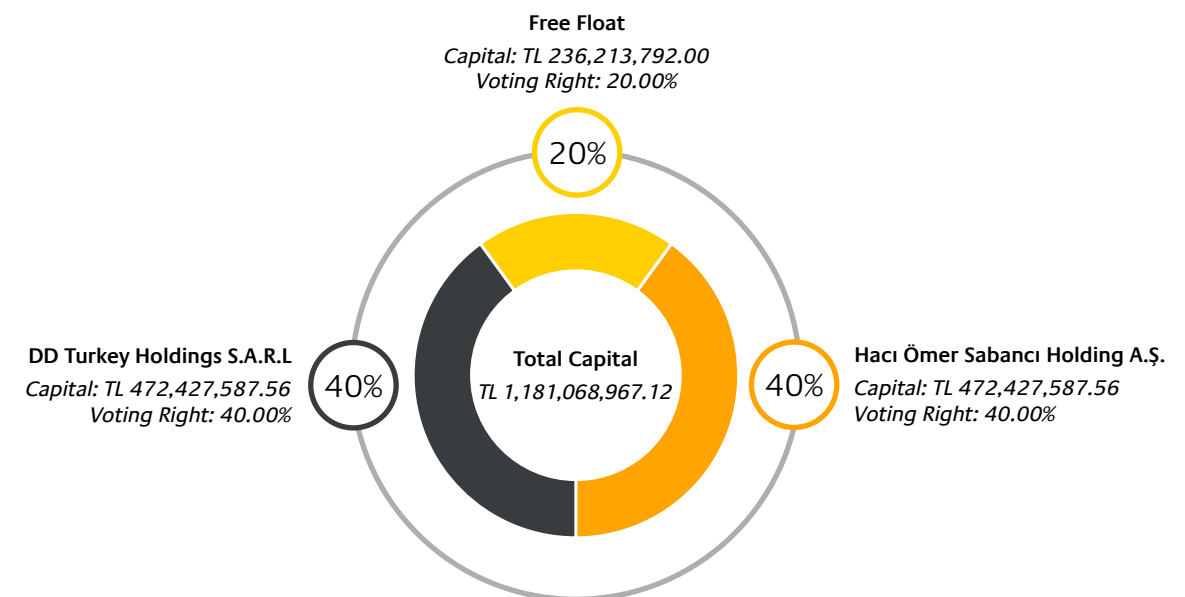


**Customer Solutions**

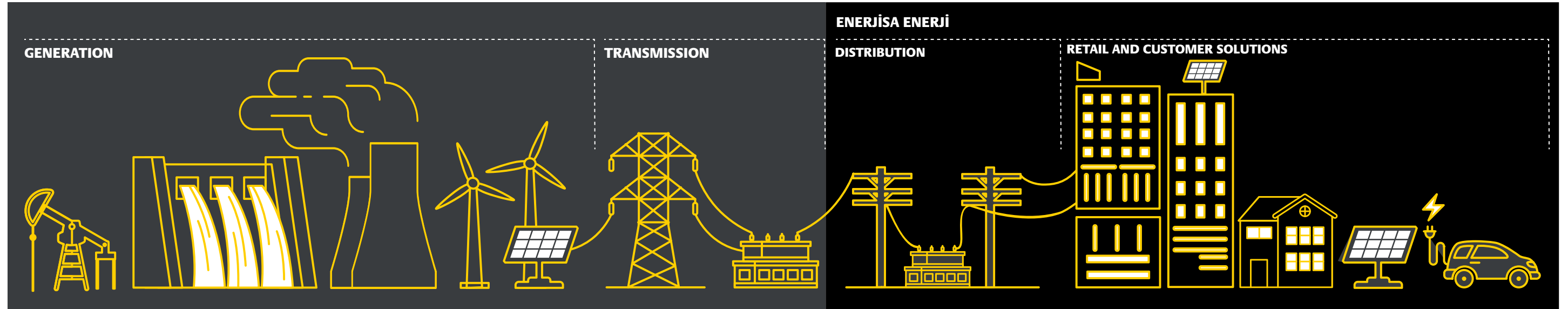


## SHAREHOLDER STRUCTURE

Our two main shareholders are E.ON and Sabancı Holding. E.ON is one of the largest electricity service providers in the world, focusing on management of distribution networks and customer solutions in Europe. Sabancı Holding is a leading Turkish conglomerate that focuses on creating added value with the Group's ecosystem and prioritizes a high-performance culture while adhering to sustainability principles. 20% of our shares have been listed on the Borsa İstanbul Stock Exchange since February 2018.



# OUR BUSINESS MODEL



## VALUE CREATION OF OUR BUSINESS MODEL

Universal access to affordable and reliable electricity is a basic human need. Economic growth and urbanization, digital transformation, electrification trends and a young and dynamic population have created significant potential for growth in electricity demand in Turkey. With the goal of shaping and connecting the New Energy World, we provide a valuable public service to millions of people.

As a role model in Turkey, sustainability is at the core of our business model and integrated into our strategy. In line with our sustainable approach, we focus on the impact of our products and services and leverage opportunities in the transition to a cleaner and greener low-carbon energy sector that empowers equality while creating sustainable value for all of our stakeholders including our customers, business partners and shareholders.

We are the largest electricity distribution and retail sales company in a regulated sector in Turkey. As of 31 December 2021, we had approximately 11.7 million distribution network connections in 14 provinces across three different distribution regions and 10.3 million customers, accounting for approximately 22% of the retail electricity market.

We carry out our operations through:

- Baskent Elektrik Dağıtım A.Ş. (Başkent EDAŞ) and Enerjisa Baskent Elektrik Perakende Satış A.Ş. (Başkent EPSAŞ) operating in the Başkent Region, which covers the provinces of Ankara, Bartın, Çankırı, Kastamonu, Kırıkkale, Karabük and Zonguldak.
- İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş. (AYEDAS) and Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş. (AYESAŞ) operating in the AYEDAS 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. (Enerjisa Toroslar EPSAŞ) operating in the Toroslar Region, which covers the provinces of Adana, Gaziantep, Hatay, Kilis, Mersin and Osmaniye.
- Enerjisa Müşteri Çözümleri A.Ş., which is engaged in customer solutions activities.

We grow our business through sustainable products and services with a responsible value chain. As an agile and innovative energy company in Turkey, we continue to develop sustainable energy solutions that touch human lives.

## DISTRIBUTION

Electricity distribution is carried out by our subsidiaries, Başkent EDAŞ, AYEDAŞ and Toroslar EDAŞ. The operations of our electricity distribution companies are restricted to the regions defined in their licenses. Each of the regional distribution network operators are responsible for operating the distribution network, making required maintenance and repair, environmental, security, renewal and expansion investments, maintaining and reading electricity meters, preparing demand projections and investment plans, monitoring theft-loss rates, supplying electricity to cover technical and commercial losses, and taking the necessary technical and operational measures to reduce the theft-loss rates and ensure the lighting of public areas in their own regions.

We manage and monitor all our network operations in three distribution regions centrally. As a part of the grid management process, we expand and modernize our network and increase the operational efficiency of the network while also carrying out research and development. These various activities enable us to standardize network management processes in three regions, create centralized procedures, identify key performance indicators such as compliance with EMRA's technical, commercial and supply security standards, meet outage and theft-loss targets, plan system improvements, control and monitor local networks and perform customer service operations.

## RETAIL

Retail sales of electricity is carried out by Başkent EPSAŞ, AYESAŞ and Enerjisa Toroslar EPSAŞ. Retail companies sell electricity exclusively to regulated (non-eligible) customers within our distribution regions as the incumbent retail companies and to deregulated (liberalized) customers in their respective regions and in other parts of Turkey without regional limitations.

We also offer innovative products and services to 10.3 million customers, from households to small and large enterprises. With our extensive field support, we provide services through 39 Customer Service Centers and 76 Transaction Centers, as well as via the internet and mobile platforms.

# OUR BUSINESS MODEL

## CUSTOMER SOLUTIONS

Meeting the needs of our customers with sustainable and innovative solutions is very important to us. In that respect, we established Enerjisa Müşteri Çözümleri A.Ş. in 2017 to engage in customer solutions activities.

Since October 2020, we have been offering end-to-end solutions in order to enhance energy efficiency and reduce the carbon emissions of our corporate customers under the roof of "The Energy of My Work" (İşimin Enerjisi). This portfolio includes many environmentally friendly and sustainable energy solutions, ranging from solar power plant installation services, energy efficiency applications, cogeneration/trigeneration applications and electric vehicle-charging station management to green energy certificates.

### Green Energy and Energy Efficiency Solutions

Our customers may reduce or neutralize the greenhouse gas emissions related to their electricity consumption with our green energy solutions. For that purpose, we provide Renewable Energy Certificates and Carbon Reduction Certificates to our customers.

### Distributed Generation Solutions

We are keenly aware of our responsibility to take action on climate change. In order to play an active role in the fight against climate change, we operate distributed energy models in parallel with the centralized energy model. In this context, we offer reliable solutions that are tailored to the specific requirements of our customers through our innovative models in the field of solar power plants (SPP), where we deploy our financial and technical know-how.

## E-mobility: Eşarj

We are constantly increasing our investments to accelerate the transition to a low-carbon, resilient and resource-efficient economy. To this end, we actively explore opportunities in innovative business areas such as electric vehicle charging stations, electricity storage systems and technologies which help consumers generate their own electricity.

In 2018, Enerjisa Müşteri Çözümleri A.Ş. became the controlling shareholder of Eşarj Elektrikli Araçlar Şarj Sistemleri A.Ş. (Eşarj) by acquiring 80% of the shares of Eşarj. In December 2021, Enerjisa Müşteri Çözümleri A.Ş. acquired Eşarj's 14% minority stake, increasing its total stake in Eşarj to 94%. Through Eşarj, we aim to play an innovative and pioneering role in the electric vehicle ecosystem and in the transformation of the sector.

Eşarj operates Turkey's first and fastest electric vehicle station network with 494 charging points, 170 of which are fast charging sockets, at 263 public locations as of the end of 2021. In addition, since July 2020, the electricity used for vehicle charging has been certified with the International Renewable Energy Certificate (IREC) at all our public stations, increasing our contribution to reducing carbon emissions.



“ We offer reliable solutions that are tailored to the specific requirements of our customers through our innovative models in the field of solar power plants, where we deploy our financial and technical know-how.

# PURPOSE, VISION, MISSION AND VALUES

**PURPOSE**  
To connect people and industries to energy and to provide a safer, cleaner and better energy future in Turkey for generations to come.

**VISION**  
Everyone can live in a sustainable energy world.

**MISSION**  
To accelerate the sustainable energy transformation by building the needed infrastructure and services of tomorrow.

## VALUES



# EQUITY STORY

As Turkey's leading electricity distribution, retail sales and customer solutions company, we exercise the utmost care in our communication with all stakeholders as we explain our operational, financial and ESG performance, as well as the dynamics of our sector.

We aim to grow profitably and add value to our shareholders by expanding our high-quality grid in our distribution regions and extending the reach of our retail operations to the whole country through sustainable products and services with a responsible value chain and innovation. In the provision of a valuable public service to millions of people, we are aware of our responsibility to deliver on the promise of prosperity to current and future generations.

Our purpose is to shape and connect the New Energy World by making sustainability the core of our business. Global mega trends such as digitalization, decarbonization, decentralization and urbanization are transforming our industry. Our clear vision ensures that we prepare for future developments and prioritize value-adding opportunities with our employees and culture of innovation. We prepare for these fundamental

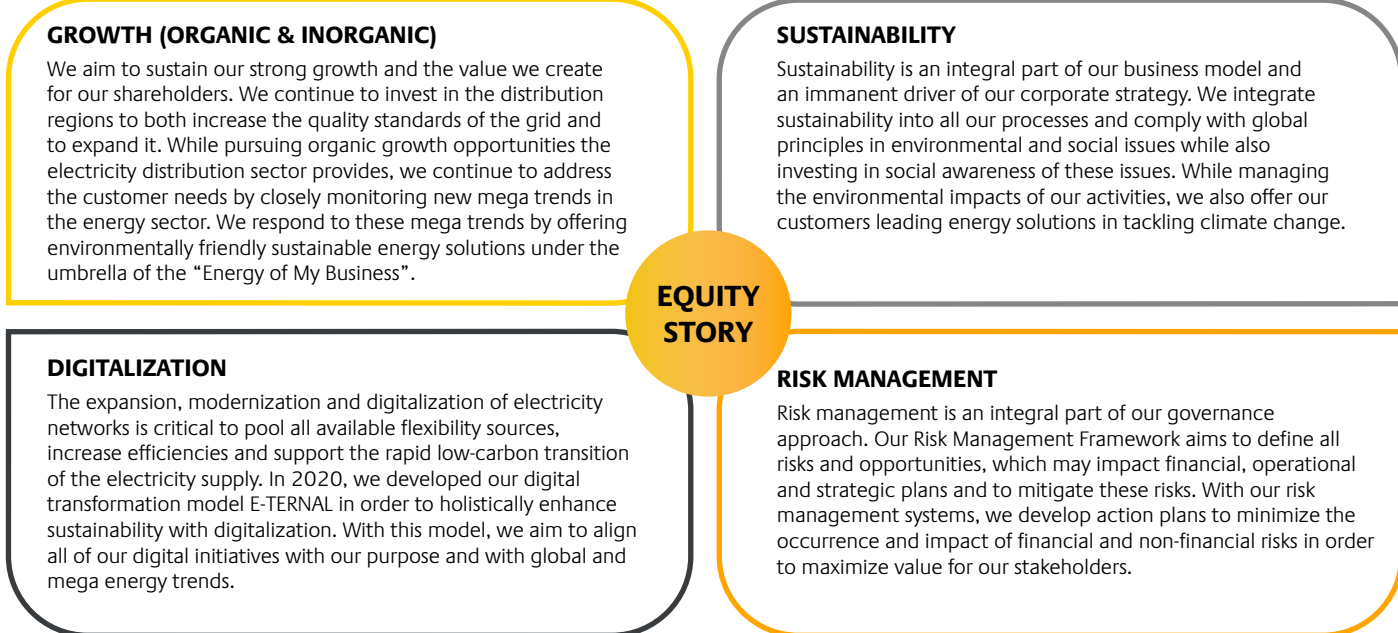
changes by helping to shape regulations and exploring new business opportunities as we develop our long-term strategies with a sustainable and holistic approach. We integrate Environmental, Social and Governance factors with our corporate strategy and our equity story revolves around sustainability.

Thanks to our strategic priorities, we are an important building block in the ecosystems of our shareholders', namely the Sabancı Group and E.ON. To achieve our goals and prepare for the future, we have defined five key strategic priorities.

For more information about our key strategic priorities, please refer to Annual Report 2021. [www](#)

Our Equity Story is focused on creating shared value based on the following four pillars: Growth, Sustainability, Digitalization and Risk Management.

For more information, please refer to "Sustainability Strategy" section. ↗







# WE DEVELOP OUR LONG-TERM STRATEGIES WITH A SUSTAINABLE AND HOLISTIC APPROACH



**SUSTAINABILITY STRATEGY**

- 17 ESG Milestones
- 18 2021 ESG Performance Highlights
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- 23 Trends and Impacts on Our Business
- 26 Sustainability Management

## ESG MILESTONES



# 2021 ESG PERFORMANCE HIGHLIGHTS

## Business for Impact

	Distribution and Retail Business	Customer Solutions Business	Customer Centricity	Innovation	Responsible Supply Chain
Operations across 3 distribution regions with more than <b>11,000 employees</b> .	<b>TL 7,494 million</b> Operational Earnings with <b>34%</b> yoy growth	Gross profit <b>increased fivefold</b> compared to 2020	<b>22 million calls</b> were taken by distribution call centers and <b>7 million calls</b> through retail call centers	<b>12 start-ups</b> were supported through the <b>ivme</b> Entrepreneurship Acceleration Program	Over <b>3,000 suppliers</b> , 100% local
Income from sustainable products and services increased to <b>TL 326 million</b> .	<b>TL 1,045 million</b> Efficiency and Quality earnings with <b>11%</b> yoy growth	Shares in the e-mobility company <b>Eşarj</b> increased from <b>80%</b> to <b>94%</b>	<b>1,000</b> distribution business <b>employees</b> trained in customer orientation and customer satisfaction	<b>130 ideas</b> were received by the <b>NAR</b> Corporate Entrepreneurship and Innovation Program. <b>11</b> of these have been accepted for acceleration	Total material and component purchases of <b>TL 1.4 billion</b> in 2021 as part of Kraljic Matrix
Sustainable investments reached <b>TL 330 million</b> .	<b>TL 2.8 billion</b> grid investments	Cogeneration and trigeneration services provided with an installed capacity of <b>3.8 MWe</b>	Use of <b>digital channels</b> in retail business increased from 13% in 2020 to <b>18%</b> in 2021	<b>TL 11.8 million</b> in R&D and innovation investments	13 logistic service centers and 118 satellite warehouses comprising <b>433,000 sqm</b> are part of extensive logistic operations
	<b>TL 11.2 billion</b> Regulated Asset Base	Solar power plant capacity of <b>22.6 MWh</b> with 13.4 MWp of this capacity generated under the self-consumption model	Customer satisfaction surveys conducted monthly at <b>60 retail sales points</b>	<b>Data Security</b>	<b>Management Systems</b>
	<b>35.8 TWh</b> retail sales volume		Consolidated <b>CSAT score</b> increased from 4.08 to <b>4.17</b> (out of 5)	<b>3,299 hours</b> of PDLP training for 3,299 employees	<ul style="list-style-type: none"> <li>• <b>ISO 22301:2019</b> Business Continuity Management System</li> <li>• <b>ISO 9001</b> Quality Management System</li> </ul>
			Consolidated <b>NPS score</b> increased from 5 to <b>12</b>		<ul style="list-style-type: none"> <li>• <b>ISO 10002</b> Customer Satisfaction Management System</li> <li>• <b>ISO 27001</b> Information Security Management System</li> </ul>

# 2021 ESG PERFORMANCE HIGHLIGHTS

## Impact for Society

	Talent Management	Corporate Social Responsibility and Community Investments	Diversity and Inclusion	Health, Safety and Well Being	Management Systems
<p>Reaching a population of <b>21.9 million</b>, serving <b>10.3 million</b> customers in <b>14 provinces</b> with the aim of providing uninterrupted energy</p>	<p>Employee satisfaction score <b>76%</b> and the employee engagement score <b>66%</b>, which is above the energy sector and Turkey averages</p>	<p><b>TL 38.6 million</b> donations</p>	<p><b>Not Without You</b> (Sensiz Olmaz), Diversity, Equity and Inclusion Platform was launched</p>	<p><b>19,100 OHS</b> field inspections carried out for contractors</p>	<p><b>ISO 45001:2018</b> Occupational Health and Safety Management System</p>
	<p>The percentage of <b>women</b> in managerial positions <b>26%</b></p>	<p>The Sustainable Energy Based Tourism Practice Center (<b>Sentrum</b>) project was launched</p>	<p><b>2,051 customers</b> used the Device Dependent Patient (<b>Hasta Var</b>) program, which enables uninterrupted electricity for machine-dependent patients</p>	<p><b>39,000 OHS</b> field inspections carried out for employees</p>	
	<p>The percentage of <b>women</b> in white collar positions <b>31%</b></p>	<p>"I am Protecting the Energy of the World" project <b>SROI = 2.7</b></p>	<p><b>Diversity and Inclusion</b> Policy issued</p>	<p>OHS investments of <b>TL 80.9 million</b></p>	
	<p><b>36.8 hours</b> of training per employee</p>	<p>Short story competition with the "efficient use of energy resources for the protection of natural energy resources" theme reached <b>1.5 million views</b> through the digital communication campaign</p>		<p>Average OHS training of <b>13.3 hours</b> for all employees</p>	
	<p><b>6,354 hours</b> of online Code of Conduct training</p>			<p>Adapting to <b>Future of Work</b> studies initiated</p>	

# 2021 ESG PERFORMANCE HIGHLIGHTS

## Impact for Planet

Operating in line with the **Environmental Policy & Management System** to manage environmental risks and opportunities



**CDP Climate Change** and **CDP Water** score increased to B



### Distribution & Retail Sales Business

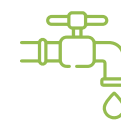
Direct electricity consumption supplied by **96% green energy**



The number of buildings in which electricity consumption is monitored in real time via the **AMRS system** increased from 98 in 2020 to **150**



Water consumption reduced by **3,370 m<sup>3</sup>** yoy



**11,367 tons** of waste recycled



The share of **electric and hybrid vehicles** in the administrative vehicles fleet increased from 8% in 2020 to **13%**



Volume of electricity supplied from **renewable energy resources** through bilateral agreements reached **146 GWh**



**32 m<sup>3</sup>** of rainwater harvested



Waste separation practices adapted to the **Zero Waste Management System** at all locations



### Customer Solutions Business

Green Energy Solutions: **284 GWh** of renewable energy certificates and CO<sub>2</sub> emission reduction certificates equivalent to **27,000 metric tons** were sold



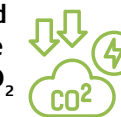
Lighting Conversion Solutions: **c.3,650 MWh** of energy was conserved and emissions of **c.1,730 tons** of CO<sub>2</sub> was prevented



Process Efficiency Projects: A project has been launched which will conserve **c. 280 MWh** of electrical energy and prevent **c.130 tons** of CO<sub>2</sub> emissions per annum



CHP and CCHP Solutions: The efficiency resulting from these facilities is expected to prevent a total of more than **30,000 tons** of CO<sub>2</sub> emissions over 10 years



Distributed Generation Solutions: **c.12,200 tons** of CO<sub>2</sub> emissions were prevented with the installed SPPs.



### Emissions

**Net Zero Project** initiated



**TL 200 million** investment towards improving the efficiency, modernization and loss reduction projects in our grid



**100** employees attended two information meetings on **climate change**



### Management Systems

**ISO 14001** Environmental Management System



**ISO 50001** Energy Management System (to be completed in 2022)



## 2021 ESG RATING SCORES

One of our core values is operating as a transparent, ethical and principled company in accordance with our corporate governance structure. We report ESG data within this framework and we received independent third-party assurance for important ESG indicators for the first time in 2021.

We continued to improve our ESG performance in the assessments carried out by indexes and assessment platforms in 2021.

	<b>CDP Climate Change</b>	Reporting Date: 2021 Rating Scoring Range: D-, D, C-, C, B-, B, A-, A Enerjisa Enerji Rating: B
	<b>CDP Water Security</b>	Reporting Date: 2021 Rating Scoring Range: D-, D, C-, C, B-, B, A-, A Enerjisa Enerji Rating: B
	<b>FTSE Russell</b>	Reporting Date: June 2022 Rating Scoring Range: 0-5 Enerjisa Enerji Rating: 3.8 Sector Ranking*: 86 <sup>th</sup> percentile in the Utilities Sector
	<b>Saha Rating (Corporate Governance Rating)</b>	Reporting Date: December 2021 Rating Scoring Range: 0-100 Enerjisa Enerji Rating: 95.09
	<b>Refinitiv</b>	Reporting Date: December 2021 Enerjisa Enerji Rating: Overall 86/100 (Environment: 80, Social: 88, Governance: 95) Sector Ranking: 3 <sup>rd</sup> out of 252 electric utilities & IPPs Companies
	<b>Sustainalytics**</b>	Reporting Date: December 2021 Rating Scoring Range: ESG Risk Rating Overall Score Range Negligible/Low/Medium/High/Severe Enerjisa Enerji Rating: Low Risk Enerjisa Risk Score: 16.3




\* FTSE overall ESG rating is represented as a percentile where "1" indicates that a company is in the bottom 1% and "100" indicates a company is in the top 1%

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“Since our successful IPO in 2018, providing transparent information to our shareholders regarding our ESG performance has been our priority and we work to improve our ESG practices on an ongoing basis.”

# ESG TARGETS

Indicator		2021 Actual	2022 Target
<b>Business for Impact</b>			
	Renewable Energy Volume Procured from Liberalized Market	146 GWh	960 GWh
	Solar Power Capacity Installed for Customers	22.6 MWp	42 MWp
	Number of Electric Vehicle Charging Sockets (Public)	494	1,000
	Number of Cities with Charging Stations	31	50
	Number of Sustainable Products and Services	12	13
<b>Impact for Planet</b>			
	Act on Climate Change	Launch of "Net Zero Journey"	<ul style="list-style-type: none"> <li>Finalization of Climate Change Scenario</li> <li>Definition of emission reduction initiatives and targets</li> </ul>
	Share of Renewable Electricity in Direct Electricity Used	96%	100%
	Energy Efficiency Certification in Distribution (ISO 50001)	Energy Efficiency Certification preparations started (Distribution)	Completion of Energy Efficiency Certification (Distribution)
	Zero Waste	Implementation of Zero Waste Certification at Toroslar Headquarter	Implementation of Zero Waste Compliance Plan (Distribution Headquarters)
<b>Impact for Society</b>			
	Ratio of Women Appointment in Managerial Appointments (Mid-Level Managers and Above)	24%	30%
	Ratio of Women in White Collar Employees	31%	32%
	Ratio of Rotation in White Collar Employees	5.7%	5%
	Zero Accident Journey: Critical Accidents	38	36
	Critical Behavior Analysis and Change Studies to Managers and Engineers on Health and Safety	Critical Behavior Analysis and Change Studies with METU completed	Completion of the sessions to managers and engineers
	Social Impact of Corporate Responsibility and Community Investment Projects	"I am Protecting the Energy of the World" SROI=2.7	<ul style="list-style-type: none"> <li>Positive social return from "I am Protecting the Energy of the World" and "SENTRUM"</li> </ul>
<b>Enablers&amp;Foundations</b>			
	Future of Work (FoW)	Future of Work study finalized	<ul style="list-style-type: none"> <li>Completion of FoW Actions (90%)</li> <li>Employee Satisfaction Rate for FoW (65%)</li> </ul>
	E-TERNAL (Digital Transformation)	Launch of Digital Transformation Projects	Completion of 55 Projects
	Human Rights	Human Rights training launched for white collar employees	Setting Human Rights due diligence process

# TRENDS AND IMPACTS ON OUR BUSINESS

## THE NEW ENERGY WORLD

The energy sector is responsible for almost three-quarters of the emissions that have already pushed global average temperatures 1.1°C higher since the pre-industrial age, with visible impacts on climate extremes.<sup>1</sup> Additionally, modern energy is inseparable from the livelihoods and aspirations of a global

population that is set to grow by some 2 billion people by 2050. Population growth, rising incomes and many developing economies navigating what has historically been an energy intensive period of urbanization and industrialization are expected to push demand for energy services ever higher. Accordingly, the energy sector must play a critical role in the solution to climate change.



The New Energy World is the energy world of tomorrow; the world we live in when we have fully sustainable energy systems, smart infrastructure and digitally interconnected technologies. In this world, we produce energy through the earth's resources and not on the expense of them.

The customers are the center in the energy system; not the end point in the distribution network. Customers can produce energy themselves decentrally, share within their communities or store it for their own future needs through advanced battery solutions.

With the developed grid infrastructure of the new energy world, customers can also opt to sell back the energy by into the grid and thus be in control of their own energy costs. The New Energy World will change the way we interact with energy, not only on an individual basis, but also as we use energy in and between our homes as well as our city landscape. Energy will be flexibly managed and interlinked with our appliances, cars and storage units to digitally optimize our use and energy loads.

It is something that is happening around us and starts to take shape faster and faster; as more and more individual people and companies take an active stance to shift away from the conventional energy world.

## Energy Transition

While energy markets are impacted from the rebound of economies from the short-term effects of COVID-19, the energy transition is expected to accelerate rapidly in the coming years. Progress in technology, an increase in regulations such as EU Taxonomy, the EU Green Deal, changing customer behavior, the increasing importance of energy independence and increasing interest from

investors in ESG issues are resulting in significant shifts in the energy industry.<sup>2</sup>

Clean energy is playing a fundamental role in the ultimate goal of reaching net-zero in emissions by 2050 in line with the Paris agenda. Currently, more than 110 countries, including the US and China, have pledged to be net-zero with commitments emphasizing clean energy. Turkey, on the other hand, recently ratified the

Paris Agreement and committed to achieving net zero status on CO<sub>2</sub> emissions by 2053.

Meanwhile, the energy sector is still responsible for most global emissions, which requires a fundamental transformation of the sector. Energy efficiency combined with clean energy is crucial to decarbonize the energy industry. The EU Green Deal aims to continue this path across all sectors and transform our energy system into one that is sustainable, affordable and secure.<sup>3</sup>

Following a minor decline in 2020 due to the pandemic, global electricity demand increased by around 6% in 2021. It was the highest annual increase in absolute terms (over 1,500 TWh) and the largest relative increase since the recovery from the financial crisis in 2010. Demand was boosted by a strong economic rebound coupled with more extreme weather conditions than in 2020, including a colder-than-average winter.

2021 was a strong year for the energy transition. The world added almost 257 Gigawatts (GW) of renewables, increasing the stock of renewable power by 9% and contributing to an unprecedented 81% of global power additions. Solar power alone accounted for over half of the renewable additions with a record 133 GW last year, followed by 93 GW of wind energy. The renewable share of installed capacity in total global power generation capacity increased from 25% in 2011 to 38% in 2021.<sup>4</sup> According to the International Energy Agency's Sustainable Development Scenario, variable renewables are expected to account for 45% of total electricity generation by 2040.<sup>5</sup>

Despite all the advances in renewables and electric mobility, in 2021 there was a significant increase in coal and oil use.<sup>6</sup> After declining in 2019 and 2020, global electricity sector emissions grew by close to 7% and reached a new all-time peak in 2021. Coal was the main driver of this increase in 2021, accounting for over 800 Mt of the increase in CO<sub>2</sub> emissions.<sup>7</sup>

The increased demand for fossil fuels combined with supply constraints resulted in scarcities and high energy prices. Due to particularly high gas prices in Europe and its 20% share in the generation mix, average wholesale electricity prices in the fourth quarter of 2021 were more than four times as high as their 2015-2020 average.<sup>8</sup>

The spike in fuel-based energy prices in 2021 and the resulting increase in electricity prices highlighted the importance of energy independence and acceleration of the energy transition. This will require accelerated renewable energy deployment, energy efficiency, electrification of transportation and heating and demand management promoting a more circular approach to generation and consumption patterns.

When energy transition is discussed, the focus is usually on generation and consumption of energy. However, the role of distribution grids must not be overlooked. The basis for a successful energy transition is the distribution grid, which extends into every single household. Without resilient and flexible distribution grids, there can be no energy transition.

Innovative business models that incorporate digitalization offer versatile benefits by changing the production, distribution and consumption value chains in the energy sector, thus accelerating the energy transformation. Distributed energy resource management, electrification management, grid infrastructure, increasing energy consumption, changing consumer expectations and the need for better data management are important factors in the push for digitalization of the energy sector. Supply/demand aggregators, peer-to-peer trade, energy-as-a-service providers, energy service companies, pay-as-you-go and shared community ownership stand out as business models that can accelerate the transformation of the energy sector through digitalization.<sup>9</sup>

<sup>1</sup> World Energy Outlook 2021, IEA

<sup>2</sup> Clean energy, European Green Deal, European Commission, 2019

<sup>3</sup> Clean energy, European Green Deal, European Commission, 2019

<sup>4</sup> Renewable capacity statistics, IRENA, 2022

<sup>5</sup> Secure energy transitions in the power sector, Electricity Security 2021, IEA

<sup>6</sup> World Energy Outlook 2021, IEA

<sup>7</sup> Electricity Market Report, IEA, 2022

<sup>8</sup> Electricity Market Report, IEA, 2022

<sup>9</sup> SHURA, 2022



# TRENDS AND IMPACTS ON OUR BUSINESS

## TURKISH ELECTRICITY MARKET

The Turkish Electricity Market has gone through substantial changes over the past 20 years and delivered significant growth on the back of these changes. With developments including the introduction of renewable technologies, liberalization and privatization of the markets, as well as effective regulations and new legislation, total installed capacity increased from 28 GW in 2001 to 99.8 GW in 2021.

Turkey currently ranks 12<sup>th</sup> in the world and 5<sup>th</sup> in Europe in terms of its renewable capacity. As a percentage of total capacity, renewables in Turkey at the end of 2021 have increased to 53%.<sup>10</sup> The Renewable Energy Resources Support Mechanism (YEKDEM) played a significant role in that increase.

Turkey's electricity demand is expected to grow by an average rate of c. 4% per year from 2022 to 2024, more than any other major economy in Europe. Renewable generation is projected to increase by 13% per year on average, largely driven by improving hydro availability.<sup>11</sup>

While the commodities markets were affected by the Covid-19 pandemic in 2020, this reversed with the economic recovery in 2021, leading to a tightening of the commodity markets and price increases. Rising natural gas and coal prices have led to increases in electricity prices in many markets.

The Turkish electricity market was also affected by the global increase in commodity prices. In the second half of the year, the increase in cost of sourcing electricity accelerated due to the increase in the prices of coal and natural gas, which are among the marginal energy sources that play an important role in the electricity production of the country and the fact that hydroelectricity production remained below the average due to the drought.

The average Market Clearing Price in 2021 increased 82% year-over-year to 508 TL/MWh. In the fourth quarter of 2021, the annual increase in the quarterly average Market Clearing Price was around 175%. In order to reflect reduce the impact of cost increases on low-consumption customers and reflect the higher marginal cost for higher consumption, low-tier and high-tier tariffs are implemented for residential subscribers since February 2022 and for commercial subscribers since March 2022.



“As a percentage of total capacity, renewables in Turkey at the end of 2021 have increased to 53%. The Renewable Energy Resources Support Mechanism (YEKDEM) played a significant role in that increase.”

<sup>10</sup> Renewable capacity statistics, IRENA, 2022  
<sup>11</sup> Electricity Market Report, IEA, 2022

# TRENDS AND IMPACTS ON OUR BUSINESS

## MEGATRENDS AND OUR RESPONSE

We are preparing for the fundamental changes that will shape our sector by helping define sectoral regulations, exploring new business opportunities and leading the transformation of the sector in the New Energy World. We are tailoring our products and services in line with the New Energy World's main trends, which are interlinked and reinforce each other.

Key Areas Related to the Trends and Enerjisa's Response

### Decarbonization

Energy transition for a sustainable world requires a reduction in the carbon intensity of the energy consumed. This necessitates energy efficiency, end-use electrification and low-emission electricity.

Energy efficiency solutions, renewable energy products and e-mobility solutions that support sustainable transportation are critical facilitators of that trend.

- Renewable Energy Integration
- Electrification Trends
- Energy Efficiency Solutions
- E-mobility Solutions (Eşarj)
- Green Energy Products
- Energy Storage

### Urbanization and Customer Centricity

Countries undergoing rapid urbanization need to direct new infrastructure investments towards areas with higher urban density. Networks need to be upgraded to support the increasing electrification and renewable energy systems and the growth of EV charging. Smart city solutions need to be integrated into the power network for sustainable urbanization. With the flexibility to choose source of power coupled with decentralization trends, customer satisfaction becomes increasingly important. Meanwhile, governments, regulators and the private sector need to address the growing importance of universal access to energy.

- Customer Satisfaction
- Uninterrupted Energy
- Smart City Solutions
- Smart Homes
- Rooftop PV Solutions
- Residential Demand Response
- Treatment of Vulnerable Customers

### Deregulation

Deregulation encourages competition and entrepreneurship. We are observing deregulation in Turkey particularly in the electricity retail sales markets. Deregulation leads to cheaper products and services with higher quality and brings service quality into focus as well as customer expectations. Deregulation is also critical for decentralization and fast adoption of new technologies.

- Demand Management
- Customer Satisfaction
- New Product Offerings
- Energy Storage
- Distributed Generation

### Digitalization

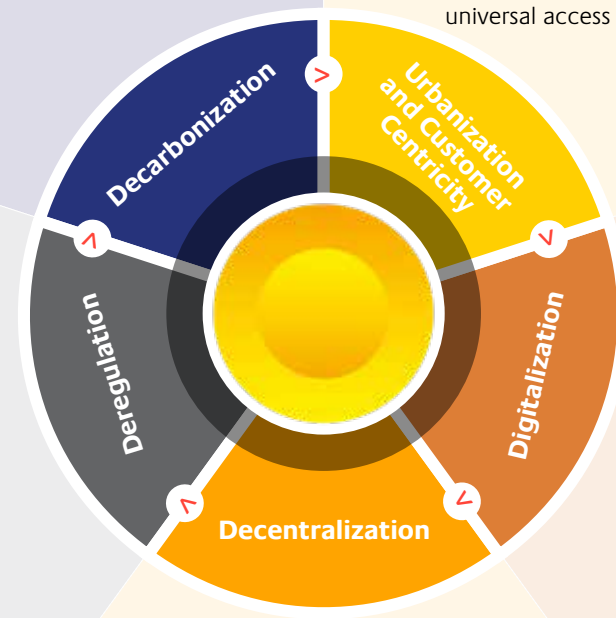
The expansion, modernization and digitalization of electricity networks is critical to pool all available flexibility sources, increase efficiencies and support the rapid low-carbon transition of the electricity supply. Digitalization makes data-based energy and demand management possible and it allows energy to be used in the most efficient manner. Opportunities created by developments such as the Internet of Things (IoT) and smart technologies are transforming the sector.

- Big Data Analytics
- IoT Grid Solutions
- Cybersecurity
- Smart Grids
- Smart Homes
- Advanced Sensors
- Artificial Intelligence
- Smart City Solutions
- Blockchain Energy Trading

### Decentralization

Decentralization enables production and/or storage of electricity at or near where it is used. The intermittent nature of renewable energy production increases the need for storage systems. Grid infrastructures must be improved to address this new means of energy production.

- Distributed Generation
- Energy Storage
- Microgrids
- Reserve Capacity
- Demand Side Response



# SUSTAINABILITY MANAGEMENT

## SUSTAINABILITY APPROACH

Companies with a sustainability focus are better equipped to address customer needs, use resources more effectively and are more agile in responding to megatrends. Moreover, investors started to pay more attention to ESG performance and increase capital allocated to companies that incorporate ESG factors in their strategy and demonstrate better sustainability performance.

Since our successful IPO in 2018, providing transparent information to our shareholders regarding our ESG performance has been our priority and we work to improve our ESG practices on an ongoing basis.

Sustainability is a core element of our business and has been integrated into strategy and management. Our sustainability approach acts helps us focus on the impact of our products and services, leverage opportunities in the transition to a low-carbon, cleaner and greener energy sector, nourish a resilient supply chain and empower people equally.

We see sustainability as an important aspect of our equity story and a critical tool for effective strategic management. We integrate sustainability in our processes while we continue to increase our compliance with global environmental, social and governance norms and standards and invest to raise social awareness of ESG issues.

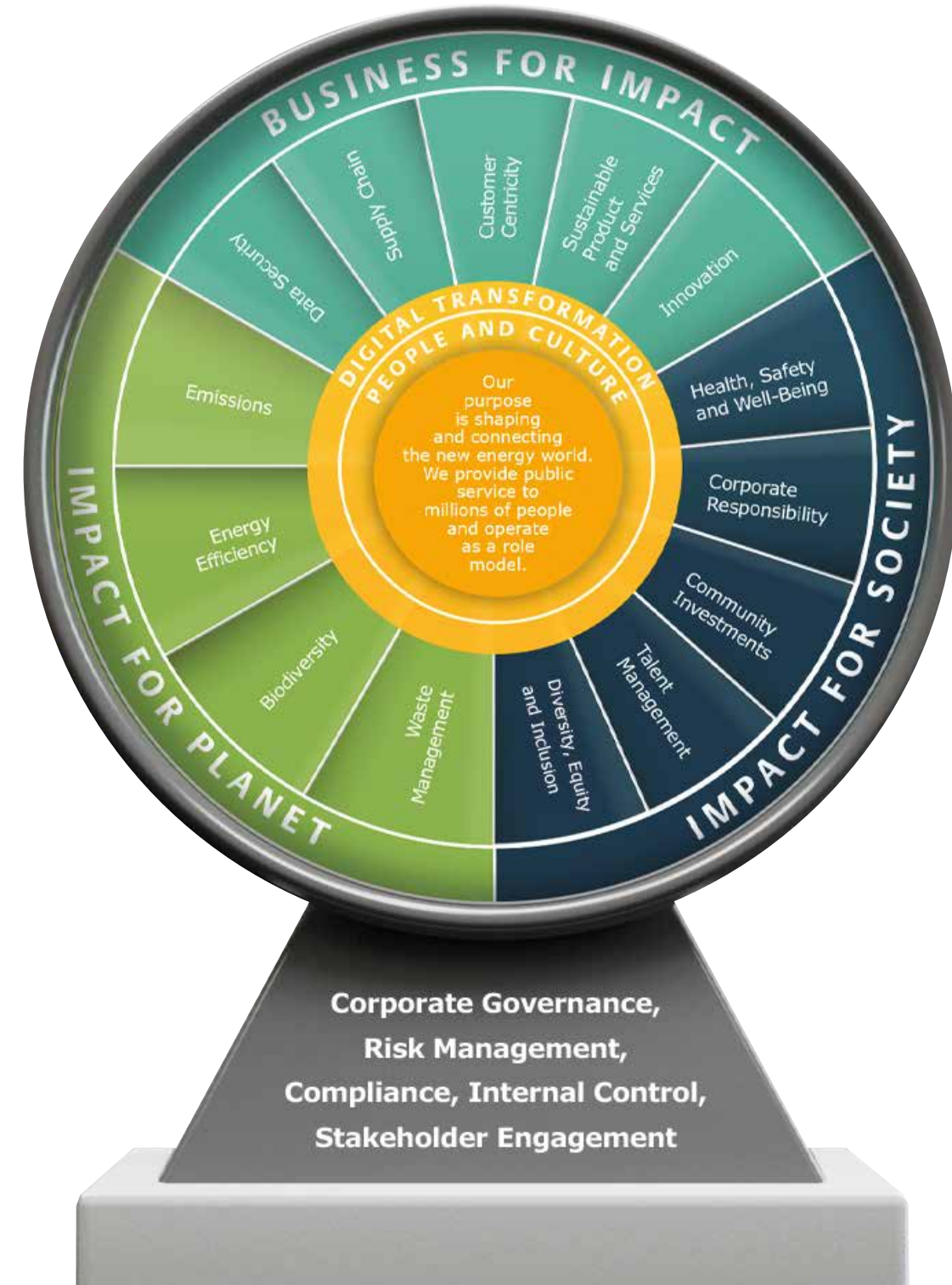
## SUSTAINABILITY FRAMEWORK

As a leading electricity distribution, retail sales and customer solutions company in Turkey, we are aware of our responsibility to deliver prosperity to both this generation and future ones. Our purpose is to shape and connect the New Energy World. We provide a valuable public service to millions of people and continue to operate as a role model.

We believe that in order to manage future challenges successfully, our sustainability strategy needs to be fully integrated into the business strategy. At the end of 2021, we revised our sustainability strategy to increase the contribution of our business units to our sustainability performance. We started to build an action plan which incorporates all of the key values of our strategy. This plan sets our ESG key performance indicators (KPIs) so that they contribute to our strategic targets. During the strategy redesign, we considered developments in the ESG agenda, our stakeholders' opinions, internationally recognized best practices and our peer benchmarks.

Please see our Sustainability Framework on the right.

“Our sustainability approach helps us focus on the impact of our products and services, leverage opportunities in the transition to a low-carbon, cleaner and greener energy sector, nourish a resilient supply chain and empower people equally.”



## Our Sustainability Strategy

We are aware that decarbonization, urbanization and customer centricity, deregulation, decentralization, and digitalization are the five sectoral trends that have the potential to disrupt our way of doing business. We are therefore developing innovative, impactful, and sustainable products and services not only to better face the challenges, but also to lead the transformation while working for accessible and uninterrupted energy.

As a leading electricity distribution, retail, customer solutions and e-mobility company in Turkey, we accept our responsibility to deliver prosperity to people and the future. Our purpose is to shape and connect the New Energy World as a role model and continue to provide a valuable public service to millions.

## Our Approach to Sustainability

Sustainability is at the core of our business and integrated into our entire organization. We respect all beings right to life; hence we focus on the impact of our services and products for a low-carbon, cleaner and greener energy sector and on empowering equality.

With the ultimate aim of transforming into an impact-focused business, we have prioritized our environmental, social, and governance impacts, while recognizing the insights of all our stakeholders. We then set targets and designed our roadmap to address all of the UN Sustainable Development Goals (SDGs).

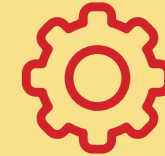
We established a systematic sustainability governance structure, including thematic working groups. We disclosed a range of policies for each of our sustainability impact areas. We commit to act in accordance with these policies towards our targets and monitor, measure, and transparently disclose our performance and progress.

## Sustainability Impact Areas

**BUSINESS FOR IMPACT** - We contribute to our business growth through sustainable products and services with a responsible value chain and innovation.

Under this impact area:

- We seek to understand the expectations and needs of our customers and customize the best services for them.
- We are committed to developing sustainable products and services that move towards a resilient and growing energy ecosystem.
- We invest in innovation to lead the New Energy World.
- We carry out investments to accelerate the transition to a low-carbon, resilient and resource-efficient economy.



**IMPACT FOR SOCIETY** - We empower people to create an inclusive and prosperous society. We foster a talented and diverse workforce in a safe working environment and act responsibly to create a broader positive impact on the community.

Under this impact area:

- We operate as a role model in occupational health and safety. We commit to the Zero Accident Journey and aim to prevent fatalities and critical and high potential near-miss accidents.
- We provide voluntary contributions as well as direct financial support to the prosperity of society with our community investments. We focus on corporate responsibility projects that have a strong community impact.
- We invest in engaging and retaining talent. We commit to measuring the impact of our talent management programs.
- We believe in the power of a diverse workforce and an inclusive work environment. We commit to increasing diversity with respect to gender and age especially in managerial positions.



**IMPACT FOR PLANET** - We reduce the ecological impact of our operations through the transition to a carbon-neutral business and zero-waste operations.

Under this impact area:

- We respect natural resources and contribute to the fight against climate change. We are committed to a low-carbon future.
- We aim to reduce our environmental impact and energy intensity by increasing energy efficiency.
- We are committed to conserving the ecosystem and natural biodiversity.
- We explore circular economy opportunities. We aim to achieve Zero Waste.



## Enablers and Foundations of Our Performance

To enable our purpose and achieve our targets, we put people and culture and digital transformation at the center of our business. We are dedicated to continuously investing in them as they are essential resources and tools to create value in our impact areas.

**People & Culture:** We support a purpose-driven company culture and put people at the center of our business. We focus on the Future of Work and invest in our talent, providing them with the tools and training necessary to acquire the skills and competencies the future will require.

**Digital Transformation:** Digitalization is a critical tool for making a meaningful impact on society, the environment and the business world. We have planned our digital transformation journey and use digitalization as an enabler in the process of achieving our purpose.

We believe that strong corporate governance, compliance and internal control mechanisms, integrated risk management and an effective stakeholder engagement approach are key to sustaining our performance. We also believe it is important to communicate our impact and performance with our stakeholders.

- We commit to adhering to the highest ethical standards and we are against all kinds of bribery and corruption. We ensure full compliance with regulations and have zero tolerance for human rights violations and any type of discrimination.
- We identify both financial and environmental, social and governance risks. We try to create opportunities from risks which may impact the future of our business.
- Stakeholder engagement is a core value with regard to our performance. We respect all our stakeholders that are directly or indirectly affected by our activities and prioritize open, trust-based relationships with them.
- We communicate our impact by regularly disclosing information about our performance.

# SUSTAINABILITY MANAGEMENT

## GOVERNANCE STRUCTURE

We have a governance structure that allows us to take a strategic and holistic approach to economic, environmental and social factors in order to create long-term value. The Board of Directors has the ultimate responsibility for developing the sustainability strategy and for our sustainability performance. The Board of Directors is also responsible for identifying material ESG issues, risks and opportunities and establishing appropriate ESG policies.

In 2021, we created the Sustainability and Corporate Capabilities function to ensure a strategic and integrated approach to corporate sustainability and to create maximum value for our stakeholders. The Head of Sustainability and Corporate Capabilities (CSO) reports to the CEO and CFO.

Our mandatory Board Committees work actively to monitor ESG issues and report to the Board of Directors. Sustainability is a regular agenda item for the mandatory Corporate Governance Committee.

In addition to the mandatory committees, we use other non-mandatory committees with representatives from the relevant business units to cover ESG-related critical matters.

The Executive Management (CEO/CFO) oversees ESG-related actions across our processes and reports to the Board of Directors about critical initiatives, developments, key performance indicators and commitments.

The Sustainability Executive Committee steers our corporate sustainability strategy, advises Executive Management accordingly and monitors, measures and reports performance and progress in a comprehensive and in-depth manner. With the establishment of the Sustainability and Corporate Capabilities function, we restructured the Committee and we expanded it to include all unit heads. The Committee reports to the Executive Management and is chaired by the Head of Sustainability and Corporate Capabilities.

Since 2021, sustainability performance and initiatives have been part of our Company/CEO scorecard, which is approved by the Board of Directors. Sustainability targets on the Company scorecard include areas related to climate change. These targets are then disseminated to the relevant business units and their realization impacts annual performance, thus remuneration.

[Click here to access the Working Principles of the Sustainability Executive Committee.](#)

“We engage with all of the stakeholders in our value chain in a trustworthy, open and transparent manner.”

## STAKEHOLDER ANALYSIS

We use a variety of approaches to identify all stakeholders within our impact area, determine short and medium-term effects of our operations on our stakeholders and determine the expectations of our stakeholders. We value the relationships we have with the stakeholders directly or indirectly impacted by our activities.

We focus on building trust and having open and transparent communication with the stakeholders in our value chain and ecosystem. We have identified all of the stakeholders within our impact area and how our operations affect them. We adopted the AA1000 Accountability Stakeholder Engagement Standard to identify our stakeholders and utilize a variety of communication tools to obtain feedback from our stakeholders so that we can better meet their expectations. We communicate with our internal and external stakeholders on a regular basis via the mechanisms specified in Annex III. ↗



# SUSTAINABILITY MANAGEMENT

## MATERIAL ISSUES

The ESG agenda is ever evolving. It is critical that companies consider stakeholder opinions and strategic business directions in order to determine areas where shared value can be created. This year, following a comprehensive stakeholder analysis, we updated our materiality matrix in line with changing business dynamics and priorities. Accordingly, we included the supply chain to reflect the importance of sustainability in this area in our operations. While risk management has been always a critical area in our equity story and corporate governance approach, we added this topic to the material issues as a reflection of the increasing importance of risk management in the ESG area. We position both topics in the very high impact category.

When identifying the relevance impact issues on stakeholders,

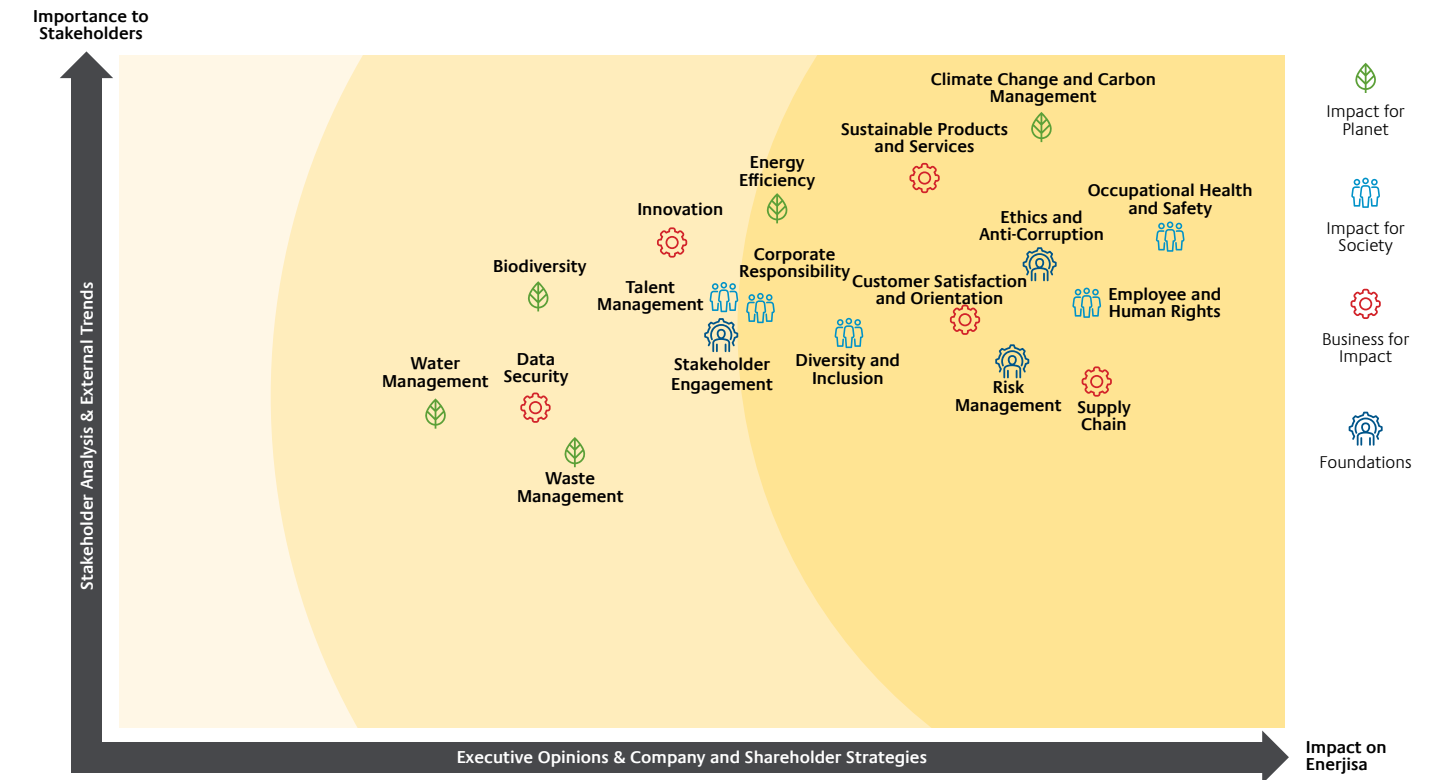
- We collected the opinions of our stakeholders via a stakeholder analysis in accordance with the AccountAbility Stakeholder Engagement Standard (AA1000SES). We used an online questionnaire to collect data on the expectations of our employees and insights of our external stakeholders, including our customers, shareholders, non-governmental and international organizations, analysts, financial institutions, affiliates, universities, media, business partners, suppliers and government agencies, regulatory bodies and local governments. The response rate to the survey was 42%.

- We identified trends in the global and industry agenda through an external trends analysis. Among the external trends, we evaluated the global risks analyzed by the World Economic Forum, the industry-specific materiality map defined by the Sustainability Accounting Standards Board (SASB) and the MSCI ESG materiality map, as well as critical regulations affecting the industry's future, such as the European Green Deal. Our trend analysis also takes Sustainable Development Goals and insights from electric utilities industry reports into account.

When analyzing the relevance of the topics for us,

- We collected the opinions and expectations of the management through one-to-one interviews, online surveys and focus group meetings with Sustainability Executive Committee.
- We evaluated the business and sustainability strategy, as well as the sustainability roadmaps of our controlling shareholders.

## Materiality Matrix



### 2020

1	Occupational Health and Safety	↓
2	Uninterrupted and Accessible Energy	↔
3	Climate Change and Carbon Management	↑
4	Energy Efficiency	↓
5	Smart Technologies	↔
6	Ethics and Transparency	↑
7	Talent Management	↑
8	Stakeholder Management	↑
9	Employee and Human Rights	↑
10	Customer Satisfaction and Orientation	↑
11	Environmental Management	↔
12	Diversity and Equal Opportunity	↑
13	Data Security	↓
14	Supporting Local Development	♻️
15	Employee Satisfaction and Loyalty	♻️

### 2021

1	Climate Change and Carbon Management	★
2	Occupational Health and Safety	
3	Sustainable Products and Services	↔
4	Ethics and Anti-Corruption	
5	Employee and Human Rights	
6	Customer Satisfaction and Orientation	
7	Supply Chain ★	↔
8	Risk Management ★	
9	Energy Efficiency	
10	Diversity and Inclusion	
11	Corporate Responsibility	♻️
12	Innovation	
13	Talent Management	
14	Stakeholder Engagement	
15	Biodiversity	
16	Data Security	
17	Waste Management	
18	Water Management	

- ★ New topics
- ↔ Combined under Sustainable Products and Services
- ↔ Separated as Biodiversity, Waste Management and Water Management
- ♻️ Included into Corporate Responsibility and Talent Management topics, respectively



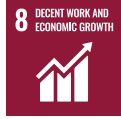






# SUSTAINABILITY MANAGEMENT

## TOPIC BOUNDARIES

Priority	Topics	Scope of the Topic	Contribution to SDGs	Relevant Report Section
Very High	<b>Climate Change and Carbon Management</b>	Anthropogenic climate change is one of the most significant threats to our ecosystem's long-term viability. We recognize our responsibility in combating climate change, which has an increasingly negative impact on our lives. The worldwide and national regulatory landscape also encourages enterprises to take bold actions as discussed in the Trends and Impacts in Our Business section. Accordingly, we aim to reduce our direct and indirect GHG emissions in all our processes. We monitor our Scope 1-2-3 emissions and are taking steps to reduce our carbon emissions. We use renewable energy in our operations. Within the scope of our risk management processes, we undertake projects to mitigate the impacts of climate change on our operations. We are working on a detailed road map to set our "Net Zero" vision.		Impact for Planet  (Emissions and Energy Efficiency)
	<b>Occupational Health and Safety</b>	Occupational Health and Safety (OHS) risks associated with electricity distribution are substantial, including the risk of death. Hence, OHS management has always been a sensitive focus area for us. During the Covid-19 pandemic, we closely monitored the health and well-being of all our employees. We take steps to identify and eliminate risks that could contribute to accidents or health issues. Employees, contractors and business partners all benefit from our solid OHS culture. We ensure that all of our equipment and processes comply with international standards. We eliminate OHS-related risks by utilizing technology and digitalization in innovative ways. By constantly strengthening our procedures, we pledge to decrease risks in our working environment and take actions to boost health, safety and well-being.		Impact for Society  (Health, Safety and Well-Being)
	<b>Sustainable Products and Services</b>	In parallel with technological developments, universal access to affordable and consistent power has become a basic human need. We endeavor to ensure that all members of society have uninterrupted access to energy. We are expanding our distribution network across our three distribution regions and retail services across the country and expanding our products and services provided under the umbrella of Customer Solutions. With our customer-centric strategy and the use of new technologies and digitization, we aim for an uninterrupted energy supply and energy security. We undertake constant technical improvements to our entire operation and infrastructure to ensure the continuity of the energy supply. We strengthen our power infrastructure through our grid investments. We also address this issue from a risk standpoint because any failure in the electrical supply poses a significant risk to our business and immediately to our consumers. We invest in new connections, modernize our grid to address the growing share of renewable energy sources connected to the distribution network and utilize smart technology and innovation. Furthermore, we undertake efforts to increase the share of green energy in our retail sales. We make Power Purchase Agreements with renewable energy generators for our electricity retail operations.	 	Business for Impact  (Sustainable Products and Services)
	<b>Ethics and Anti-Corruption</b>	We conduct our business in an ethical, principled and transparent manner. We disclose our performance transparently each year and aim to extend the scope of our disclosure. The Enerjisa Code of Conduct (Enetik 2.0), Anti-Bribery and Anti-Corruption Policy, Third-Party Relations Policy and Anti-Retaliation Policy establish a common framework in all our processes to ensure adherence to the highest ethical standards. All our employees and suppliers commit to following these policies, which form the foundation of our business practices.		Foundations of our Sustainability Performance  (Compliance)
	<b>Employee and Human Rights</b>	Respecting human rights is an essential part of our corporate culture. Our Human Rights Policy highlights our comprehensive approach to employee and human rights and applies to all employees, business partners within our sphere of influence and other parties in our supply chain. We issued our Zero Tolerance Policy Towards Violence in 2022. We commit to fostering a work environment in which all fundamental human rights are respected in all operations, in accordance with international principles.		Impact for Society  (Health, Safety and Well-Being)

# SUSTAINABILITY MANAGEMENT

## TOPIC BOUNDARIES

Priority	Topics	Scope of the Topic	Contribution to SDGs	Relevant Report Section
Very High	<b>Customer Satisfaction and Orientation</b>	Due to technological developments and rising customer expectations, creating a customer-centric culture that focuses on understanding and meeting the expectations of customers is more important than ever. In addition, deregulated (liberalized) customers in the electricity retail sector have the freedom to choose their own suppliers. As a result, we strive to provide the best-in-class services to our consumers through our diverse service channels. We regularly measure customer satisfaction and take actions based on customer feedback. We develop tailored services and products to ensure we offer cutting-edge technology and keep pace with the rapidly digitalizing world.	 	Business for Impact (Customer Centricity)
	<b>Supply Chain</b>	Covid-19 shed light on the importance of the circular economy, digitalization to manage inventory and supply networks effectively, the development of local suppliers and waste management. As sustaining a resilient supply chain is critically important for us, supporting our suppliers and business partners is a top priority. We expect our suppliers to meet fundamental requirements in terms of Environmental, Social and Governance (ESG) performance, along with respect for human rights. We expect our suppliers to sign the Enerjisa Supplier Compliance Declaration and act in accordance with our OHS and Environment Policies. Our partners need to act in accordance with our Anti-Bribery and Anti-Corruption Policy, as well as our related policies, procurement procedures and instructions and other relevant legislation in their activities.	 	Business for Impact (Responsible Supply Chain)
	<b>Risk Management</b>	We aim to ensure sustainable and predictable profitability by effectively managing the risks in the energy markets and ensure value creation with our risk management policies. We identify risks and opportunities with a detailed assessment study. We identify and monitor the occurrence and effects of financial and non-financial risks. We identify financial impacts and improve our risk culture through integrated management of financial and ESG risks.		Foundations of our Sustainability Performance (Risk Management)
	<b>Energy Efficiency</b>	The energy sector is responsible for almost three-quarters of global emissions. Therefore, ensuring energy efficiency is a crucial part of combatting climate change. We take operational and technical measures to eliminate inefficiencies such as technical grid losses. Our Customer Solutions unit focuses on offering products and services that increase energy-efficiency. We concentrate our efforts on projects that will help our customers improve their energy efficiency as part of our focus on sustainable products and services while also providing green energy tariffs and certificates.	 	Impact for Planet (Emissions and Energy Efficiency)
	<b>Diversity and Inclusion</b>	Diversity and inclusion are among the fundamental principles of our vision and values as we strongly believe that diversity and inclusion make us stronger. We conduct our Diversity, Equity and Inclusion activities under the umbrella of the "Not Without You (Sensiz Olmaz)" platform, through which we aim to provide equal opportunities for everyone in our business with a focus on gender equality, young people and disabled people. We promote gender equality and women's empowerment in the industry and we create programs to promote access to opportunities in the male-dominated energy sector. In order to encourage female participation in technical and managerial positions, we conducted the Equal Opportunities in the Electricity Distribution Sector project in collaboration with the EBRD's Gender Equality Program Coordination Office. We consider the unique qualities of our employees, while we provide equal opportunity to all of them. In all human resources processes such as recruitment, termination, wage compensation, training and reward management and the work environment, we treat all individuals equally and fairly in terms of language, religion, nationality, race, ethnic origin, age, gender, marital status, health, disability status, political views, union membership and all similar matters.	 	Impact for Society (Diversity, Equity and Inclusion)



# SUSTAINABILITY MANAGEMENT

## TOPIC BOUNDARIES

Priority	Topics	Scope of the Topic	Contribution to SDGs	Relevant Report Section
Very High	Corporate Responsibility	We have identified our corporate social responsibility focus areas as education, environment, society and energy. We are dedicated to adding value to society and making a positive contribution to progress. We implement social responsibility programs both through the voluntary contributions of our employees and direct financial support to non-governmental organizations. We continue to carry out activities focused on education, energy conservation, the environment and society as part of our corporate social responsibility projects. In addition, we make investments in strategic areas where we impact society through the value chain to create a positive impact even if there is no direct connection with our operations. We consider our social impact and take steps to create awareness about energy efficiency and diversity through training programs.		Impact for Society  (Corporate Social Responsibility and Community Investments)
High	Innovation	One of the most transformative prospects of digitalization in the energy sector is its potential to eliminate boundaries in the value chain, improve flexibility and enable integration across whole systems, including intermittent renewables. We invest in smart technologies to ensure uninterrupted and accessible electricity, notably in our distribution networks. By modernizing and digitizing our distribution network, we contribute to the urban infrastructure of the future. We conduct various collaborations with technology start-ups, companies, technology development zones and universities on open innovation. We work on energy storage systems, e-mobility and charging infrastructure, along with other new technologies and innovative practices in the energy sector. We have access to cutting-edge smart technologies, including augmented and virtual reality, artificial intelligence, smartphone apps, blockchain and chatbots. We stay abreast of developments in the electric vehicle ecosystem, energy storage systems, microgrids and other technologies that enable consumers to generate their own electricity.		Business for Impact  (Innovation)
	Talent Management	Our goal is to build the energy sector of the future together with our employees. We cherish our employees' career development and provide them with training programs tailored to their unique experience levels. To ensure the sustainability of our organization, we also develop short and medium-term succession plans for all critical positions. We diligently strive to hire new talent with strong skill sets and help our current qualified employees grow and thrive in their careers. With technological changes, automation, artificial intelligence and changes in employee expectations, the structure of work, the workforce and workplaces is changing. To prepare for these changes, we have developed our "Adaptation to the Future of Work" approach.		Impact for Society  (Talent Management)
	Stakeholder Engagement	We are aware that understanding and managing the expectations of all stakeholders is critical to sustaining our long-term success. We continuously seek stakeholder opinions by collaborating with them through various channels in all our processes. We also continuously improve our communication with the communities in the regions where we operate. Our Corporate Stakeholder Engagement Plan provides a framework that summarizes requirements and implementation processes relating to stakeholder engagement, public consultation, stakeholder identification and grievance mechanisms.		Foundations of our Sustainability Performance  (Stakeholder Engagement)
	Biodiversity	We acknowledge that irreversible environmental and economic consequences will result unless the ecosystem and biodiversity are preserved, climate change mitigation measures are taken and scarce resources are handled carefully and sustainably. We take the measures necessary to mitigate the environmental impact of our investments pursuant to applicable national and international legislation and in accordance with our Biodiversity Conservation Action Plan prepared for protection of biodiversity and the natural ecosystem in sensitive protection or development areas.		Impact for Planet  (Biodiversity)

# SUSTAINABILITY MANAGEMENT

## TOPIC BOUNDARIES

Priority	Topics	Scope of the Topic	Contribution to SDGs	Relevant Report Section
High	<b>Data Security</b>	With digitization, the amount of data we process, send and store is growing exponentially. Our employees and related third parties must comply with our practices, policies and procedures regarding information security. With the digitalization of networks, attacks on infrastructure are likely to happen at a higher rate. As a result, cybersecurity is critical for us. Our Cyber Security Group Management evaluates and meets the information security requirements established to satisfy expectations related to our business needs, laws and regulations. We hold the ISO 27001 Information Security Management System certificate. We need to ensure the confidentiality and security of the massive amount of customer data we manage as part of our responsibility to provide a public service. Within the framework of applicable legislation, we take every measure to ensure the confidentiality and security of customer data at the highest level. Our Personal Data Protection Committee monitors full compliance of our activities with the Personal Data Protection Law (PDLP). We provide PDLP and data security training to our employees.		Business for Impact (Data Security)
	<b>Waste Management</b>	Effective management of waste is critical to minimize environmental pollution caused by the increasing amount of waste in a circular economy. We carry out all material usage and waste management processes with a life cycle approach to reduce the environmental impact and bring waste into the circular economy. We have identified methods associated with the waste hierarchy for source prevention and reduction, collection, transportation, storage, recycling and/or final disposal of domestic, industrial, hazardous and non-hazardous wastes generated by our activities. We are continuously improving our Waste Management System, which was designed in compliance with ISO 14001 and we comply with applicable regulations and the declared sustainability goals. We have completed the project to set up the Zero Waste System in compliance with the Zero Waste Regulation. The application and approval procedures for the certification process of the Zero Waste System are ongoing at the HQ buildings and the Toroslar HQ building was certified with the fundamental level of zero waste in 2021. We are a member of the Business Plastic Initiative, which was launched by the Business Council for Sustainable Development Turkey to reduce plastic waste in the private sector.		Impact for Planet (Waste Management)
	<b>Water Management</b>	The depletion of available water resources around the world poses a threat to humanity as a whole. The risk of water shortages is expected to rise with population growth, economic growth and climate change. Since the direct use of water in our operations is limited only to domestic purposes in office operations, the direct impact of water-related risks on our operations is low. In general, we use the mains water supplied by the city network at all locations. We do not discharge wastewater to any natural receiving environment but directly to the city sewerage system (except for the groundwater used for garden irrigation purposes). To reduce water risks, we take measures to reduce our water consumption. On the other hand, water-related risks may affect the payment ability of the Company's customers who rely on high water consumption in their operations and hydrological factors may also affect energy prices. Relevant business units monitor these risks and take the necessary precautions.		Impact for Planet (Water Management)



# WE CONTINUE TO INVEST FOR THE FUTURE



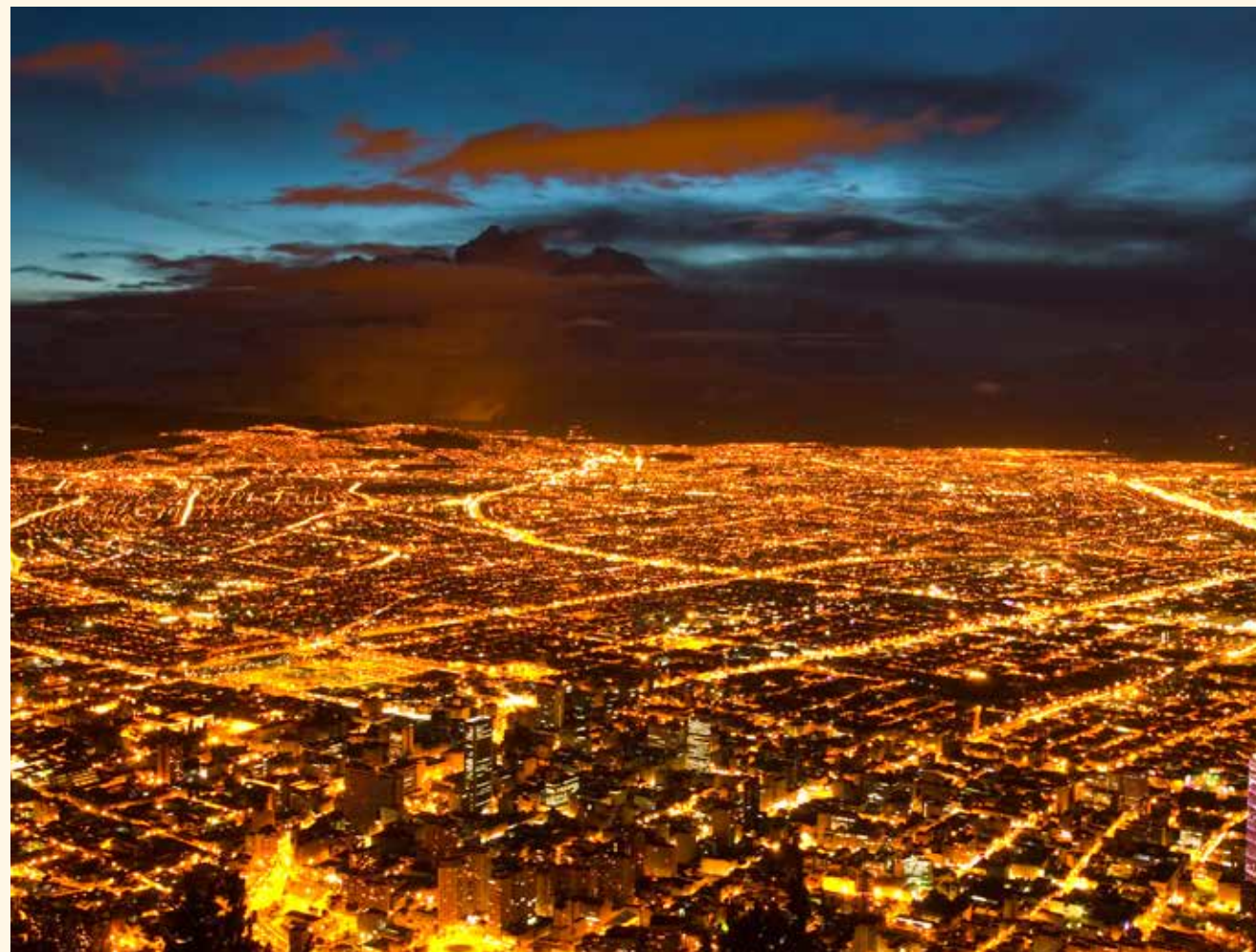
**BUSINESS FOR IMPACT**

- 35 Uninterrupted and Accessible Energy
- 40 Customer Centricity
- 45 Responsible Supply Chain
- 46 Sustainable Products and Services
- 49 Innovation
- 55 Data Security

**“We contribute to the growth of our business with sustainable products and services through a responsible value chain and innovation.**

As a leading electricity distribution, retail sales and customer solutions company in Turkey, we are aware of our responsibility to deliver an essential service that is a key enabler of social prosperity and development. Our aim is to shape and connect the New Energy World and serve as a role model in providing a valuable public service to millions. In that respect, we have put sustainability at the core of our business.

While working to fulfill the expectations and needs of our customers with customized solutions, we are aware that a sustainable society cannot be achieved without a resilient and agile energy ecosystem. Therefore, we focus on providing sustainable products and services. Innovation is a key enabler in our sustainability approach. We continue to make investments that will accelerate the transition to a low-carbon, resilient and resource-efficient economy. All of our retail and distribution operations have the ISO 9001 Quality Management System certificate.



## UNINTERRUPTED AND ACCESSIBLE ENERGY

We are aware of our responsibility to provide an uninterrupted and accessible energy supply. We focus our activities in this direction to provide world-class service quality to a population of 21.9 million in 14 provinces spread over 3 operating regions.

Distribution grids form the backbone of a reliable and uninterrupted energy network. Urbanization, electrification trend and renewable energy systems, the growth of EV charging and the integration of smart city solutions require more extensive investment in distribution grids. In this environment, the resilience, reliability and sustainability of the grid become increasingly important. Hence, we view an uninterrupted energy supply as one of our top priorities and take a customer-oriented approach that utilizes new technologies and digitalization.

We are preparing for the fundamental changes that will shape our industry. Decarbonization, urbanization and customer centricity, deregulation, decentralization and digitalization are the five sectoral mega trends that have the potential to disrupt our way of doing business. We are developing innovative, sustainable products and services not only to better manage the risks related to these trends, but also to blaze a trail to the New Energy World.

Based on our principles of respect, responsibility, equality and inclusiveness, we aim for everyone to have uninterrupted access to energy. As we lead the way to the New Energy World, we place sustainability at the heart of our business strategy in our support for a cleaner, carbon-free energy landscape.

### Investments

- In Turkey, distribution companies are responsible for
- Operation of the distribution grid,
  - Making the necessary investments in maintenance, repair, environment, security, renovation and expansion,
  - Maintaining and reading electricity meters,
  - Preparing demand forecasts and investment plans,
  - Monitoring electricity theft-loss rates,
  - Purchasing electricity to cover technical and commercial losses,
  - Taking necessary technical and operational measures to reduce theft-loss rates,
  - Providing illumination in public areas.

The Turkish distribution network was privatized between 2009 and 2013. Prior to the privatization, investments in the distribution grid were relatively limited. Following the privatization, investments increased and were executed to meet identified needs.

To ensure the service quality and security of the electricity distribution grid, a steady stream of long-term investments must be sustained. We continue to invest in our grid for the purpose of discharging the aforementioned responsibilities, always leading the sector with our cutting-edge approach to innovation.

Moreover, the nationwide increase in the number of electricity grid users, as well as the increase in energy demand is expected to continue over the long-term. The current momentum in investments needs to be sustained in order to achieve the grid quality metrics present in developed countries. Moreover, the mega trends in the energy sector and the electrification trend in energy demand is projected to increase the need for investment in the distribution grid. In view of these factors, we expect the increase in investments to continue.

In the fourth regulatory period covering 2021-2025, the total regulatory initial CAPEX allowance of our distribution companies increased by 72% in real terms compared to the third regulatory period.

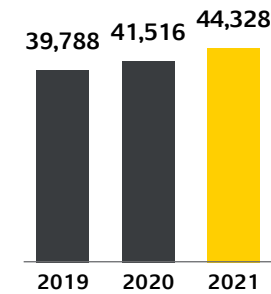
We update our investment plans throughout the year in line with changes in field requirements and financing costs. The Covid-19 pandemic continued to have an impact in 2021. Due to the pandemic, commodity prices increased and there were issues in the supply of materials used in grid investments. Moreover, fluctuations in the exchange rates in 2021 also resulted in increases in material costs.

Despite this conjuncture in 2021, we sustained our investment momentum thanks to our agile investment and supply planning. We continued to meet the energy demand in our distribution regions with our high operational capacity and sound financial structure and continued with our investments in lighting, grid modernization-improvement and similar investments as well as in technology and digitalization. Our investments reached approximately TL 2.8 billion in 2021. As a result of the investments, our Regulated Asset Base had reached TL 11.2 billion at the end of 2021.

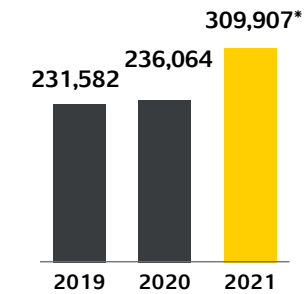
# UNINTERRUPTED AND ACCESSIBLE ENERGY

## GRID DEVELOPMENT

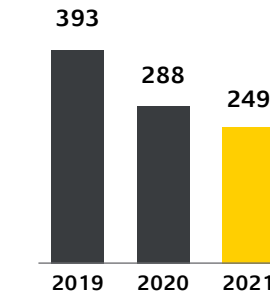
**Transformer Installed Capacity (MVA)**



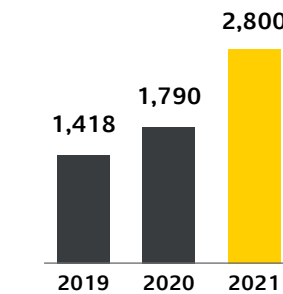
**Total Length of Network (km)**



**Number of New Connections (000')**



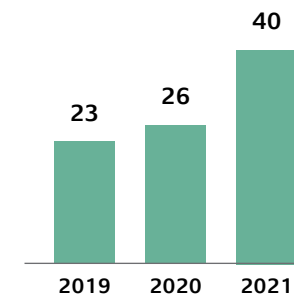
**Total CAPEX (TL million)**



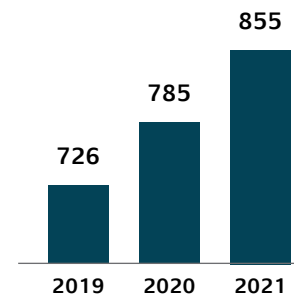
\* Calculation methodology changed in 2021.

Additionally, we make investments to address the requests of renewable energy resources to be connected to the distribution grid. The capacity of renewable generation directly connected to the grid between 2019 and 2021 is as follows:

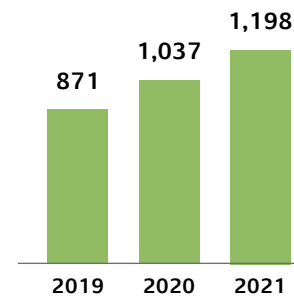
**AYEDAŞ Capacity (MW)**



**BAŞKENT Capacity (MW)**



**TOROSLAR Capacity (MW)**



## Efficiency and Quality Parameters

In the Turkish electricity sector, the regulative framework supports efficiency, service quality and reduction of the theft-loss rate for distribution companies. In this context, the critical efficiency and quality parameters are as follows:

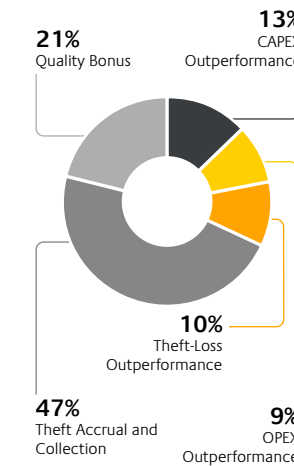
**CAPEX outperformance:** By the end of a tariff year, if a distribution company realizes its mandated investments at a cost less than the unit prices determined by EMRA, then it will have its revenues based on CAPEX realization calculated with the unit prices set by EMRA. In this case, the company retains the difference.

**OPEX outperformance:** The fixed and variable OPEX component is not subject to adjustment based on realizations and it is possible to achieve OPEX outperformance through efficient processes, cost management and digitalization. In case of outperformance, the company retains the difference.

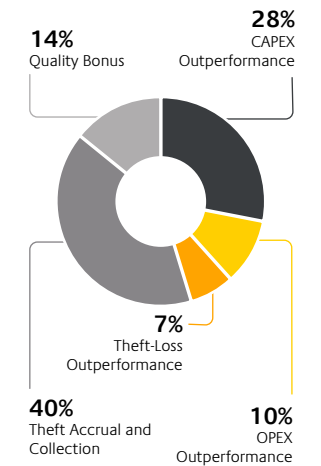
**Theft-Loss outperformance:** Except for those consumers connected directly to the transmission network, all customers pay the theft-loss tariff. Distribution companies are obliged to procure energy to compensate for energy theft-loss. The theft-loss tariff is determined at the national level and the revenue imbalances between distribution regions are corrected through the price equalization mechanism. In this way, the cost burden calculated based on the theft-loss target does not fall on the consumers in a specific region alone but is distributed across all consumers in the country. If the performance of distribution companies is below the target, the company retains the difference and if it is above the target, it bears the cost.

**Quality parameters:** EMRA applies quality parameters to the revenue requirement (excluding non-controllable OPEX and including scheduled maintenance) to incentivize the performance of companies with regard to continuity of supply, technical quality, customer satisfaction, transparency, corporate governance and occupational health and safety. Total Efficiency & Quality Parameters increased by TL 104 million year-over-year in 2021, reaching TL 1,045 million.

**Efficiency and Quality - 2020**



**Efficiency and Quality - 2021**



# UNINTERRUPTED AND ACCESSIBLE ENERGY

## Technology and Grid Management

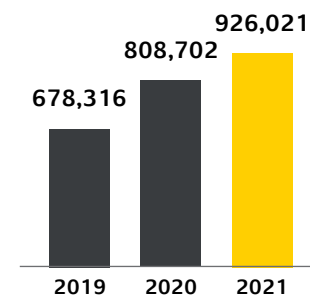
With the aim of providing an uninterrupted supply of electricity, we ensure effective grid management which places technology at the forefront of our activities.

Our distribution companies use the following systems in their operations:

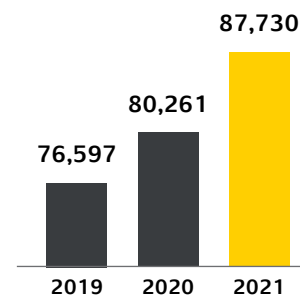
- We use the Outage Management System (OMS) for outage management. In addition, customer notices received from the CRM system are conveyed directly in the OMS.
- We use SCADA (Supervisory control and data acquisition), an industrial automation control system which remotely monitors supply continuity. We use SCADA to collect outage data. The total number of sensors in the SCADA system, increased from 808,702 at the end of 2020 to 926,021 at the end of 2021.
- We monitor grid inventories not monitored with SCADA with modems installed to increase the traceability of the grid. Thanks to these systems, the percentage of monitored stations at the Medium Voltage level increased to 100%.
- In addition, we receive outage information from the Lighting and Customer Automatic Meter Reading System (AMRS). Our AMRS installations have continued for the remote reading of meters in our distribution regions. The total number of installations within the scope of AMRS increased from 80,261 at the end of 2020 to 87,730 by the end of 2021.
- We can determine which users are affected by outages using the Geographic Information System (GIS).

With the outage information received from all these systems, we estimate the location of the outage through the use of various algorithms, which in turn reduces response times. Our distribution companies use industrial tablets to record the procedures performed in the field during the power outages. All system integrations ensure the correct calculation of the start and end times of outages in operating regions, as well as the number of affected subscribers.

**Number of Sensors on SCADA System**



**Number of Meters Covered by AMRS**

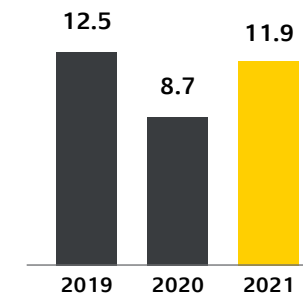


## Grid Quality Metrics

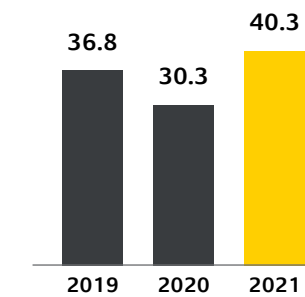
We use the System Average Interruption Duration Index (SAIDI) and the System Average Frequency Index (SAIFI) to monitor grid quality in terms of continuity of supply.

**(SAIDI) (hour)**

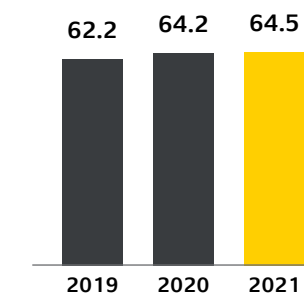
**AYEDAŞ**



**BAŞKENT**

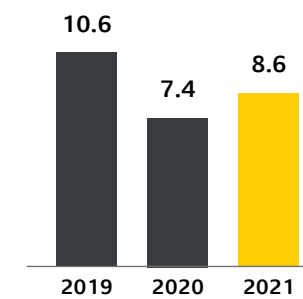


**TOROSLAR**

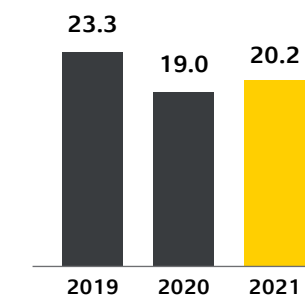


**(SAIFI) (number of power outages)**

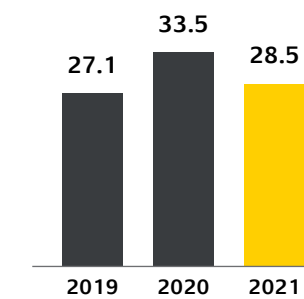
**AYEDAŞ**



**BAŞKENT**



**TOROSLAR**



# UNINTERRUPTED AND ACCESSIBLE ENERGY

With the start of the new regulatory period in 2021, a new regulatory maintenance OPEX allowance was introduced for planned maintenance in order to improve the continuity of supply and increase customer satisfaction and a new OPEX allowance was introduced for planned maintenance. With this practice, we stepped up the maintenance work of our distribution companies with an increase in the number of power cuts for maintenance purposes. We aim to reduce the incidence of failure in the grid and reduce the frequency of outages with this intensive maintenance work.

Moreover, the disasters experienced in the provinces of Zonguldak, Bartın and Kastamonu during the year were other factors that caused us to lag behind the improvement targets in the quality metrics in the Başkent region. In January and February 2021,

the provinces of Zonguldak, Bartın and Kastamonu experienced the heaviest snowfall recorded in the last decade. As a result, conductors failed and poles were brought down due to the weight of snow. Additionally, in August, the Bozkurt district of Kastamonu was hit by flood and the region was declared a disaster area.

We carry out projects and investments to facilitate adaption to the potential impacts of climate change as part of our sustainability strategy. For example, the overhead lines in distribution networks are more exposed to the impact of natural disasters than underground cables. The percentage of underground cables in our distribution regions increased from 19% in 2015 to 26% in 2021, mitigating the impact of external factors on the distribution network.



**“We aim to reduce the incidence of failure in the grid and reduce the frequency of outages with our intensive maintenance work.”**

## Technology and Grid Management Projects

Enerjisa Enerji presses ahead with its grid investments in order to provide an uninterrupted supply of power and makes extensive use of technology. Some of the important projects realized in 2021 and their impact areas are as follows:

Projects	Scope	Impact Area
The Tablet User Experience Project	The 4-phase project aims to facilitate the use of tablets by field operators, to reduce erroneous data entry and to resolve problems they may encounter.	<ul style="list-style-type: none"> <li>Stakeholder Management</li> <li>Customer Experience</li> <li>Digitalization</li> <li>Quality</li> <li>OHS</li> </ul>
Digitalization and Replacement of Protection Relays and Test Devices	With this project, faulty lines and equipment will be disconnected from the grid in the event of a failure on the grid, within the time set in the relay coordination. Thus, customers in areas where there are no failures will not be affected by these outages. Relay/polarity/breaker test devices are renewed and increased in number, thus increasing the reliability of the grid.	<ul style="list-style-type: none"> <li>Stakeholder Management</li> <li>Customer Experience</li> <li>Digitalization</li> <li>Quality</li> </ul>
The Başkent Digital Inventory Management System and Analysis (DIGSILENT)	The aim of the project is to render grid management more secure. With the DIGSILENT software, protection and coordination functions are transferred to the digital environment. The DIGSILENT software allows the examination of voltage and current frequency anomalies through digital modelling with the power quality and harmonic analysis modules.	<ul style="list-style-type: none"> <li>Digitalization</li> <li>Quality</li> </ul>
OMS & AMRS (Outage Notice)	Improvement activities are carried out in the OMS project in order to provide ease of use by taking into account EMRA's recommendations and legislative requirements.	<ul style="list-style-type: none"> <li>Customer Experience</li> <li>Digitalization</li> <li>Quality</li> </ul>
The TEİAŞ Feeder Monitoring and Improvement Project	The project is aimed at monitoring output feeder data (current, voltage, power etc.) and the location information of circuit breakers and disconnectors and the like at the TEİAŞ substations with the application software, and to integrate these data into the SCADA and Inavitas systems. In addition, demand tracking of the TEİAŞ substations and TEİAŞ feeder openings can be monitored instantly through the Inavitas system.	<ul style="list-style-type: none"> <li>Stakeholder Management</li> <li>Digitalization</li> <li>Quality</li> <li>OHS</li> </ul>
Reactive Power Compensation Systems Project	The aim of the project is to keep the reactive power supplied to or withdrawn from the system within the limits specified in the Regulation on Electricity Grid and to prevent possible reactive penalty excesses, which are defined as violations in the penal clauses of the System Usage Agreements signed with TEİAŞ. With the project, user and inventory protection can be achieved and SCADA integration can be provided easily with the closed system automation software developed considering OHS measures. In addition, inventories (such as capacitor bank and shunt reactors), which are suitable for changing grid conditions, can be adapted quickly.	<ul style="list-style-type: none"> <li>Stakeholder Management</li> <li>Digitalization</li> <li>Quality</li> <li>OHS</li> </ul>

# UNINTERRUPTED AND ACCESSIBLE ENERGY

Projects	Scope	Impact Area
Mobile Power Quality Device (MPQD) Supply	Power quality devices were provided for customer/operation measurement demands, measurements for identifying customers which negatively affect technical quality, and for use in place of malfunctioning devices at all points where measurements are made in the field during the year. In line with the incoming customer/operation requests, measurements were taken in the areas experiencing problems and improvements were made in the power quality, technical quality parameters in line with the measurement results. The aim here is to increase technical quality of the grid and customer satisfaction.	<ul style="list-style-type: none"> <li>Stakeholder Management</li> <li>Customer Experience</li> <li>Quality</li> </ul>
Compensation Analysis System Development (CAS)	The Compensation Analysis System aims to prevent reactive power limits from being exceeded and to prevent penalties, which may be imposed if these limits are exceeded, with daily follow-ups. CAS informs all users via e-mail by calculating the active and reactive power values with the meter data retrieved from the TEİAŞ substations on a daily basis. Thanks to these features, power analyses and penal risks can be foreseen and grid maneuvers and facility commissioning/decommissioning operations (including simulations specific to the type of facility) can be performed on the basis of the analyses in the system.	<ul style="list-style-type: none"> <li>Stakeholder Management</li> <li>Digitalization</li> </ul>
Demand Optimization System Development (DOS)	The DOS system is aimed at monitoring consumption and generation data, preventing power limits from being exceeded and minimizing any penalties which may occur in case these limits are exceeded. Within the DOS system, daily maximum demand values are calculated and all users are informed by e-mail. Daily/monthly/annual reports and automatic load transfer notifications are provided. Thanks to these features, power analyzes and demand controls with penal risks can be made.	<ul style="list-style-type: none"> <li>Stakeholder Management</li> <li>Digitalization</li> </ul>
Recloser/ Sectionalizer Replacement Works	Recloser devices enable automatic reclosing in case of temporary faults occurring in the grid. In this way, the duration of the power outage can be reduced to 30 seconds without intervention from the team. Thus, long outage durations will be minimized and the SAIDI and the SAIFI values will be reduced.	<ul style="list-style-type: none"> <li>Stakeholder Management</li> <li>Customer Experience</li> </ul>
Overhead Line Fault Indicator Mechanisms	Overhead Line Fault Indicator Mechanisms are devices which locate the fault occurring on the line, thanks to the light signal they emit. These devices contribute to customer satisfaction by shortening the time for the team to locate the fault, thus shortening the outage time.	<ul style="list-style-type: none"> <li>Customer Experience</li> <li>OHS</li> </ul>

Projects	Scope	Impact Area
Automatic Retrieval of Failure Records from Protection Relays Project	When a fault occurs on the grid, oscillographic fault records are kept by the protection relays. A team is sent to the field to take these records. With the project, the records will be automatically stored and maintained without the need for a team to visit the site. With the project, a total of 200 feeders at Başkent EDAŞ and the Toroslar EDAŞ and 150 feeders at AYEDAŞ will be included in the scope of work. The application will be a first in the sector and for the Company. The project will provide benefits in the fields such as digitalization, operating cost management and OHS.	<ul style="list-style-type: none"> <li>Quality</li> <li>Digitalization</li> <li>OHS</li> </ul>
Industrial IoT Platform and Software Project	This project enables estimation and modelling with artificial intelligence and machine learning algorithms, including analytical and reporting tools which will interpret the data collected from a wide range of points. In this way, a multi-layered system consisting of hardware and software will be developed which can guide the Company's future investments.	<ul style="list-style-type: none"> <li>Stakeholder Management</li> <li>Digitalization</li> <li>Quality</li> <li>OHS</li> </ul>
SCADA Infrastructure and Adaptation Projects	Infrastructure and extension work will be carried out at the centers within the scope of the projects and the relevant centers will be added to the SCADA system. By replacing the relays which have completed their technological lives, the feeders will be rendered remotely monitorable and controllable.	<ul style="list-style-type: none"> <li>Stakeholder Management</li> <li>Digitalization</li> <li>Quality</li> <li>OHS</li> </ul>
Substation SCADA Projects	With these projects, high-voltage and low-voltage information from the Distribution Substations is collected and sent to SCADA and the IoT Platform. Overall, the data to be received from the centers will be cell location/control information, substation information, and voltage yes/no data related to the substation output feeders. Necessary infrastructure and expansion work will be carried out at the substation centers in order to receive this data.	<ul style="list-style-type: none"> <li>Stakeholder Management</li> <li>Digitalization</li> <li>Quality</li> <li>OHS</li> </ul>
Peak SCADA Projects	Within the scope of the project, low voltage (LV) substation data will be received from the centers, where the Pole Mounted Substations are located. In order to receive this information, necessary infrastructure and expansion work will be carried out at the substation centers. The received LV data will be transferred to the IoT Platform.	<ul style="list-style-type: none"> <li>Stakeholder Management</li> <li>Digitalization</li> <li>Quality</li> <li>OHS</li> </ul>



# CUSTOMER CENTRICITY

The importance of “Customer Centricity” is increasing in tandem with changing customer needs and behaviors. A customer-oriented approach requires an intense focus on the needs and demands of our customers. Placing customer satisfaction at the heart of our business model, we offer the best services, create new applications and make new investments.

Our customer satisfaction and communication efforts are reflected in our internal policies and are managed in accordance with international standards, such as the ISO 10002 Customer Satisfaction Management System. In accordance with ISO 10002, we provide training to our customer-facing employees to improve our service quality.

## RETAIL SALES

We strive to offer the best customer experience at our 39 Customer Service Centers, 76 Transaction Centers and with 10 Mobile Service Vehicles across the three regions we serve. We processed 1.9 million transactions at these centers in 2021. We also provide omnichannel solutions such as the Online Services Center and Enerjisa Mobile so that our customers can perform their transactions online, monitor their monthly energy consumption trends and track their bill payments.

We diversify our channel and service structure for a tailored customer experience while implementing projects that will ensure the most efficient use of resources. To this end, we are constantly reviewing and improving the processes in our service channels.

## Digital Channels

As a leader of digitalization in our sector, we offer several digital services to our customers. Without visiting physical channels, our customers can perform a variety of transactions online 24/7 including subscription and termination, payment, appointment, request and complaint processes at [online.enerjisa.com.tr](http://online.enerjisa.com.tr), Enerjisa Mobile and the e-Government portal. While digital channels comprised 2% of retail sales in 2019, this increased to 13% in 2020 and to 18% in 2021. Furthermore, in October 2021, we simplified the experience of logging on to digital channels, resulting in a 19% decrease in consumer feedback in this area.

We are constantly improving our digital channels. The transactions performed via these channels are listed below:

**Funda Şahin**  
Enerjisa Enerji Customer Services Team Leader

*Thanks to the sign language training we received, we began communicating with our hearing-impaired customers together with our volunteer employees at all our Customer Service Centres. We are happy to assist our customers by providing all the physical conditions they need to access our services equally and complete their transactions on their own.*

## Physical Channels

As customer-oriented approach forms the core of our services, we aim to provide our customers with the best experience through physical channels. The services we offer through these channels are listed below:

Customer Service Center (CSC)	Enerjisa Transaction Center
<p>We serve our customers with 39 Customer Service Centers (CSC) in 3 regions. The transactions carried out in the Customer Service Centers are as follows:</p> <ul style="list-style-type: none"> <li>• Application transactions</li> <li>• Subscription and termination transactions</li> <li>• Billing transactions</li> <li>• Information update transactions</li> <li>• Permission/request management transactions</li> <li>• Tariff change transactions</li> <li>• Security deposit refund/inquiry request transactions</li> </ul> <p>Furthermore, we serve our customers at Enerjisa Transaction Centers in the Baskent and Toroslar Regions and with 10 Mobile Service Vehicles (Mobile CSCs) at remote locations where there are no Customer Service Centers.</p>	<p>We serve our customers with 76 Enerjisa Transaction Centers (ETC) in 3 regions.</p> <p>Subscription, termination and relocation (transfer) transactions are carried out at ETCs in addition to transactions such as the payment of electricity bills, security deposit and installment transactions. Furthermore, ETCs handle all kinds of applications and complaints submitted by our customers.</p>

Online Services Center & Mobile Application	e-Government
<p>The following operations are carried out through the Online Service Center and Mobile Application:</p> <ul style="list-style-type: none"> <li>• Subscriptions and terminations</li> <li>• Accepting electricity sales application requests</li> <li>• Billing transactions <ul style="list-style-type: none"> <li>◦ Monitoring monthly energy consumption trends</li> <li>◦ Periodic bill viewing through the application</li> </ul> </li> <li>• Bill payment transactions</li> <li>• Tariff changes</li> <li>• Follow-up of objections and complaints</li> <li>• Permission request management</li> <li>• Information updates</li> <li>• Appointments</li> </ul>	<p>Our customers may perform the following transactions through the e-Government portal:</p> <ul style="list-style-type: none"> <li>• Subscriptions and terminations</li> <li>• Billing transactions</li> <li>• Payment transactions</li> </ul>

# CUSTOMER CENTRICITY

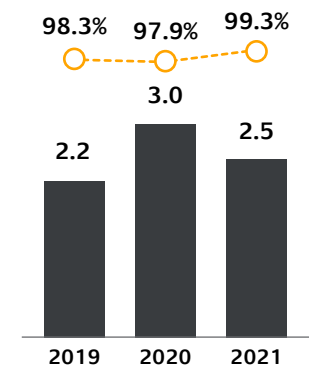
## Remote Channels

### Call Center

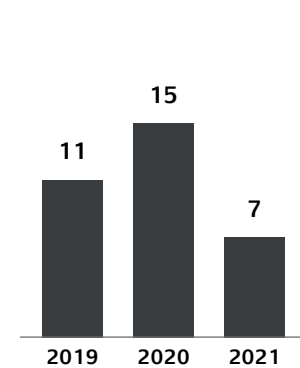
Our retail call center represents an important channel for delivering an optimal customer experience. With nearly 250 employees, the Call Center handled approximately 7 million calls in 2021, 65% of which were processed by the voice response system and 99% of the 2.5 million queued calls were answered. The average response time was 7 seconds. The most frequently received calls were about billing (48%), followed by subscriptions (19%). Our retail call center handles a wide range of customer traffic and offers the following services:

- Contracts
- Billing Transactions
- Payment Transactions
- Liberalized Customer Transactions
- Information Updates
- Appointments
- Technical Support

**Number of Queued-up Calls (million) and Response Rate (%)**



**Call Response Speed (second)**



■ Number of Calls  
 -○- Response Rate

### Ayşe Deveci Call Center Specialist

*At the Enerjisa Retail Call Center, we try to assist our customers with any transaction they can carry out over the phone when no physical application is required. Thanks to our appointment system, we try to fulfil the requirements of our customers through our Call Center and avoid congestion in physical channels. With the improvements made to the system, customers can schedule an appointment without having to talk to a customer representative. We have considerably expanded the scope of remote services, particularly for customers over 65.*

*Following the unit price raise and the introduction of the two-tier tariffs, the number of calls increased by 60%. We have increased our call center capacity to address questions from our customers promptly.*

*Our highly specialized customer representative team provides detailed information and pays special attention to our customers, which improves customer satisfaction. While carrying out all these activities with our focus on customer satisfaction, we use the Speech Analytics software, which can carry out voice and emotion analyses to determine the requirements and expectations of our customers.*



### Voice Recognition and Analysis Project

We launched the “Voice Recognition and Analysis” project in 2020. With this project, we aim to analyze call center conversations using artificial intelligence. In 2021, we upgraded the project and made it more effective through the use of machine learning. This has enabled us to more effectively monitor the emotional states of our customers and employees, call trends and call content. As a result of these studies, we designed actions to increase customer satisfaction and implemented process improvements. Moreover, this project enabled us to identify and design the training necessary to better equip our employees.

Our “Self-Service IVR (Interactive Voice Response)” application allows our customers to receive services without connecting to a customer representative. We improved the application with the addition of refund functionality for the security deposit fee and credit card payment transactions. This development has led to improvements in customer satisfaction and efficiency, and the enhancements raised the IVR utilization rate to 65%.

With “User-Friendly CRM” project, we made it possible for our customer representatives to quickly access the correct information using SAP-CRM screens, which increased employee loyalty and motivation.

### Customer Solution Center

Our Customer Solution Center monitors customer demands, complaints and requests for information received from all channels and responds using the preferred channels of customers.

We developed the Envision application for the Customer Solution Center. This application prepares responses and conducts all approval stages digitally and is integrated with the SAP-CRM application, which serves as the customer database. As a result, the responses prepared in Envision are automatically added to the customer application in the CRM and are promptly concluded.

In 2021, we also implemented the “First Call Resolution Efficiency” project with the aim of increasing first-contact resolution rates. With this project, we automatically track incorrectly received customer applications to ensure that a corrected record is quickly created and forwarded to the relevant unit. We aim to improving efficiency and operational excellence through these improvements.

In 2021, the Solution Center received 386,000 applications that had to be monitored and responded to. We answered 99% of these applications within the targeted time frame. The average completion time of the applications was 4 business days.

# CUSTOMER CENTRICITY

## Customer Experience Management

Our Customer Experience teams work in cooperation with internal stakeholders and customers to improve interactions with customers. Before every improvement, we first obtain feedback from our customer service employees and the opinions of our customers by using research methods such as surveys and focus group studies to understand customer expectations. We plan relevant actions based on the feedback. We manage the customer experience through 5 main journeys:

Customer Journeys				
Sales Journey	Relocation Journey	Application and Request Management Journey	Journey from Meter to Payment	Corporate Customer Experience Journey
We create a journey map for the entire process, starting from pre-sale preparations in all sales channels to issuing bills to liberalized consumers.	We map customer journeys according to their experiences during subscription transactions and, plan process improvement actions based on customer needs/expectations.	This journey includes the creation of journey maps about receiving and tracking customer requests and complaints, developing solutions and communicating the results to customers.	We carry out various analyses and studies from the moment the electricity meters are read, to the moment when customer satisfaction is achieved.	This journey refers to the creation of journey maps with cross functions for electricity and non-electricity services.

For more information, please refer to see [Annual Report 2021](#).

In 2021, we launched a range of new projects in order to provide a better customer experience.

Customer-Oriented Projects	
e-Government Automation Project	This project aimed to automate the subscription processes of customers who want to subscribe via the e-Government channel. With this project, the likelihood of penalties such as commercial quality compensation payments have been reduced.
Distance Sales Contract	In subscription transactions via corporate communication channels, we have implemented the Distance Sales Contract. This eliminated the need for signatures and paperwork in the subscription processes. This project reduced the end-to-end subscription process to just 3 minutes, leading to a 6% increase in customer satisfaction.
Jet Subscription	This project aims to collect the data required for the subscription during the appointment process and then complete the subscription using this information for more effective time management. With the Jet Subscription project, we transfer the information provided by the customer during the appointment to the system and display it on the screen of the user to be subscribed. Then, we receive confirmation from the customer and the subscription process is completed.

SMS Validation	With this project, approval for viewing and processing the data of customers who use physical channels can be received using SMS codes. The aim is to prevent data entry and data viewing without the approval of the customer as well as to prevent misuse by ensuring compliance with the Personal Data Protection Law (PDPL).
Jet Kiosk	The goal of Jet Kiosk is to track and report the customer's transaction steps and the time between CSC/ETC login and the conclusion of the transaction. We enhanced the utility of Siramatik both in terms of software and hardware with the aim of improving the customer experience with expanded functionality.
KUR-MOB	This application aims to ensure that all the sales and contract processes which are carried out by the corporate sales teams are performed through the mobile interface. This application is a first in the industry and aims to keep corporate memory alive at all times while also speeding up sales processes. The application ensures that customer permissions are received, information on visits is entered into the system instantly, offer processes are accelerated and customer requests and complaints can be transmitted instantly with a single click. It aims to enhance data quality by keeping the data up to date.
Hermes Project (Customer Payment Journey Project with Advanced Data Analytics)	Communication channels such as SMS, e-Mail, the Call Center and IVR are used from the moment a customer is late in paying a bill until the payment is received. As customers have varying sensitivity to each of these channels for payment, this project began measuring customers' past payment responses to communication channels to determine their sensitivity. The project was implemented using techniques of advanced data analytics techniques and ensured that invoices were paid as quickly as possible by contacting customers through the most appropriate channel based on their sensitivities.
Payment via IVR	This project aims to provide an online payment solution via the Call Center where customers can pay overdue amounts safely 24/7 by credit card over the phone by easily following the voice response system instructions.
One-Click Pay	The service sends a link via SMS to customers through our channels, directs the customers to the payment gateway infrastructure and allows them to make their bill payments. Customers expressing a preference to pay by calling the Call Center receive a one-click pay link and the service is promoted as a quick, easy and secure payment option in overdue SMS warnings.
e-Government Bill Payment Project	Thanks to the online payment solution project, customers may view and pay their bills instantly after logging into the system through the e-Government password verification steps. For customers who choose to pay their bills through government agencies, transactions can be performed via the e-Government portal.
Robotic Process Automation (RPA) Technology	With this project, we analyzed and concluded 45% of bill objections using RPA. Thus, we increased customer satisfaction by providing them with a quick response. The RPA concluded approximately 90,000 of almost 200,000 objections received in 2021. We reduced manual processing time from 70 seconds before the improvement to an average of 40 seconds through RPA. We purchased a robot specific to this task to increase the usage rate further in 2022.
Digital Contract Project	The Digital Sales Project reduces financial and operational risks in sales processes, as well as the incidence of transactions which could lead to customer dissatisfaction. The contract process has been digitized with customers being informed at every stage of the sales process.

# CUSTOMER CENTRICITY

## DISTRIBUTION

### Customer Communication Channels

Diversifying our communication channels is a priority for us because we want to provide the most suitable channel to all our customers. Our customers may submit their applications and complaints to us through various channels such as petitions, e-mail, telephone, the website, mobile application (Mobil 186), registered e-mail (REM), social media (Twitter, Facebook, Instagram) support accounts, the corporate Facebook account, the corporate Sikayetvar.com account, the WhatsApp Support Line and Chatbot.

We log the information shared through these channels and then share it with the relevant operational units. We share the response from the operational units with the customer through the customer's preferred communication channel. In accordance with the PDPL, customers approve the clarification text through the distribution websites, WhatsApp Support Line, Chatbot application and mobile application channels. In addition, we implement masking on the call center screens.

### Customer Communication Channels

	Call Center	Mobile App	Social Media	Petition	E-mail	Website	WhatsApp Support Line	Chatbot
Index Reading	√	√	√	√	√	√	√	
Meter Operations	√	√	√	√	√	√	√	
Disconnect/Reconnect	√	√	√	√	√	√	√	
Failure Related Outages	√	√	√	√	√	√	√	√
Damage	√			√	√	√	√	
Lighting Failure	√	√	√	√	√	√	√	√
Electricity Theft	√			√	√	√	√	
New Connection	√	√	√	√	√	√	√	

### Call Center

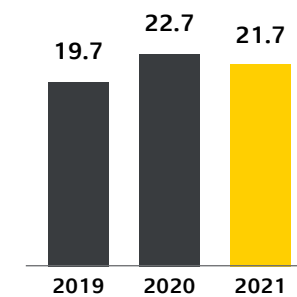
Our distribution call center is one of the most important channels for us to understand our customers' needs and expectations. Our Call Center provides an uninterrupted 24/7 communication channel for our customers.

We analyze all customer requests and complaints meticulously and work to improve our operational processes in this area. We take the steps necessary to increase customer satisfaction with both channel-based and process-based continuous measurements and make improvements after a detailed analysis of the issues where there is a decrease in performance.

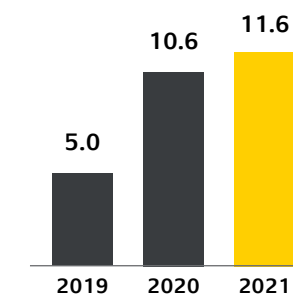
With a team of around 800 people, we received 22 million calls through our distribution call center in 2021. The response rate for these calls was 95% with a service level score of 83% and an average call response time of 12 seconds.

### RESPONDED CALLS AND RESPONSE TIMES

IVR Incoming Calls (million)



Call Center Average Response Time (seconds)



### 2021 Developments

In 2021, our distribution companies carried out projects related to Distribution Websites, the WhatsApp Support Line, the Chatbot (Volti) Application and RPA (Robotic Process Automation) to increase customer satisfaction within the scope of digitalization efforts and in line with our commitments.

### Customer-Oriented Projects

Distribution Websites Online Services Project	This project aimed to offer customers a more personalized experience. We integrated the online application registration process and application inquiry processes on distribution websites. Fault and planned outage information is instantly displayed in detail on maps found on the websites. Customers can easily request information about power outages using different categories available on the system or about other processes and can query their past activity. Customers can also pay their distribution bills, such as distribution connection fees, system usage agreement invoice fees, meter fees, unlicensed generation fees and invoices for theft electricity usage over the websites of our distribution companies.
Customer Application via WhatsApp	The goal of this project is to receive and respond to consumer requests via WhatsApp. Thanks to a 3 <sup>rd</sup> -party application, conversations can be conducted between representatives and customers who send messages to our WhatsApp line. With this project, we aim to reduce the number of inquiries reaching the 186 Call Center and improve customer experience. The teams formed exclusively for this channel serve customers 24/7. Customer requests are responded to in an average of 1.5 minutes through this new channel, which seeks to instantly transfer customer requests directly to a representative.
Chatbot (Volti) Application	The Chatbot project allows our distribution websites to receive client queries via webchat. Customers can easily submit their requests via Chatbot and inquire about the status of their past requests
RPA (Robotic Process Automation)	We started to use robotic processes to assign tasks requiring a written reply to customer to the relevant teams.
RPA-Pattern Writing by RPA	Our customer relations team sends out an average of 9,000 responses (REM, letters and e-mails) to customers each month. We identified standard answers in these texts and transferred the text preparation process to robots. As a result, queries that can be answered with a standard text were removed from the tasks of customer relations with the aim of achieving a higher level of customer satisfaction by improving the quality of the text.

# CUSTOMER CENTRICITY

## CUSTOMER SATISFACTION MEASUREMENT

### Retail Sales

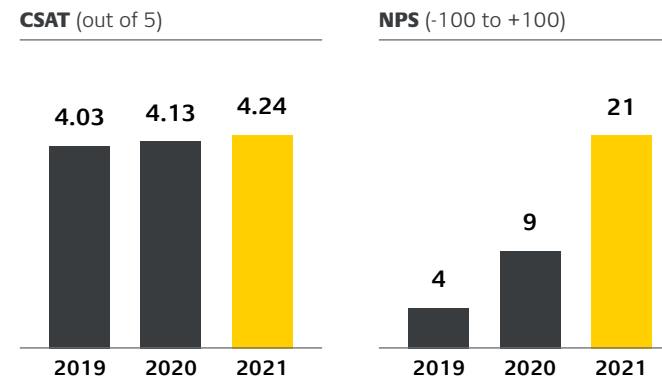
We measure customer satisfaction regularly. The results of the monthly quantitative Customer Satisfaction Score (CSAT) and the Net Promoter Score (NPS) are shared with all stakeholders by our Customer Experience Committee, which consists of senior management.

Using the end-to-end customer satisfaction model we launched in 2018, we measure customer satisfaction in five processes: sales, relocation, retail sales application management, distribution application management and meter-to-payment. In 2021, we added new contact points such as digital payment channels and social media to our customer satisfaction measurement system. We measure customer satisfaction in real time at 60 points of contact with customers.

In 2021, we collected more than 100,000 instances of customer feedback per month with the system that we implemented to accurately measure our customers' experience. We analyze the results, prioritize issues by importance and create projects to improve our

customer service processes. NPS is measured by an independent research company and to this end, 4,000 customers are reached per month.

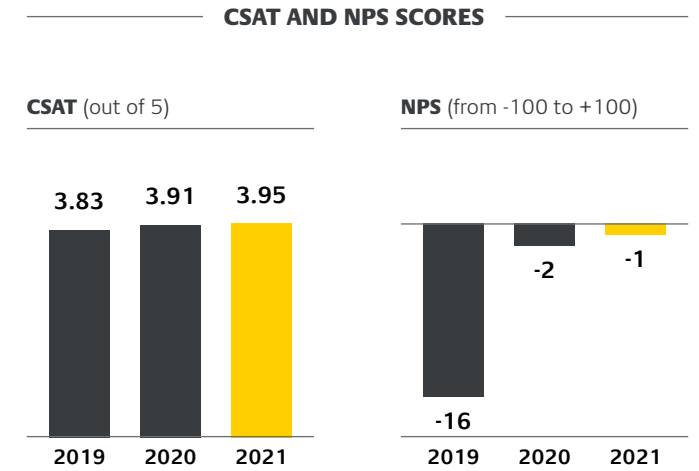
As part of our commitment to improve the customer experience and taking into account the impact of the pandemic, we concentrated on digitalization and segment-based service strategies in 2021. These efforts had a positive impact on customer satisfaction. Improvement in both our CSAT and NPS scores continued in 2021, thanks to our initiatives.



“Customer needs and expectations form the core of our business and product development processes.”

## Distribution

We are committed to providing the best service to our customers. We trained over 1,000 employees on customer orientation and customer satisfaction in our distribution business in 2021. We carry out customer satisfaction surveys on a regular basis to evaluate the journey of our customers in the communication channels and to improve their experiences. Customer Satisfaction Scores (CSAT) and the Net Promoter Scores (NPS) for years 2019, 2020 and 2021 are as follows:



# RESPONSIBLE SUPPLY CHAIN

We continue our grid investments in three distribution regions in order to provide uninterrupted and high-quality electricity service to our customers. We carry out various infrastructure projects as part of these investments and this requires flexible supply chain management.

We work with over 3,000 suppliers, procuring various services including infrastructure installation, distribution grid construction, repair and maintenance, building construction and renovation, as well as procurement of other goods and services to ensure the sustainable development of our products. Around 100 of these suppliers are critical Tier-1 suppliers\*. The entire supplier network of the electricity distribution business line is composed of local suppliers.

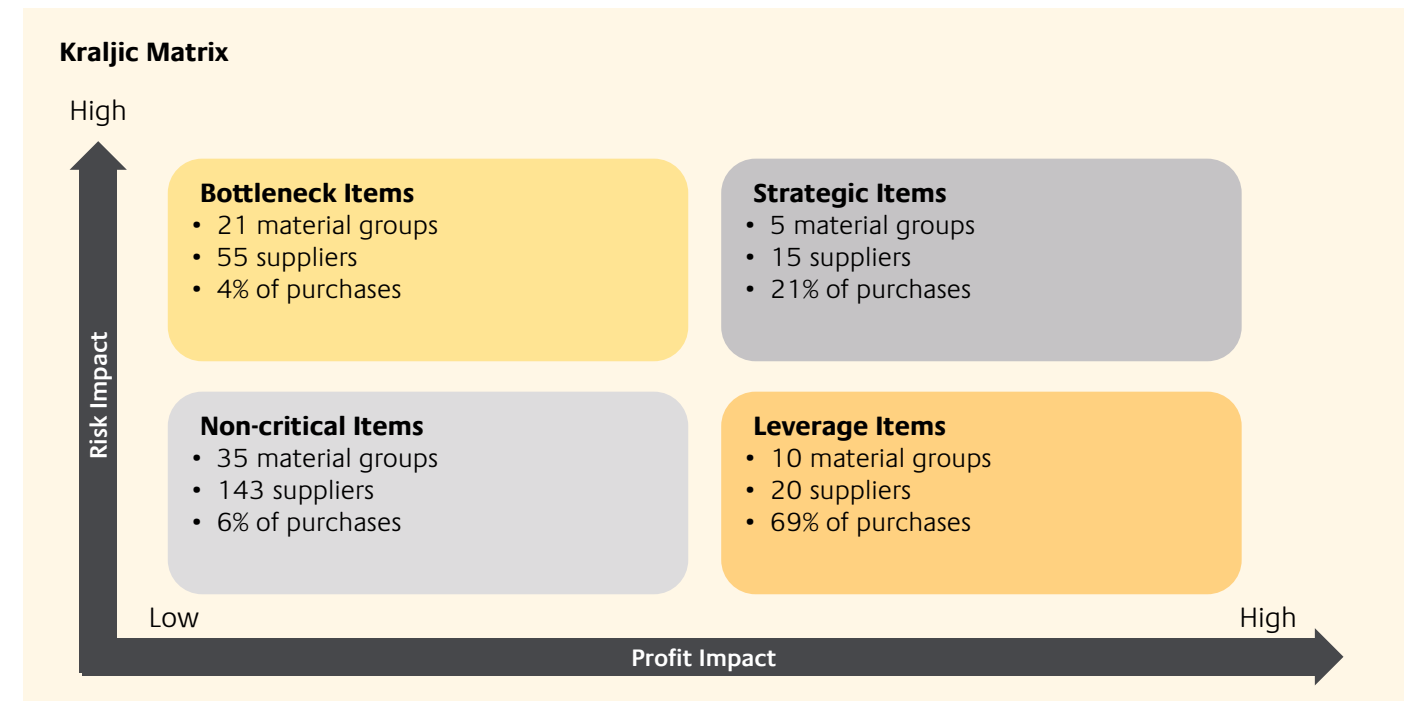
We have 13 logistic service centers and 118 satellite warehouses comprising 433,000 sqm in our extensive logistic operations. We operate a fleet of more than 100 vehicles consisting of mobile cranes, forklifts and vans in our logistics operations. Material/component inflows both for construction, repair and maintenance jobs are

managed through these logistic service centers. We use the SAP system for stock management.

We classify our purchases and suppliers according to the complexity of the market, supply risk and the impact of suppliers on our profitability using the Kraljic Matrix. This matrix allows us to define the most appropriate purchasing strategies for each purchase category or supplier.

Due to the problems experienced in global supply chains due to the pandemic in 2021, we included supply bottlenecks in the risk matrix. In 2022, we estimated the effects of possible crises in local and global markets on supply processes and added component supply risk coefficients to the matrix. We manage risks by identifying purchasing strategies for critical purchases and suppliers in the matrix. Total material and component purchases in 2021 within the scope of the Kraljic Matrix was TL 1.4 billion.

\* The first level critical suppliers consist of suppliers who have contracts over one million TL as well as suppliers whose contract amount is lower but who are critical for the supply chain.



“We are committed to developing sustainable products and services as part of a reliable growing energy ecosystem. In line with this commitment, we continued to support our suppliers and business partners during the pandemic.”

## OUR SUSTAINABILITY APPROACH IN THE SUPPLY CHAIN

In our supply chain management processes, we follow the principles outlined in the “Enerjisa Code of Conduct” and “People Guidelines”. We act meticulously and diligently in the selection of suppliers, distributors, authorized dealers, service providers and consultants. We take all required measures and follow up the outcomes to ensure that our business partners comply with legislation, the Code of Conduct, principles governing business ethics and anti-corruption, the rules of occupational health and safety, as well as respecting human rights.

We secure confidentiality commitments in all of the company’s business relations using contractual means in line with our Code of Conduct. During the selection stage, we also ensure that the natural persons and legal entities we work with are not included in national and international sanction lists and are not connected with any terrorist organization, terrorist actions, tax fraud or money laundering.

We expect our suppliers to meet the fundamental standards required for successful Environmental, Social and Governance performance including respect for human rights. Thus, we require our suppliers to sign the “Enerjisa Supplier Business Rules” and the “Enerjisa Supplier Compliance Declaration” and to comply with our “Enerjisa OHS and Environmental Policies”.

We pay our consultants only for duly executed and legitimate services. We require our business partners and the companies, from/to which we purchase/sell goods and services, to comply with the “Anti-Bribery and Anti-Corruption Policy”, our current policies regarding business partner selection, procurement procedures and instructions and other relevant legal regulations.

Furthermore, we implement a “Third-Party Relations Policy”, which specifies the fundamental principles that apply to the parties we work with and the working conditions in all our business dealings. We terminate our contracts with individuals and organizations that do not comply with these policies.

## INITIATIVES TO SUPPORT THE ECOSYSTEM

As the sustainability of our supply chain is critical, we support our suppliers and business partners in various ways. Some of the support mechanisms are as follows:

**Training:** We provide training to our suppliers that are of critical importance to our activities in areas ranging from changes in legislation to technical issues related to procurement. Furthermore, we hold Q&A sessions with suppliers before calls for tenders in order to minimize uncertainties that they may experience due to any changes in the regulation (EMRA Procurement Regulation) or our policies during the procurement process.

**Supplier Financing:** Access to financing and the costs of financing are critical issues for many suppliers, particularly in fluctuating macroeconomic conditions and may pose a risk to the financial sustainability of the suppliers. We provide support on the financing processes of our suppliers through the Supplier Financing System in order to eliminate vulnerabilities in the supply chain. Moreover, we also contribute to the cash flow management of our suppliers with our advance payment system.

**Sustainability of the Supply Chain:** In 2021, the disruption of the supply chain in global markets due to the pandemic caused problems in the supply of components of some materials and commodities. We contacted the sub-suppliers of suppliers experiencing supply shortages to monitor the entire supply chain. By understanding the overall situation in the entire supply chain, we tried to adapt to the dynamic situation in the market by shortening contract periods and implemented price adjustments to reflect the changes in the prices of commodities included in the contracts of some suppliers experiencing problems in commodity supply.

We reviewed our contracts with contractors, worked on various price adjustment formulas to determine the most suitable formula for electricity distribution companies and included them in the new contracts in order to minimize any possible problems that may be encountered in 2022.

## RESPONSIBLE SUPPLY CHAIN

Furthermore, we included the acquisition payment method in the contracts of our contractors with the purpose of guaranteeing the supply of the materials in the contracts as well as supporting the contractors financially.

### Supplier Business Rules

Our suppliers are expected to comply with all applicable law, the rules written in contracts, specifications and other similar documents regulating their business relationship with Enerjisa Enerji and the international regulations.

#### Anti-Bribery & Anti-Corruption

We are against all types of corruption. We do not take or give bribes under any circumstances to influence any official transaction or decision or to assist the Company in taking or maintaining business; we do not act in any way that could cause corruption. In this regard, we act in accordance with all applicable law and Enerjisa Enerji **Anti-Bribery and Anti-Corruption Policy**. We know that violation of Enerjisa Enerji Anti-Bribery and Anti-Corruption Policy, taking and giving bribes is illegal and will lead to very serious sanctions, including imprisonment, and we act accordingly. We expect our suppliers to act in accordance with these rules.

#### Environment, Health & Safety

Ensuring a secure, healthy and safe environment for our employees and all our stakeholders and protecting environment are of our key priorities. We act in accordance with Health and Safety legislation, Enerjisa Enerji **“Health and Safety Policy”**, ISO 14001 Environmental Management System Standard, and the relevant legal regulations on the environment. We expect from our suppliers to give priority to the protection of health, safety and protection of the environment and to create a work environment in line with this basic principle.

We expect from our suppliers to take measures to protect the environment, to establish and maintain an appropriate environmental management system; to encourage the development and dissemination of environmentally friendly technologies to reduce environmental impacts and dangers and to protect the environment more in their daily operations.

#### Labor and Human Rights

We are against forced labor, gender discrimination, illegal child labor, child abuse, and any other abusive or exploitative behavior related to workers.

We expect our suppliers to protect human rights, to stand against forced labor, to prevent discrimination and harassment, to comply with legal working hours for employees, not to employ illegal child labor, and to treat their employees and partners with dignity and respect.

## SUSTAINABLE PRODUCTS AND SERVICES

We are committed to developing sustainable products and services that move towards a resilient and growing energy ecosystem. Therefore, we established Enerjisa Müşteri Çözümleri A.Ş. in 2017 to engage in customer solutions activities. We offer end-to-end solutions to enhance energy efficiency and reduce the carbon emissions of our corporate customers under the roof of “The Energy of My Work” (İşimin Enerjisi) since October 2020. Additionally, in our distribution business, we make distribution investments that support the transition to a low-carbon energy system.

### Customer Solutions Portfolio

Green Energy and Energy Efficiency Solutions	Distributed Generation Solutions	E-Mobility
<ul style="list-style-type: none"> <li>Green Energy Solutions                             <ul style="list-style-type: none"> <li>Renewable Energy Certificate</li> <li>Carbon Reduction Certificate</li> </ul> </li> <li>Energy Efficiency Solutions                             <ul style="list-style-type: none"> <li>Lighting Conversion Projects</li> <li>Process Efficiency Projects</li> </ul> </li> <li>Cogeneration and Trigeneration Solutions</li> </ul>	<ul style="list-style-type: none"> <li>Renewable Energy Solutions- Solar Power Plants (SPP)</li> </ul>	<ul style="list-style-type: none"> <li>Eşarj</li> </ul>

### GREEN ENERGY AND ENERGY EFFICIENCY SOLUTIONS

#### Green Energy Solutions

Green energy refers to energy generated from renewable energy resources which can be certified by accredited organizations with international validity and be reported transparently. Our customers may reduce or neutralize their greenhouse gas emissions resulting from electricity consumption with two types of certificates.

- Renewable Energy Certificate (REC): The Renewable Energy Certificate represents property rights to the environmental, social and non-power properties

of renewable electrical power and is a market-based instrument which proves that the bearer of the certificate owns one (1) megawatt-hour (MWh) of electricity generated from a renewable energy resource and delivered to a grid. In this context, we sold 284 GWh of Renewable Energy Certificates in 2021.

- Carbon Reduction Certificate: The Carbon Reduction Certificate is a type of credit owned by a natural person or legal entity (a business/plant which generates energy from renewable energy resources), that is standardized, which can be traded and can be expressed in metric tons of CO<sub>2</sub>. In this context, we sold Carbon Reduction Certificates equivalent to 27,000 metric tons of CO<sub>2</sub> in 2021.

# SUSTAINABLE PRODUCTS AND SERVICES

## Energy Efficiency Solutions

We develop alternative energy efficiency solutions in line with our customer-oriented business model. We offer energy efficiency applications with the energy performance contract (ESCO Energy Service Company/ EPC-Energy Performance Contract) model, particularly in the fields of waste heat recovery, heating, ventilation and air conditioning (HVAC), pressurized systems, electric engines and lighting.

- **Lighting Conversion Projects:** We aim to increase the energy efficiency of our customers through LED conversion projects. Within the scope of the EPC model, we had converted 19,700 fixtures to LED in 15 projects as of the end of 2021. The projects delivered c.3,650 MWh in energy savings, reducing CO<sub>2</sub> emissions by c.1,730 tons.
- In 2021, we converted 11,000 fixtures to LED in 8 projects with the EPC model. These projects delivered energy savings of c.1,230 MWh, reducing CO<sub>2</sub> emissions by c.580 tons. We expect to reduce annual electricity consumption by 490 MWh and cut CO<sub>2</sub> emissions by c.230 tons through LED conversion projects for 3,120 fixtures through contracts we signed in 2021, but which we will implement in 2022.
- **Process Efficiency Projects:** We implemented a renewal project for the pressurized air system of one of the largest manufacturers in the iron and steel industry with the EPC model in 2021. The project will save 280 MWh of electricity per year and prevent c.130 tons of annual CO<sub>2</sub> emissions. We aim to increase the number of energy efficiency projects based on the EPC model for industrial processes in 2022 and beyond.

## Cogeneration and Trigeneration Solutions

The efficiency offered by the Cogeneration (CHP-Combined heat and power) and Trigeneration (CCHP-Combined cooling, heat and power) systems, significantly reduces total energy costs. Carbon emissions are reduced as a result of the reduction in primary energy consumption. We offer turnkey services for both systems and provide financial solutions which will ease the investment burden on customers.

In this context, we provide solutions with Cogeneration and Trigeneration plants with a total installed capacity of 3.8 MWe at the Sabancı University, Hilton Adana and Hilton Ankara locations. The efficiency achieved with these plants will prevent more than 30,000 tons of CO<sub>2</sub> emissions over 10 years.



## DISTRIBUTED GENERATION SOLUTIONS

Achieving energy efficiency and utilizing renewable energy resources are critical in the effort to combat the climate crisis both in Turkey and around the world. As part of our efforts to accelerate a transition to a low-carbon economy, we are also working on the decentralized distributed energy model in parallel with the centralized energy model.

Distributed generation helps achieve supply security in electricity generation, transmission and distribution, reducing losses and costs, decreasing foreign dependency and curbing greenhouse gas emissions.

## Renewable Energy Solutions - Solar Power Plants

We offer reliable solutions in the field of solar power plants, where we deploy our financial and technical know-how in view of the specific requirements of our customers. Our Solar Power Plant (SPP) activities consist of design, turnkey delivery, installation, maintenance and repair services.



Our SPP solutions aim to reduce the investment burden for our customers and can be applied to all industrial, commercial and public organizations and institutions.

As of the end of 2021, the total installed capacity of solar power plants reached 22.6 MWp, with 13.4 MWp of this capacity under the self-consumption model. Accordingly, we enabled to prevent c.12,200 tons of CO<sub>2</sub> emissions through solar power projects and expect to increase the total solar capacity to over 180 MWp by the end of 2025.

In 2021, we installed a 4.2 MWp solar power plant on the roof of the NEF Stadium at the Ali Sami Yen Sports Complex in cooperation with the Galatasaray Sports Club. This SPP is the largest capacity plant installed on a football stadium. The project is expected to reduce CO<sub>2</sub> emissions by approximately 3,250 tons per year.

Moreover, in 2021 we installed a 4.2 MWp SPP on the roof of a facility of Brisa, a Sabancı Group company in Aksaray. This SPP is expected to reduce CO<sub>2</sub> emissions by c.4,040 tons per year.

## E-MOBILITY - EŞARJ

We encourage the widespread use of highly efficient electric vehicles in parallel with our commitment to accelerate the transition to a low-carbon, resilient and resource-efficient economy. In this context, Enerjisa Müşteri Çözümleri A.S. became the controlling shareholder of Eşarj by acquiring 80% of the shares of Eşarj in 2018. In December 2021, Enerjisa Müşteri Çözümleri increased its total stake in Eşarj to 94%. Eşarj aims to improve Turkey's infrastructure quality, accelerate the transition to ultra-fast charging stations and boost its contribution to green transformation with solar and battery integrated systems in keeping with our sustainability commitments.

Eşarj has Turkey's first and fastest electric vehicle station network with 494 charging points, 170 of which are fast charging plugs, at 263 public locations as of the end of 2021. Since July 2020, the electricity used for vehicle charging has been certified with the International Renewable Energy Certificate (IREC) at all its public stations, which is a proof of our commitment to reducing carbon emissions.

## E-mobility Market

The e-mobility market, which has revolutionized the automotive, fuel and infrastructure industries, continues to grow rapidly in Turkey as it does around the world. Prior to the United Nations Climate Summit held in Glasgow, Turkey declared its goal of creating a carbon-neutral ecosystem by 2053. Along with more than 100 countries, cities and automobile manufacturers, Turkey also pledged in Glasgow that all new automobile and van sales will consist of zero emission vehicles by 2040. In line with this national goal, the Turkish e-mobility market is expected to transform from an early development stage to a developed market structure in



# SUSTAINABLE PRODUCTS AND SERVICES

the coming years. Accordingly, the Ministry of Industry and Technology expects between 1 and 2.5 million electric vehicles to be on the roads by 2030.

In Turkey, there are a plethora of domestic and foreign brands producing and selling passenger cars, buses, minibuses, trucks, tractors and boats running on 100% electric power. Based on future projections from these brands, it is clear that the top priority and critical issues in this transformation are sound and rapid development of the charging station infrastructure.

## Our Vision and Objectives in the e-mobility Market

As a company that aspires to provide technology-oriented e-mobility solutions in line with its mission of establishing a sustainable, innovative, environmentally-friendly and electric future, Eşarj aims to develop and improve product and service quality in line with customer expectations.

The core of the Eşarj business model is product and solution diversity with a software and technology-based approach. The company aims to protect the environment and ensure the widespread implementation



of solutions that reduce carbon emissions. Another goal of the Eşarj business model is to help the country reduce its economic and strategic dependence on imported energy.

Accordingly, Eşarj also aims to contribute to electric vehicle charging infrastructure studies in terms of legislation, management and engineering while addressing the diverse charging unit needs with a wide product range and installing charging units at the locations requested by customers.

Some of the key developments in 2021 are listed below:

- With the Law Amending Certain Laws passed by the Grand National Assembly of Türkiye in December 2021, regulations regarding electric vehicles and charging stations were included in Electricity Market Law No. 6446. Within that scope, the obligations of the charging network operator license holders and EMRA are regulated and additionally, the charging service prices will be freely determined within the procedures and principles prepared by EMRA. Eşarj was granted a charging network operator license (CPO and MSP) with the EMRA decision in 2022. The license is valid until 23.06.2071.
- The Eşarj Mobility System Management software, which was developed entirely with internal resources and which provides the infrastructure to position Eşarj as a Mobility Service Provider and Charging Station Operator, was merchandized as SaaS (Software as-a Service). It was launched with corporate customers operating in the automotive, fuel and energy fields.
- OEM (Original Equipment Manufacturer) Collaborations: Eşarj was chosen as an e-mobility business/solution partner by passenger car brands such as Hyundai and MG, which began offering electric and hybrid vehicles on the market in 2021. In addition, cooperation with Mini Cooper, Groupe PSA, Volvo, Mercedes, Jaguar, Renault, Land Rover and BMW continues.
- Eşarj and CarrefourSA Electric Vehicle Charging Station Collaboration: Eşarj collaborated with CarrefourSA, a food and general goods retailer, to install a charging

station in the parking lots of supermarkets. In addition to the three CarrefourSA supermarkets equipped in İstanbul in 2020, charging stations were installed in parking lots at three new locations in İstanbul, Antalya and Bodrum/Muğla in 2021. Eşarj aims to further expand this cooperation in response to increasing demand.

- Brisa Collaboration: A cooperation agreement was signed to install fast (DC) charging units at Brisa's Otopratik, which are locations that provide services such as vehicle servicing, with the aim of reducing customer wait times by providing fast charging solutions with 22 charging points in 13 provinces throughout Turkey and combining them with Otopratik solutions. New locations are scheduled for inclusion in 2022.
- Shell Collaboration: With the cooperation agreement signed to provide charging solutions for electric vehicle users at Shell gas stations, Eşarj has become the solution partner for the global Shell Recharge brand in Turkey. With the installations made in 2021, charging services are being provided with 24 charging points in Ankara, Izmir, Sapanca and Muğla/Bodrum and the aim is to increase this number rapidly in the coming period in parallel with market developments.
- Aytemiz Collaboration: In order to provide charging solutions for electric vehicle users at Aytemiz fueling stations, we reached an agreement to install fast charging stations at six new points in addition to 23 charging points at eight existing locations. The plan is to increase this number in the future.
- Mercedes-Benz Collaboration: We signed agreements to install DC-50kW fast charging stations at 23 Mercedes-Benz dealers in 13 provinces in 2021.

## SUSTAINABLE INVESTMENTS

Our sustainable investments in 2021 amounted to TL 330 million, a 119% increase over 2020. The distribution business unit accounted for around 70% of our sustainable investments (TL 228 million) while the customer solutions business unit accounted for c. 30% of our sustainable investments (TL 102 million). In

customer solutions, SPP investments and investments for acquisition of a 14% stake in Eşarj accounted for the majority of our sustainable investments.

Our investments in distribution enable us to improve the reliability and modernization of the grid, reduce distribution losses and connect distributed renewables directly to the grid.

Our sustainable investments in distribution are detailed below:

- **Transformer investments with lower technical loss:** We began investing in new transformers with lower technical loss for energy efficiency starting in 2021. As part of this effort, we replaced 1,620 transformers in 2021 and aim to replace around 10,000 between 2021 and 2025. In 2021, the capex spent as part of the project was TL 96.1 million.
- **Voltage Transformation Investments:** With this project, our goal is to standardize voltage across the distribution network and thus reduce technical losses. For instance, equipment with 6.3 kV voltage is replaced by 36 kV in the distribution network. Within the scope of this project, the capex spent was TL 68.5 million in 2021.
- **SCADA Investments:** With the SCADA system, the entire distribution network can be monitored remotely from a single center. In addition, rapid intervention can be carried out in case of malfunctions or alarms in the field. The SCADA system is essential for ensuring the reliability of grids and thus the integration of intermittent renewables:
  - Thanks to its remote-control feature, the intervention time in temporary malfunctions and the time required to locate the malfunctions are minimized, so customer satisfaction is improved by reducing downtime. It also enables saving time and labor. Additionally, OHS risks that may occur in the field are almost completely avoided.

## SUSTAINABLE PRODUCTS AND SERVICES

- All consumption and energy parameters obtained from the field are monitored instantly and abnormal situations in the distribution network are detected so that safe management of the network is ensured within the determined limit values.
- Since the installation of the SCADA system, archive records of all digital and analog information can be kept in the system, and analysis and reporting can be obtained whenever required.
- **AMRS Investments:**
  - Consumption data can be monitored and recorded remotely with AMRS (Automatic Meter Reading System). As a result, meter reading teams are not required to go to the field and therefore the CO<sub>2</sub> emissions caused by the motor vehicles used are reduced.
  - Consumption of customers can be read at certain periods during the day and possible errors can be checked before the end of the month.
  - With user interfaces, customers can monitor their energy consumption, which helps them reduce their electricity consumption. Establishment of the AMRS infrastructure is essential for agile demand-side management systems, which will be critical in the low carbon energy transition.
  - In case of malfunction in the meter and current-voltage transformers, quick action can be taken in the field.
  - AMRS play an active role in detecting unregistered electricity use.
  - Thanks to instantaneous signal reception from fault locations, we are informed about the outage without having to wait for notification from the customer, thus shortening the interruption response time and increasing customer satisfaction. It also saves time and labor.

The CAPEX spent as part of SCADA and AMRS was TL 35.3 million in 2021.

- **Compensation Investments:** We carry out compensation investments for reactive power compensation systems used in Distribution Centers in

order to ensure that reactive energy remains within the limits set by the Electricity Network Regulation on a monthly basis. Through compensation investments, electrical power losses in the transmission system are reduced and voltage regulation is ensured.

- We have also invested TL 28 million for connection of renewables directly to the grid.

### Sustainable Products and Services

Our revenues from sustainable products and products were TL 326 million compared to TL 45 million TL in 2020. The number of sustainable products and services we offered in 2021 were 12 compared to 7 in 2020. Our sustainable products and services include:

- **Mitigation Products:** Green Energy Certificates (Renewable Energy Certificate, Carbon Reduction Certificate), Cogeneration, energy efficiency products, Solar Power Plant projects, Regulated Green Energy Tariff Sales, Solar PV Rooftop, Green Energy Sales (green energy certificate and electricity bundle sales)
- **Enabler Products** (Eşarj AC, Eşarj DC, Network and Maintenance Revenue).

The increase in revenues from sustainable products and services in 2021 is driven mostly due to significant growth in SPP rooftop projects and green energy certificate and electricity bundle sales.



## INNOVATION

Data analysis with advanced analytics allows companies to unlock greater efficiencies and gain strategic insights. The use of artificial intelligence to direct field workers remotely allows for prediction and prevention of problems, as well as swift and safe interventions during power outages.

We invest in innovation to lead the New Energy World. We explore new opportunities through a systematic innovation approach. Our Innovation Department focuses on the enterprise ecosystem and establishes strong collaborations by promoting the culture of innovation within the Company.

### OPEN INNOVATION

We conduct various collaborations with technology start-ups, companies, technology development zones and universities on open innovation:

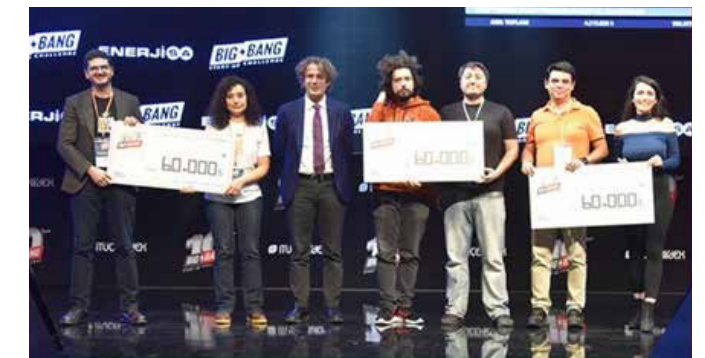
**Collaborations with Technology Start-ups:** We use three different models in our collaborations with technology start-ups to attract innovative ideas:

1. Developing new products or services to be used in our business areas by benefiting from the extensive knowledge and agility of start-ups in their areas of expertise.
2. Adding the products and services of start-ups to our portfolio and offering them to our customers, thereby building a channel between the product and the consumer.
3. Investing in start-ups.

**Global Collaborations:** We focus on offering innovative products and services to mass and corporate customers and boosting their digitalization processes with new technologies. In this regard, we engage in joint projects with companies conducting similar sectoral activities all over the world, especially in Europe and North America. We cooperate with acceleration programs which host start-ups on an international scale. The cooperation with the EU-funded EIT InnoEnergy started as an event sponsorship in 2018 and continued with membership in 2021. In this context, we started holding meetings with

energy-focused start-ups operating in the entrepreneurial ecosystem abroad with the aim of getting to know each other and exploring collaboration prospects.

**Local Collaborations:** Our collaboration with TÜSİAD SD2, the Digital Transformation on the Industry Platform run by TÜSİAD, continued in 2021. We joined the platform as a technology user and teamed up with Ango.ai, a technology provider positioned to contribute to the digital transformation of the industry in Turkey. A solution in the “Network Failure and Maintenance Detection with Image Processing” area is aimed with this cooperation. Work has been launched to create a medium which will enable joint progress with the matched supplier.



**Collaboration with Universities:** The collaboration with Sabancı University Inovent A.Ş. continued in 2021. In addition, as one of the main stakeholders since 2017, we continued our cooperation with İTÜ Çekirdek, the incubation center of İTÜ Arı Teknokent. In this context, a grant of TL 60,000 was awarded to each of the following start-ups, which were selected from among 20 start-ups that made it to the finals at the Big Bang event held on December 2.

- **İyiEkim Myco:** Produces biodegradable material from fungal mycelium.
- **Kozalak:** Develops an Internet of Things system detecting forest fires before they spread.
- **Esular:** Offers an effective smart irrigation solution to farmers with its IoT-based smart irrigation system infrastructure.

# INNOVATION



## CORPORATE ENTREPRENEURSHIP AND INNOVATION PROGRAM: NAR

In our approach to innovation, we value the participation of our employees. Our intrapreneurship and innovation program, Nar, has been harvesting innovative ideas for 7 years. The program provides a platform where employees can develop and implement innovative ideas within the context of the annual theme. Intrapreneurs are on boarded to the incubation process after receiving training on practical and theoretical entrepreneurship and design-oriented thinking within the scope of the acceleration program.

In 2021, we received 130 applications from our employees within the scope of the year-specific theme of Increasing “Efficiency with Innovative Solutions that can be Commercialized”.

For the acceleration phase of the 7<sup>th</sup> term of Nar, which was held online, 11 ideas were accepted and the teams with project ideas completed their boot camp enterprise training digitally. Ten teams were deemed fit to continue and made their online presentations to the final jury consisting of members of the R&D and Innovation Committee at the Investment Day event held in December. Four projects will be evaluated in the second round and six projects received funding. The projects accepted as part of the 7<sup>th</sup> Nar Program are as follows:

**Earn by Charging (Şarjla Kazan):** A mobile application which shows all optimum electric vehicle charging points on long-distance travel routes and improves the electric vehicle travel experience of electric vehicle owners.

**You Protect (Sen Korum):** A mobile application offering users the ability to track their carbon footprint.

**Market Discovery (Keşfi Pazar):** A mobile application which brings entrepreneurs and their target audiences together on an online platform, offering entrepreneurs the opportunity to verify the idea, problem and product. The app offers target audiences the opportunity to turn their experiences into returns.

**I'm All Ears (Kulağım Sende):** This is an application that captures keywords with voice detection technology during push-to-talk conversations and reminds the user of Personal Protective Equipment through artificial intelligence by conducting work analysis.

**KAVİ:** The Smart Screw in the Cut-Off application in electricity meters prevents illegal use of electricity through a damaged seal.

**I'm Monitoring My Energy (Enerjimi İzliyorum):** A project to develop an online interface where customers using the AMRS (Automatic Meter Reading System) service can monitor their consumption in real time and are notified when their reactive consumption reaches a risky level.

**Double Wired (Çifte Telli):** A type of fuse that can detect temporary faults in the distribution grid and resume the supply of energy in a short time.

**TopraklaSA:** With this device, the project aims to minimize OHS risks by eliminating the need for climbing a pole and using a basket car in the local grounding process.

**Life Curtain (Can Perdesi):** This product can cover pits and trenches and is easy to transport as it is foldable. Life Curtain aims to prevent possible loss of life and property and reduce occupational health and safety risks.

**Green Room (Yeşil Oda):** This is a virtual reality-based gamification project built around the concept of climate change and brings us and young generations together on the same platform. The project allows us to transfer our vision regarding climate change and sustainability to new generations and provides younger generations the opportunity to learn by experience.

The projects that were accepted and continue within the scope of the 6<sup>th</sup> Nar Program that was completed in 2020 are as follows:

**EVPark Project:** The EVPark project aims at establishing a sustainable digital parking lot ecosystem with the aim of reducing carbon emissions by making trips more efficient and providing convenience to the lives of users. The project focuses specifically on large cities with parking shortages. The project aims to provide a digital solution to the parking lot sharing model, which is being used more frequently around the world. The project is scheduled to be commissioned in 2022 with the completion of the payment infrastructure and pilot tests.



## Reactive Energy Monitoring Solution

Another ongoing project that falls within the scope of corporate innovation is the Reactive Energy Monitoring Project. Systems fed with electricity consume both active and reactive power. The reactive power consumption of electric motors and transformers working with the magnetic field effect is particularly high. Efficient use of electricity is vital to reducing the use of fossil fuel in the fight against climate change.

Reactive energy is transmitted by power lines. Since reactive energy occupies a place like active energy in the power line, it limits the active energy carried by the line, thus reducing line capacity. One of the main causes of power outages worldwide is insufficient reactive power. Insufficient reactive power causes voltage collapse, leading to shutdown of power generation stations and various devices.

In order to eliminate these problems, a compensation system which balances reactive consumption and monitoring of reactive energy is required. The remote reactive energy monitoring solution first offered to our customers in 2020 allows us to businesses the opportunity to instantly monitor their energy consumption. In this way, businesses can detect inefficient devices and machines and reduce their energy costs with the necessary improvements. This solution also makes it possible for businesses to receive the notifications sent to them before they reach the reactive penalty limit and to take the necessary precautions to prevent the reactive penalty.

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**Simply Sun Project:** With the Simply Sun project, a solar energy solution which can be easily installed by consumers at their homes was designed. The project:

- Eliminates the permit process for rooftop solar power plants and the need for roof installation,
- Meets energy needs from renewable energy sources,
- Does not require any technical knowledge for installation and offers a portable, scalable, plug/play micro solar solution.

The project started in October 2020. Following the completion of the payment infrastructure and pilot tests, the project is expected to be commissioned in 2022.

**Touch in Safe Project:** The main objective of the hardware developed with Touch in Safe project is reducing Occupational Health and Safety risks in the field. When replacing high voltage fuses, there is a risk of both falling and being electrocuted when climbing a pole. The aim of the project is to ensure that the assembly and dismantling of high-voltage fuses can be performed more safely from the ground by using the system that was developed without having to climb the separator pole. The project is scheduled for commissioning in 2022 after the technical specification and contract are drawn up within the scope of prototype studies.

**G-Check Project:** The product developed within the scope of the G-Check project is an advanced device which securely detects the presence of energy using the magnetic field principle and transmits it to team tablets over the mobile network. In cases where troubleshooting or maintenance is required, the power must be cut first. The distance between the point where the power is cut and the point where the work will take place costs field teams both time and labor. The delay in disconnect control caused by the distance also exposes maintenance repair teams to OHS risks. G-Check provides a safe process which eliminates OHS risks by allowing field teams to cut power at the correct point. G-Check also prevents long-term power cuts, increases customer satisfaction and prevents loss of workforce and unnecessary operational expenses. The project was launched in October 2020 and is scheduled to enter mass production and be commissioned in 2022.

## VENTURE CAPITAL FUND INVESTMENTS

We evaluate venture capital fund investments to influence the entrepreneurial ecosystem as an investor, to gain access to new technologies, new business models and products, as well as information on the venture investment processes.

In this context, we invested in the Revo Capital Fund II. The size of the fund, whose investors include IFC, EBRD, EIF and the DEG, was EUR 90 million. We also aim to strengthen the technology enterprise ecosystem in Turkey by offering business development opportunities to start-ups through this investment.

### Meltem Civez Enerjisa Enerji, Grid Technologies and Security Specialist

*We participated in the Nar Corporate Entrepreneurship and Innovation Program organized by our Company to foster an ecosystem of open innovation in a creative environment with our "You Protect" (Sen Koru) project. This project aims to develop an application where individuals can monitor their carbon footprint and thus demonstrate how important even a single person is for the achievement of sustainability goals and to encourage individuals to engage in environmentally-friendly activities.*

## R&D

Conducting various projects focused on the development of new products, systems or designs, our R&D business unit closely monitors technological developments in the energy sector. The unit focuses on

exploring best practices around the world regarding distribution networks and producing customized solutions for Turkey with domestic resources. The main focus areas for our R&D business unit are renewable energy sources, electric vehicles, micro-grid and storage systems, the Internet of Things, information and communication technologies, artificial intelligence, big data and cyber security as part of our efforts to move towards a sustainable future.

Our R&D projects are funded through a combination of domestic and foreign sources. While the main source of funding is the EMRA R&D fund, the European Union Framework Programs, ITEA and EUROGIA funds are also used for the projects. In 2021, we spent approximately TL 9.4 million on projects supported by the European Union Framework Programs, TÜBİTAK and EMRA R&D funds.

Our R&D and Innovation Committee operates under the leadership of our CEO. Senior managers from all business units serve on the Committee as decision makers and guides. The R&D and Innovation Committee has a structure which blends the views from different fields of expertise in the process of implementing new products, services or projects. We select R&D projects based on our internal needs and expectations, our strategic goals and international R&D developments. Since the outputs of our R&D activities are shared with EMRA, they also play a role in shaping future legislation.

As part of our aim to use innovation to lead the New Energy World, we cooperate with universities on R&D projects. Our cooperation with Middle East Technical University (ODTÜ), Özyeğin University, İstanbul Technical University (İTÜ), Sabancı University, Osmangazi University and Sakarya University continued in 2021.

As an R&D pioneer in the sector, we serve on both the management and technical evaluation committee of the EUROGIA 2020 cluster operating in the energy field under the umbrella of EUREKA, the International R&D Support Program. The chairman of the cluster is our CEO Murat Pınar.



### Prof. Dr. Eray Baran METU Civil Engineering

*Institutions and organizations operating in the fields of energy generation, transmission and distribution in Turkey play a significant role in ensuring an adequate and uninterrupted supply of energy, which is one of the major pillars of social and economic sustainability. Due to the numerous components and the relatively complex relationship between these components, electricity transmission and distribution networks are responsible for a significant portion of the problems leading to power outages.*

*One of the scientific studies conducted by jointly Enerjisa and universities to increase the reliability of the electricity distribution grid in Turkey and to minimize power outages has been completed together with the Civil Engineering Department at Middle East Technical University (METU). As part of the study, power distribution line pole structures which have been damaged due to the changing climate conditions in the recent years were examined. The mechanical behaviors of the pole structures were digitally analyzed and strategies to enhance the reliability of these poles were assessed. Another ongoing scientific study, a follow-up of the aforementioned study, aims to examine in detail the types of poles with inadequate mechanical performance in the energy distribution grid throughout the country and to develop a new generation of pole structures. Another goal of this project, which includes all stakeholder energy distribution institutions and organizations in Turkey, is to identify the improvements that must be implemented in the regulations and specifications used in the design of energy distribution lines.*



# INNOVATION

We carried out the following R&D projects in 2021:

**Micro-Grid Management and Control Methods:** The basic building blocks of micro-grids are renewable energy resources, storage systems, loads and a microgrid management system which handles the relationships between the first three elements. As part of the project which started in 2019 with domestic resources and with the support of the EMRA R&D fund, micro-grid control hardware and management software were successfully deployed in 2021. According to the results, the system is capable of physically controlling power from renewable resources and the grid by “disconnecting from the main grid”, “activating the load” and “storing power”. In addition, the tested system stores collected data on a remote server and performs the analysis successfully. Benchmarking and testing studies of the system are still being conducted in a micro-grid test center in Denmark.

**Recloser Development Project:** A recloser is an equipment that ensures continuity of supply by automatically re-energizing the grid in case of temporary failures especially on radial lines in rural areas. Unlike other medium voltage equipment, reclosers are not manufactured locally and due to their high cost, distribution companies cannot use them despite the considerable need. As part of a project supported by the EMRA R&D fund, a more affordable recloser which

**Cevat Özcan**  
Enerjisa Enerji Kastamonu Fault Repair Operator

*Our electricity distribution lines are subject to various effects from climate and the environment. For example, ice loads in the winter, restricted access to lines due to heavy snowfall, the increasing risk of disasters such as floods and wildfires due to the climate crisis as well as the existence of fragile wildlife ecosystems complicate the maintenance and repair work necessary for distribution lines. Despite these challenging conditions, our teams have worked with dedication with the support of drones, snowmobiles, etc. to provide uninterrupted electricity.*



includes both a domestic overhead line breaker and a control panel was produced. The type tests and factory acceptance tests of three reclosers were successfully conducted and their installation was completed in the Başkent, AYEDAŞ and Toroslar regions. The developed product successfully passed the CESI certification tests and received a domestic product certificate.



**Duplex Substation Design:** One of the biggest problems in the distribution sector is space availability for substation installation. This project worked to solve the location problem of substations by designing a smaller scale duplex substation with the support of the EMRA R&D fund. Domestic tests of the project were completed and international certification tests are ongoing. The international tests and field installation of the duplex substation is scheduled for completion in 2022.

**The RECON Project:** RECON is a container-based mobile micro-grid development project powered by renewable energy. The project aims to develop a zero-emission product which will enable the establishment of a micro-grid in rural areas where new grid investments are costly and consumption is low. The product also targets the rapid supply of energy to these remote areas in the event of a disaster. The project started in 2021 and the installations were completed. The project is currently in the pilot phase.

**Production of Sensors and Monitoring Software for High-Voltage Overhead Lines to Increase Energy Quality and Efficiency:** The project was carried out with EMRA R&D funds and aims to create a domestically produced Energy Monitoring System that can be installed on overhead lines to identify theft-loss and the point of illegal use by analyzing electricity consumption. 3-phase measurements seek to determine intervention points by monitoring the customer meter index and the load profile of the consumer in real time and by analyzing sudden load losses caused by the consumer. In 2022, the project will be completed after installation at 10 different facilities.

**Fault Detection and Analysis with Image Processing:** Detection of faults on power transmission lines is a labor intensive and costly process. In this project, we started using drones for fault detection to optimize the process and increase efficiency. Inventories in the field and fault conditions can be detected autonomously using image processing technology. Within the scope of the project supported by the EMRA R&D fund, a software was developed to collect data autonomously. The project was successfully completed.

**Kaan Kozacıoğlu**  
Temsa Business Development Manager

*“With the My Fuel is the Sun (Yakıtım Güneş) project, which was developed for a sustainable future in collaboration of Enerjisa and TEMSA, the energy requirements of EVs can be fully supplied by SPPs. The project supports the use of electric vehicles instead of internal combustion engine vehicles. Our goal is to work together responsibly and devotedly for a more sustainable world so that we can continue to add value to society through the environmentally-friendly projects we carry out with Enerjisa.”*



## Energy Storage Project (KEDEP)

This is the first project carried out in the electricity distribution sector where energy storage systems are handled holistically. Within the scope of this project supported by EMRA, six electricity distribution companies carried out pilot field applications with different purposes, such as the control of distributed storage technology in the LV grid, micro-grid power management, rescheduling of distribution grid investments, reactive power support, load management and routing. In 2021, Başkent EDAŞ installed a 420 kWh Li-ion battery system integrated with the 300 kWp solar power plant installed in the selected pilot region and implemented micro-grid applications with the energy management system software it developed. This system uses lithium-ion type batteries as a substitute for the currently installed 1,250 kVA diesel generator with the aim of reducing the use of oil-powered generators and preventing the hazardous emissions caused by fuel use. The goal is to monitor and report the results of all installations in 2022.



## My Fuel is Solar

The project works to develop battery-supported DC (direct current) electric vehicle charging stations integrated with solar energy systems installed in idle parking areas. The project aims to install solar energy systems in car parks instead of open fields, support the circular economy with the secondary use of batteries from electric buses and provide fast charging with zero emissions. The project started in 2021 and project installations were completed. Project rollout is scheduled for 2022.

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**Detection of Anomalies on Power Transmission Lines-Vis-Inspect:** It is vital that fault repair and maintenance processes are carried out efficiently to ensure an uninterrupted supply of power. At the same time, reporting the failure-maintenance data from grid inventories and photographing the deficiencies within the scope of the maintenance instructions is an important part of the work. In order to improve these processes, the Vis-Inspect project was initiated in July 2021 with the support of the EMRA R&D fund. Within the scope of the project, the data from the grid inventory on the fault repair and maintenance route will be received using on-board cameras and data in rural areas will be obtained from drones. The data will be transferred to the maintenance system autonomously with image processing technology. The literature review and data collection from the field phase of the project has been completed.

**National Smart Meter Systems:** The project involves 21 distribution companies and is being coordinated by ELDER with support from the EMRA R&D fund. In line with the needs of the smart city and smart grid transformation, the project aims to determine the requirements for meters, modems and their communication systems with technology compatible with the current conditions and to create a national system with optimum features in accordance with these requirements. The project, which was launched in 2020, continued in 2021 with the development of meter and modem prototypes. The project will be completed with the completion of pilot studies in 2022.

**Next-Generation Meter Test Bench:** Testing meters which are subject to a complaint and the creation of relevant reports is a long process, especially for electricity distribution companies operating in densely populated areas. With the next generation meter test bench, the process will be significantly faster, largely bypassing human intervention thanks to the automated process. The project was kicked off in cooperation of BEDAŞ in 2020 with support from the EMRA R&D fund and continued in 2021.

**Next-Generation Network Design Project (Power Transmission Lines):** With the completion of the power transmission lines project, the subsequent phase, a project entitled “Next Generation Network Design,” was launched in 2021. The project aims to design lines in accordance with next-generation network design to solve problems caused by the distribution components, particularly the energy transmission lines, an issue that all distribution companies face and to present suggestions to the decision makers regarding relevant legislative changes. The project is carried out under the leadership of Toroslar EDAŞ with the participation of TEDAŞ, ELDER and 21 electricity distribution companies and support from the EMRA R&D fund.

**My Power is Everywhere:** The project named “My Power is Everywhere” (Infrastructure Development and Pilot Implementation for the Installation-Independent Electricity Distribution Service) is being carried out by Fırat EDAŞ. Other stakeholders in this project include Boğaziçi EDAŞ, Yeşilirmak EDAŞ, Gediz EDAŞ, Osmangazi EDAŞ and Baskent EDAŞ. The project aims to develop and test a system infrastructure independent of installation with the infrastructure provided by electricity distribution companies to meet power needs in public spaces, as well as mobile usage and payment methods. Infrastructure development studies in this EMRA-sponsored project were carried out in 2021 and pilot applications are ongoing.



“Our R&D business unit focuses on exploring best practices around the world regarding distribution networks and producing customized solutions for Turkey with domestic resources.”

# INNOVATION

## The Ivme Entrepreneurship Acceleration Program

The “Ivme Entrepreneurship Acceleration Program” was launched by our R&D unit in 2020 in order to develop solutions to the current problems faced by the energy sector and make these solutions accessible, to develop easily applicable and scalable technologies and to contribute to the creation and growth of next generation enterprises. With the aim of supporting start-ups making an impact in the energy sector, the Program introduces these start-ups to our distribution companies.

The Program helps start-ups overcome the difficulties they encounter in the time between prototype production and commercialization while addressing current problems and future opportunities.

We received 70 start-up applications for the second term of the Ivme Entrepreneurship Acceleration Program in 2021. Business unit interviews were held with 55 start-ups and the technology verification work was successfully completed with 12 start-ups within an 8-week period. The start-ups accepted into the POC (Proof of Concept) process in 2021 are provided below:

Venture Name	Project Phase	Project Definition	Impact Area
Agcurate	Technology Verification	The Company worked to determine vegetation under and around overhead power lines, the type and growth of the vegetation, and conducted risk analysis with high resolution, SAR and multispectral satellite imagery.	<ul style="list-style-type: none"> <li>Vegetation management around energy transmission lines with remote sensing methods</li> <li>Optimization of maintenance and pruning processes</li> </ul>
Arvia	Technology Verification	The Company worked on providing video calls service to customers with the CRM integration, where user permissions connected to the call center will be defined.	<ul style="list-style-type: none"> <li>Company website</li> <li>Customer contact information, the PDPL consents, customer representatives</li> <li>Customer satisfaction survey and scores</li> </ul>
B-preg	Technology Verification	By mixing customized Natural Fiber Reinforced Composite materials with the materials used in the meter and transformer measuring cap seals, the start-up worked on the production of seals that cannot be imitated.	<ul style="list-style-type: none"> <li>Material technologies</li> <li>Reducing the theft-loss ratio</li> </ul>
Distant Tech	Technology Verification	The purpose of the application is to assist the field teams by displaying the inventories, which are planned to be installed, and the installation points on the mobile or tablet by using augmented reality. In addition, the start-up also worked on the use of the application for distance measurement and control during inspection.	<ul style="list-style-type: none"> <li>Digitalization of the process</li> <li>Optimization</li> </ul>

Venture Name	Project Phase	Project Definition	Impact Area
Metis	Technology Verification	A concept verification study of the high voltage overhead line fault indicator mechanism based on temperature measurement was conducted.	<ul style="list-style-type: none"> <li>Determining the point, where the fault current in the conductor passes by taking the change in conductor temperature as a base in high voltage overhead line faults.</li> </ul>
Onlock	Technology Verification	A smart lock was developed to be used in the transformers, which can be remotely controlled, where personnel can be authorized, and is able to instantaneously notify of any interventions and violations.	<ul style="list-style-type: none"> <li>Material technologies</li> <li>Reducing the theft-loss ratio</li> </ul>
Optiwisdom	Technology Verification	A pool is created with the data received from the transformers and enrichment of such data with information such as environmental and weather conditions and the construction year. This information is used to predict the time interval in which the transformer will fail.	<ul style="list-style-type: none"> <li>Process improvement</li> <li>Ensuring customer satisfaction and cost reduction by preventing cuts caused by substation failures</li> </ul>
Optiyol	Technology Verification	Route and capacity analysis was conducted for manned and unmanned warehouses. Optimum outcome was determined by mapping through comparison of time, number of vehicles and costs.	<ul style="list-style-type: none"> <li>Digitalization of the process</li> <li>Optimization</li> <li>Recording the relationship between the number of vehicles-frequency/stock status</li> </ul>
Plastic Move	Technology Verification	The start-up worked on the production of seals that cannot be imitated by mixing composite materials obtained by using waste bread with the materials used in the meter and substation measuring cap seals.	<ul style="list-style-type: none"> <li>Material technologies</li> <li>Reducing the theft-loss ratio</li> </ul>
Senshero	Technology Verification	In order to reveal system health (health index), a verification study of highly accurate artificial intelligence solutions, in comparison to traditional methods, was carried out.	<ul style="list-style-type: none"> <li>By detecting anomalies on the overhead lines, adjusted by season and human factors, pre-detection of phase-neutral failures due to insulation failures, and detecting the fault position on the overhead line based on the measurements obtained between different points.</li> </ul>
Texinsight	Technology Verification	Document digitization was carried out by using image processing technology. Handwritten and computer-printed petitions were autonomously converted into appropriate formats, categorized, and grouped.	<ul style="list-style-type: none"> <li>Process improvement</li> </ul>
Virmode	Technology Verification	A simulation application with 3D design is connected with virtual reality glasses. At this stage, any faults and errors which may be encountered by the maintenance teams in real life during transformer maintenance processes are simulated and training is provided on this basis.	<ul style="list-style-type: none"> <li>Digitalization</li> <li>Process improvement</li> <li>Training of teams/training of teams with new technology</li> </ul>

# DATA SECURITY

The amount of data that we are processing, transmitting and storing is growing exponentially with digitalization processes. As part of our responsibility to provide a public service, we take every precaution necessary to ensure the highest level of confidentiality and security regarding customer information within the framework of applicable legislation. To achieve this, we implement the measures and actions set by our corporate policies and procedures.

## INFORMATION SECURITY MANAGEMENT POLICY

We consider all the information that we collect and process through all kinds of methods and that belongs to ourselves and our stakeholders as critical assets. We treat this data and its protection with the utmost care. Accordingly, within the framework of the ISO/IEC 27001 Information Security Management System Standard, we effectively implement the Corporate Information Security Management System at our Company.

The main purpose of corporate information security is to ensure the confidentiality, integrity and availability of information collected and processed by us. Due to the nature of our corporate activities, the main goal of corporate information security is to prevent potential material and intangible losses that may affect us or our stakeholders, to identify these losses early if they occur and to minimize the possible repercussions by designing, operating, monitoring our processes and taking precautions that include continuous improvement.

Regardless of their positions or duties, all our employees and related third parties comply with our practices, policies and procedures regarding information security. Violation of corporate information security policies and procedures may result in disciplinary action and criminal sanctions within the scope of the relevant legislation.

The manager of each unit is primarily responsible for taking all the necessary measures in their areas of responsibility and monitoring business activities in order to ensure compliance with corporate information security policies and procedures.

We commit to meet the applicable requirements regarding information security institutionally, ensure compliance with all kinds of legislations, laws, communiqués and similar regulations obliged upon us and continuously improve our Information Security Management System.

## INFORMATION SECURITY MANAGEMENT APPROACH

### Scope

Our information security management approach is determined by our information security policy. Our Information Security Management Approach encompasses the following: Enerjisa Enerji A.Ş., our electricity distribution companies (İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş., Başkent Elektrik Dağıtım A.Ş., Toroslar Elektrik Dağıtım A.Ş.), incumbent retail companies (Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş., Enerjisa Başkent Elektrik Perakende Satış A.Ş., Enerjisa Toroslar Elektrik Perakende Satış A.Ş.) and Enerjisa Müşteri Çözümleri A.Ş.

### Data Security

Our information security requirements are evaluated and the relevant actions are undertaken by Cyber Security Group Management under the Information Technologies and Digital Business Management Department in order to meet the needs of the business and comply with laws and regulations. We ensure that the necessary support is provided and make the necessary assignments to fulfil information security requirements.

We take the measures necessary to ensure the highest level of confidentiality and security for customer information within the framework of the relevant legislation and to this end, we implement the measures and actions specified by Company policies.

Since data is a critical asset, the data confidentiality, integrity and availability are of great importance to us. We perform the necessary controls at every point where data is transmitted and stored. We ensure that data can

only be accessed by authorized individuals for business purposes on a need-to-know basis.

The copyrights for the information and materials on our website belong to us. All copyrights, registered trademarks, patents, intellectual and other property rights related to the information and materials on our website, other than those belonging to third parties, are reserved by us.

In all operational processes, we implement the information security management system with a defined risk management approach and in keeping with information security policies, procedures, instructions and other documentation that include rules based on best practices. We share the relevant documentation within our Document Management System and make it available to all our employees. The purpose of information security documentation is to manage information security risks and ensure that data is adequately protected. All employees are responsible for the implementation of these policies in the operation of business processes when using the information assets they are responsible for.

## Protection of Personal Data

As the Data Controller, we process personal data obtained from different channels (head office, regional offices, customers, dealers, the website, call center, etc.) verbally, in writing or through electronic media with the consent of the customer (excluding the exceptions pursuant to Article 5 of the Law on Personal Data Protection (PDPL)) for operations and continuity of services.

The personal data processed by business units for the purpose of carrying out the necessary studies are securely stored in the electronic systems and physical environments we use.

Data owners are informed with clarification texts about the said data processing activities through our various channels on the purposes of processing, the security measures taken, the rights of the data owner and the application channels. In order ensure a lawful data processing, this clarification must be made to the data owner before the data is processed and if it is not within the scope of the exception in accordance with the PDLP, explicit consent must be obtained.





# DATA SECURITY

The security of personal data is among our top priorities. Therefore, we prepare and update policies and procedures for the protection of personal data and take necessary and suitable technical and administrative security measures in compliance with relevant legislation to protect personal data against unauthorized access, damage, loss or disclosure.

Any personal data requested for product and service sales/applications through our website or existing in our system is never shared with third parties without the consent of the customer except for data transfers that do not require consent pursuant to Article 5 of the Law on Personal Data Protection. The Regulation Legal Team performs an assessment to determine if consent is required pursuant to Article 5 of PDLP.

Third parties are prevented from accessing the information entered by our customers through the website. In order to protect the confidentiality of our customers' personal information, our system and access infrastructure is maintained at the most reliable manner and the necessary measures are taken.

Personal data whose purpose of use and legal storage period have expired, are deleted, destroyed, or anonymized in accordance with Article 7 of the PDLP.

We may work with third party companies when necessary to provide certain services. We ensure that these organizations comply with security standards and the terms and conditions of us. We make sure that data processors with whom we work value information security and act with the awareness of mutual responsibility. We also guarantee this contractually.

In line with the definition in the legislation, data processors only process personal data in accordance with our instructions within the framework of the contract concluded with us and in accordance with the legislation.

The rights of persons whose personal data have been processed are regulated within the scope of Article 11 of the PDPL. Pursuant to the relevant article, data owners have the following rights over the Company:

- To learn whether or not data are being processed,
- To request relevant information if their personal data have been processed,
- To obtain information as to the purposes of the processing of personal data and whether or not such data have been processed accordingly,
- To learn what third parties their personal data have been transferred to both inside or outside the country,
- To ask that any incomplete or inaccurate personal data process be remedied,
- To ask for the erasure or destruction of personal data within the framework of the conditions referred to in Article 7,
- To request the notification of third parties the operations carried out (request for rectification of incomplete and inaccurate data, request for erasure or destruction of personal data) to whom personal data have been transferred,
- To object to any conclusion to the detriment of himself/ herself as a result of the analysis of data processed exclusively by means of automated systems,
- To request compensation for damages incurred as a result of unlawful personal data processing.

Applications made by data owners within the scope of this article are answered within the legal period by examining system records and customer documents.

## Incident Response

We have a Cyber Incident Response Team within the Cyber Security Group Management. All kinds of software, hardware and human-induced situations that disrupt the normal operations of our business processes and negatively affect some or all information or industrial control systems are defined as information security incidents. We examine situations such as malware, phishing attacks, unauthorized access, cyber-attacks and data extraction as part of the information security incident management process. The application, system and access components of our Company are continuously monitored using monitoring and detection tools that are deemed to be successful by the information security industry. We ensure that incidents encountered within the scope of monitoring are evaluated, relevant actions are taken action and the issues are resolved properly.

Our Cyber Security Group Management follows technological developments and vulnerabilities around the world through cyber intelligence services. Penetration tests are performed by independent teams once a year and the safety of the applications and services of our company are ensured by implementing a secure development life cycle. In addition, vulnerability scans, source code analysis and maturity assessments are performed. The deficiencies that are identified as a result of these evaluations are examined, monitored and the relevant actions are undertaken by the Cyber Security Group Management.

In case of an information security incident or a vulnerability that may cause an incident, our employees or related outsourced employees/external consultants are informed about what channels to make their notifications through. Reminders are also made at regular intervals. The process document for the actions to be taken after notifications is periodically reviewed and implemented.

In addition, the Information Security Commitment document signed with the suppliers includes an article stating that that the suppliers should contact us in case of an information security incident.



# DATA SECURITY

## Information Security Awareness

As data and data security are of great importance to us, we conduct training sessions in order to increase information security awareness. The completion rate for the training is monitored by senior management in order to raise awareness within the Company and to exhibit an integrated approach within the organization.

During the year, samples of phishing attacks are made at regular intervals by Cyber Security Group Management, the results are evaluated and reported to senior management. We prepare a Cyber Security Newsletter that is sent to all employees every two weeks and share cyber security news from around the world. We also share e-learning training about information security with all employees every two weeks. We implement clean table - clean screen policies and remind our employees of our policies with posters in physical locations.

All personnel are required to sign the information security commitment which states that information security issues are the responsibility of all personnel.

## Licenses and Certificates

- We and our distribution and retail companies hold the ISO 27001 Information Security Management System Standard license.
- Our distribution and retail companies hold the ISO 20000 Information Technology Service Management Standard license.
- Our retail companies hold the ISO 22301 Business Continuity Management System certificate.

In addition, compliance with the Electricity Licensing Regulation, EKS Information Security Regulation, Electricity Distribution and Sales Call Center Service Quality Standards, EKS Security Analysis and Testing Procedures and Principles, which are subject to the Energy Market Regulatory Authority and compliance with the Information and Communication Security Guidelines of the Digital Transformation Office of the Presidency of the Republic of Türkiye is periodically checked by Cyber Security Group Management.

## Information Security at Third Parties

When working with third-party companies, we include confidentiality clauses in the contracts to ensure the continuity and quality of the services provided by us. If there is a need for data sharing due to business requirements, we share only the necessary data. We have approval processes for the safe transfer of data and ensure that only data required for the job is transferred.

In order to protect such data, we take security measures in accordance with international standards in our systems and applications. Critical suppliers are evaluated within the scope of information security according to the criteria determined in line with the annual plan. Actions to remedy the deficiencies observed in the evaluation results are followed by the Cyber Security Group Management.

## Trainings

In 2021, we assigned PDPL training to our employees through EnAkademi and 3,299 employees completed 3,299 hours of online training. Additionally, PDPL Information and Idea Exchange sessions were held in the form of online classroom training and 199 employees received a total of 439.5 hours of training.

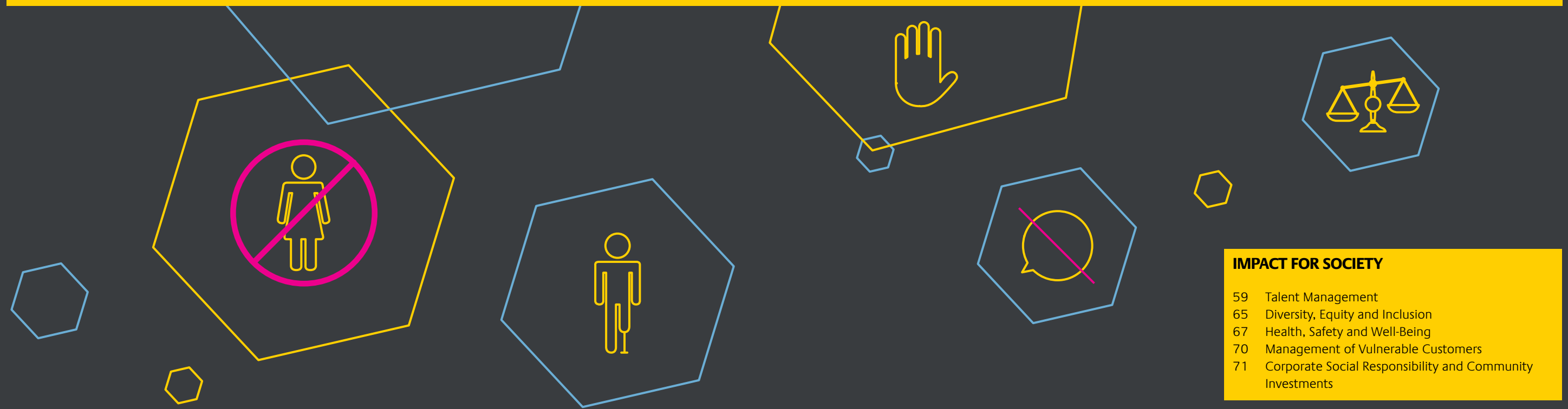
We assigned Information Security Interactive Training and exams through EnAkademi and 1,285 employees completed 1,928 hours of online training in 2021. We also organized Information Security sessions for new hires in the form of online classroom training and 87 employees received a total of 87 hours of training. Overall, we provided 953 hours of awareness training to 4,886 employees over 10 Information Security Awareness short video training sessions in 2021 and January 2022.



“We consider all the information that we collect and process as critical assets and take utmost care and importance for its protection.”



# WE EMPOWER PEOPLE FOR AN INCLUSIVE AND PROSPEROUS SOCIETY



**IMPACT FOR SOCIETY**

- 59 Talent Management
- 65 Diversity, Equity and Inclusion
- 67 Health, Safety and Well-Being
- 70 Management of Vulnerable Customers
- 71 Corporate Social Responsibility and Community Investments

**“We empower people to create prosperity and an inclusive society, encourage a talented and diverse workforce in a safe working environment and act responsibly to create wider positive impact on community.”**

We operate in a dynamic industry that is being transformed by global mega trends and aim to prepare for the future by focusing on our employees and society. Inclusion, diversity, accountability, ethics and transparency are key focus areas for us to establish a preferred workplace, contribute to society’s prosperity and create a positive impact on our community.

We invest in engaging and retaining talent and aim to support our employees’ individual and professional development. We commit to measure the impact of our talent management programs. We also believe in the power of a diverse workforce and inclusive work environment. Within this framework, we are committed to increasing diversity in terms of gender equality and age, especially in managerial positions.

We operate as a role model in occupational health and safety. We are committed to the Zero Accident Journey and aim to prevent fatalities and all critical and high potential near-miss accidents. We value the health and well-being of our employees.

We provide voluntary contributions as well as direct financial support to the prosperity of society with our community investments. We focus on corporate responsibility projects that have a strong community impact. We continue to carry out activities focused on education, energy saving, the environment and society as part of our corporate social responsibility projects.

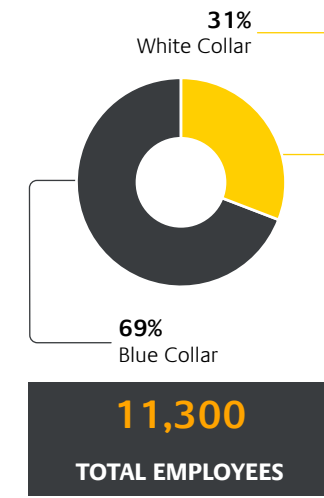


## TALENT MANAGEMENT

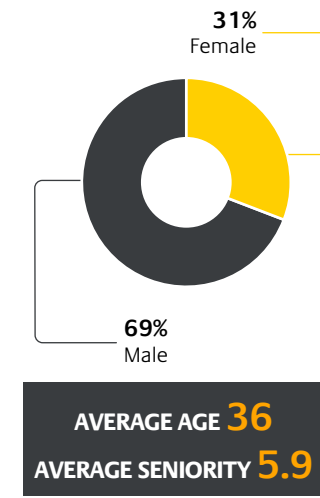
People form the heart of our business and are the most powerful force behind our sustainability transformation. We invest in engaging and retaining talented individuals. We are committed to measuring the impact of our talent management programs.

We have employees spanning four different generations and consider each of our over 11,000 employees as a “Talent”. We follow global People and Culture management trends and adopt new approaches in line with our priorities. We are guided by a vision of adapting to the Future of Work. We aim to recruit and develop qualified young people and experienced professionals by utilizing talent management practices, which nurture a high-performance culture.

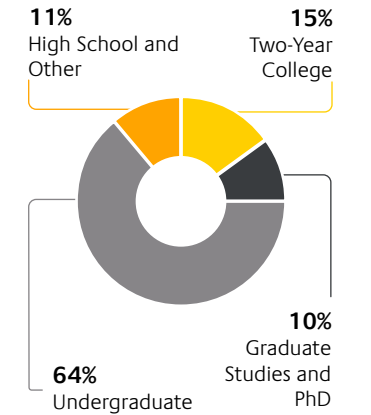
**Breakdown of Headcount**



**White Collar Gender Breakdown**



**White Collar Education Status**



### RECRUITMENT PROCESS

Our goal in recruitment is to hire the most suitable candidate in light of our corporate culture, Company goals, position specific competencies, knowledge and experience. The recruitment process is carried out accordance with our Human Rights Policy and the Diversity and Inclusion Policy.

We aim to digitalize recruitment process end-to-end. In line with this target, we have been managing the recruitment process, evaluation of candidates and candidate experience on digital platforms since 2020. We also transferred the orientation process to a digital platform in 2021. With this process, we aim to provide a positive experience for our new employees when they join our Company.

### REWARDS AND BENEFITS

We determine rewards and benefits based on the principles of fairness, transparency, competitiveness and rewarding high performance. In all of our processes, we consider the pay market, the sector in which we operate, Sabancı Holding practices and macroeconomic indicators.

We aim to ensure a positive and competitive working environment by implementing a competitive and fair wage policy through regular market analysis studies for the purpose of attracting the necessary talent and maintaining a high level of loyalty among current employees.

# TALENT MANAGEMENT

We receive compensation-related reports, surveys or statistics from third-party compensation consultants. We determine the grades of positions based on external job evaluation methodology which is widely used by reputable corporations around the world. We conduct annual wage surveys in order to determine base pay policy. For all grades, external consultants provide grade-based reference pay data based on the market, peer group, sector, etc. We set the salaries for blue collar wages in accordance with the Collective Labor Agreement.

Our wage policy is determined and implemented by taking into account business size. It does not discriminate by gender. As of the end of 2021, the comparison of male and female PIR rates for each level is as follows:

Level	Ratio*
Director and above management	1.00x
Mid-level management	1.05x
Entry level management	1.04x
Other levels	1.02x

\*Female/Male PIR Ratio: Comparison of average female and male PIR ratios for each level

PIR: Calculated by dividing the wages of the employees by the policy wage at the relevant level.

As part of the You Choose (Sen Seç) program, we have implemented Flexible Working Hours, Flexible Dress Code and the Remote Working Model at all head office units starting in 2019. In accordance with this modern and flexible approach, we developed the Flexible Benefits Project to meet the diverse needs and expectations of employees and implemented it in 2021. The "You Choose: Flexible Benefit Portal" allows employees to choose new benefits such as gift cards or donations with a budget they create by customizing their existing benefits, such as annual leave and health insurance in line with their preferences and needs. 55% of white-collar employees took part in the program in 2021.

We expanded the Contributory Private Pension System in 2021 to cover all white-collar employees. It helps employees maintaining their standard of living and makes their lives easier during retirement.

Our You Are Worth It (Sana Değer) Online Appreciation Platform provides an opportunity to recognize and show appreciation for the contributions that employees make to the establishment, functioning and development of the Company's corporate culture and its way of carrying out business operations. The various apps developed using the "You Are Worth It" platform provide an opportunity to show appreciation for employees' individual efforts and improvement, as well as their contribution to corporate development, to show support for them on special and important days and for employees to appreciate one another.

## EMPLOYEE ENGAGEMENT AND SATISFACTION

Employee engagement and satisfaction scores are critical indicators in our monitoring how our employees view our people and culture practices. We measure employee engagement and satisfaction regularly. In 2021, the employee satisfaction score was 76% and the employee engagement score was 66%, which are above the averages for the energy sector and Turkey.

We carefully evaluate the feedback from our employees. Based on the feedback we receive, we seek to improve working conditions, increase employee satisfaction and engagement and reduce the employee turnover rate. In addition to the external evaluations conducted every year, we have conducted pulse checks in short surveys through the İKON application since 2020. This allows us to measure employee satisfaction instantaneously. In addition to surveys, we use various other mechanisms such as one-on-one interviews and focus groups to collect employee complaints, opinions and suggestions.

In addition, employee requests regarding administrative issues go through the help desk system, which all employees may access. We plan actions by taking this feedback into account and implement actions with a

**66** In 2021, the employee satisfaction score was 76% and the employee engagement score was 66%, which are above the averages for the energy sector and Turkey.

proactive approach. We direct incoming requests to the relevant individual and initiate the solution process. After the completion of the requested action, the individual responsible for the operation issues a completion notification, which is delivered to the employee initiating the request. The number of requests received in 2021 was 6,695 and 92% of them were resolved.

## FREEDOM OF EXPRESSION AND FREEDOM OF ASSOCIATION

We respect our employees' freedom of expression and do not tolerate any conduct which obstructs the exercise of this freedom. In this context, we support the freedom of association under applicable laws and regulations.

The Collective Labor Agreement (CLA) signed between our distribution companies and the TES-İŞ Union (Turkey Energy, Water and Gas Workers' Union) shall remain in effect for a period of three years from March 1, 2021 to February 29, 2024. The pay and working conditions of 7,797 blue-collar employees are determined in accordance with the provisions of the current CLA. The TES-İŞ Union had 69,459 members as of July 2021 and was the seventh-largest trade union in Turkey and the biggest union in the energy business.

## DIGITAL SOLUTIONS FOR PEOPLE AND CULTURE PROCESSES

We invest in digitalization and develop digital solutions in our People and Culture processes. In 2018, we launched İKON, the Digital People and Culture Platform, with the aim of simultaneously informing our more than 11,000 employees across different regions about developments in the company. Through the İKON application, our employees can access various services such as payroll viewing, remote work planning, annual leave date planning, training selection and evaluation. İKON also enabled us to reduce paper use in People and Culture processes. Additionally, with the People and Culture Digital Assistant (chatbot), our employees can find answers to their questions anywhere and anytime.

Working intensively in the field of data excellence and reporting, we also have ensured the access of senior management to People and Culture reports through the dashboard for decision support.

In 2021, we identified the current business requirements and possible digital needs of People and Culture processes with the "HR Connect" project. In 2022, we aim to develop solutions addressing these needs.

We have been holding virtual meetings dubbed We Are Together (Bir Aradayız) on issues such as agility, self-awareness and gender equality since the beginning of 2021. 1,037 employees participated in these meetings, which were open to all employees.

## WORK CULTURE

### The Future of Work

We are already preparing for the future of work by providing opportunities for our employees to demonstrate their potential in the best and most appropriate way in their jobs not only to attract the best talent to the organization but also to develop existing potential.

Through our "Adapting to the Future of Work" activities, which started in 2020, we aim to shape the future of work together with our employees by considering the principles of the new workplace in 7 fundamental dimensions which are defined not only by remote working but also from a holistic perspective. We supported these activities by a number of workshops, one-on-one interviews and surveys with broad participation. Within the scope of Adapting to the Future of Work, we implemented 47 prioritized actions using the motto #On the Road to the Future! (#Geleceğin Yolunda!). This involved particularly updating the scope and details of the work models and the support packages prepared according to different work models.

For further details, please refer to "Enablers" section.

**TALENT MANAGEMENT PROGRAMS**

**Sabancı Advanced Data Analytics Academy**  
 Total Participants: 17  
 Total Training Hours: 3,125

**X-TEAMS**  
 Total Participants: 7

**X-LAB**  
 Total Participants: 56  
 Total Training Hours: 2,337

**TP-X**  
 Total Participants: 3  
 Total Training Hours: 396

**In-Lead**  
 Total Participants: 4  
 Total Training Hours: 942

**SABANCI HOLDING PROGRAMS**

**ENERJİSA PROGRAMS**

**YODA**  
 Mentoring and Reverse Mentoring Program  
 Total Participants: 35

**EnAkademi**  
 Total Participants: 3,054  
 Total Training Hours: 61,267

**INDIVIDUAL DEVELOPMENT AND FIRST-LINE LEADER PROGRAMS**

**GATE**  
 2021: The Journey of Psychological Integrity (online webinars interactive training and homework)  
**Participants**  
 All specialists  
 Total Participants: 664  
 Total Training Hours: 1,193

**YOUNG ENERGY**  
 Young Talent development program-4-module: self, organization, relationship & leadership, digital awareness  
**Participants**  
 Young candidates: Dec 2019-Apr 2021  
 Total Participants: 28  
 Total Training Hours: 900

**JUMP**  
 Competency-based 3-module digital journey Online classroom group games, in-class leadership training  
**Participants**  
 All Team & Process Leaders  
 Total Participants: 362  
 Total Training Hours: 5,902

**MANAGEMENT PROGRAMS**

**X-POSURE**  
 Total Participants: 2  
 Total Training Hours: 422

**STEP**  
 Holistic Well-being, Remote Team Leadership training programs  
**Participants**  
 All managers  
 Total Participants: 35  
 Total Training Hours: 382

**STEP PERFORMANCE COACHING**  
 In-class training  
**Participants**  
 Group managers, managers  
 Total Participants: 144  
 Total Training Hours: 2,042

**STEP DIGITAL**  
 2-module digital leadership program with online classroom training offered with simultaneous translation  
 Leadership seminars  
 Digital Excellence Certification  
**Participants**  
 All managers  
 143 certificates (June 2020-May 2021)  
 Total Participants: 45  
 Total Training Hours: 294

**TOP MANAGEMENT AND DIRECTOR PROGRAMS**

**X-CELERATE**  
 Total Participants: 4  
 Total Training Hours: 60

**X-CELERATE NEXT**  
 Total Participants: 1  
 Total Training Hours: 15

**LEAP DIGITAL**  
 3-module digital leadership program which includes in-class training, serious gaming and leadership seminars  
 Digital Excellence Certification  
**Participants**  
 Directors  
 Oct 2019 - Feb 2021  
 Total Participants: 29  
 Total Training Hours: 58

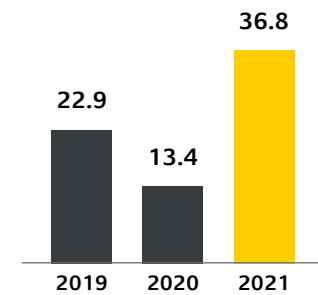
# TALENT MANAGEMENT

## TALENT MANAGEMENT PROGRAMS

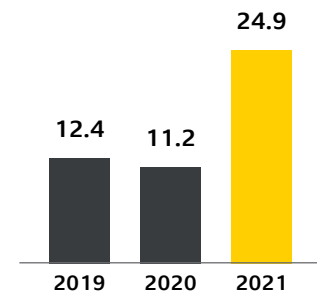
We develop short and medium-term succession plans for all critical positions in line with annual potential assessment work and we monitor the career and development of our employees accordingly.

In 2021, 93% of management and higher-level appointments were filled by internal candidates. We continue to design various leadership, personal and professional development programs and tools not only for professional but also for the personal development of our employees.

**Training Hours per Person**  
(hours)



**Total Training Expenditure**  
(TL million)



## Leadership Development Programs and Tools

We believe agile and change-driven leadership is critical for effective transformation. With our programs designed to develop effective leaders, we assist employees in leading the Company in the most efficient and effective manner.

### Leadership Acceleration Programs (LEAP) Digital

The LEAP Digital (a continuation of LEAP - the Leadership Acceleration Program) aims to enable our director-level employees to better implement the opportunities provided by new technologies in their respective functions and to facilitate their leadership competencies as required by the digital age. Consisting of four modules, the LEAP Digital Program's third module was completed in February 2021. The program was awarded the ESMT Digital Excellence Certificate by the European School of Management and Technology of the Berlin Institute of Technology, one of the top executive schools according to the Financial Times rating.

### Step Management & Step Performance Coaching

The STEP Management module, which was organized in collaboration with the Sabancı University Executive Development Unit (EDU), aims to strengthen the leadership traits of managers and group managers. Implemented in 2019 to ensure the continuity of high-performance culture, the program continues to focus on issues of holistic well-being and leadership. Step Performance Coaching is a program developed for our managers by focusing on high-performance culture, new generation performance management and the continuous feedback approach. 153 managers participated in the in-class training held in 2021.

## Step Digital

Launched in 2020, the Step Digital Program was designed to better understand the innovation and business practices that have emerged due to digitalization, both on a global level and specific to the energy sector, to strengthen knowledge and competencies related to new generation technologies and to transfer information to new projects which will create value in all functions with the help of these technologies. The program provided simultaneous translation in online virtual classes adapted to the conditions created by the new normal during the pandemic together with ESMT Berlin, which is also our business partner in Leap Digital. A total of 143 participants qualified to receive the ESMT Digital Excellence Certificate in the Step Digital Program.

### JUMP

The JUMP Program was designed with the integrated learning method and updated in 2021 in order to support the activities of our team and our process leaders in their current roles and to improve their managerial skills. In the Program, which included new leaders in 2021, 133 employees completed their online training and 362 employees completed their leadership training in the virtual platform.

## Young Energy

Launched in 2010, the Young Energy Program aims to develop high-potential human resources from the beginning of their career and raise up future leaders. The fifth generation of the program had 28 graduates in 2021. In addition to Creating a Climate of Trust in Leadership, Relationship Management, Presentation Skills and Storytelling, the program participants have also completed the INSEAD Design Thinking and Creativity for Business online certificate program. The participants attended training on Understanding of New Technologies, which was prepared by the European School of Management and Technology of the Berlin Institute of Technology (ESMT) and worked on projects which will contribute to our digitalization process. The mentoring processes which started in 2021 will be completed in the first half of 2022.

### ENTER

The ENTER Recruitment and Talent Development Program allows 4<sup>th</sup> year university electrical/electronic engineering students to gain valuable insights of the energy sector. During this one-year program, the engineers of the future are assigned to different sections - investment track, customer track and grid track - on a rotating basis so they can experience and learn about the engineering processes involved in the energy distribution business. Mentored by talent coaches, participants are able to explore their individual areas of interest. A total of 143 participants qualified to receive the ESMT Digital Excellence Certificate in the Step Digital Program. 17 of the 27 engineers of the future who completed the ENTER program in 2021, started working in distribution companies. In the 5<sup>th</sup> term of the ENTER program, 29 new prospective engineers embarked on their development journey.

# TALENT MANAGEMENT

## Other

In 2021, 10 of our employees attended tailored leadership development programs organized by Sabancı Holding, including X-Celerate, the senior leadership development program; X-Posure, which was developed for mid-level managers preparing for future roles; and the TP-X Leadership Development programs, designed for young talented individuals with high potential. In 2021, 26 employees participated in the “New Professional Leader”, which was organized by the “Yenibirlider Association” in collaboration with Boğaziçi University. The program consists of training, mentoring, coaching and industry meeting sessions.

## Personal Development Programs

We provided a range of essential training and development programs to help our employees achieve their career goals and realize their potential in a future-oriented company.

### YODA Mentoring - Reverse Mentoring

Introduced in 2018, the YODA Mentoring and YODA Reverse Mentoring programs offer a platform where different generations of employees can learn from each other. The program gives new-generation employees a chance to mentor our senior management, in what is a first for the sector. We expanded the YODA Reverse Mentoring Program to include directors in 2019 and received applications for the program from both directors as mentees and young employees who wanted to be mentors. Both mentors and mentees who completed their training in 2020 were matched and their mentoring processes were completed in 2021. We plan to expand the program to include different managerial levels in 2022 with the participation of 24 young mentors who have completed their training and are ready to become mentors.

## EnAkademi

In 2021, 3,054 employees received training on EnAkademi, the online training platform that provides our employees with the training and individual development tools they need to help them reach their career goals. Each employee is required to complete information security, competition law and ethics training via EnAkademi. Participants received 61,267 hours of e-learning as part of this training program on EnAkademi.

### Gate: Self-Awareness Journey

Gate is a program designed to support the development of our employees at the specialist level who are at the beginning of their careers. The program content is updated according to changing requirements every year. In 2021, the focus of the program was the theme of “Psychological Integrity”. The program was attended by 664 employees in two webinars held in this subject area with interactive training on “Coping with Difficult Situations” and “Emotional Management and Resilience” provided through the online learning platform EnAkademi.

### You Choose (Sen Seç): Training Catalogue

Designed in 2020 with a focus on continuous development, the You Choose: Training Catalogue consists of training content directed at the individual interests of our employees, their needs and trending topics. In 2021, 973 employees participated in at least one training from the training catalog.

## Professional Development Programs

### Advanced Data Analytics Academy (IVAA)

16 employees participated in the Advanced Data Analytics Academy, which was established in collaboration with Sabancı Holding, Sabancı University and Sabancı EDU.

## Industry Leaders

Implemented within the framework of the cooperation between Sabancı Holding and the Sabancı University Executive Development Unit EDU, the program focused on the development of engineers and managers in technical roles in 2021. During the eight-month program, the participants received a combination of technical and competence development training, and 4 participants graduated from the program following presentation of their projects.

### Sales School

Launched in cooperation with Sabancı University in 2014, the Sales School project provides employees with training on a variety of behavioral and technical matters related to the sector, primarily from a Sales and Customer Orientation perspective. This training also aims to increase service quality, operational excellence and customer satisfaction. We revise the Sales School every year according to the needs analysis conducted with employees and managers, the Company strategy and sector dynamics. We share the content of the program with participants through interactive videos, live classroom training and online development catalogues. 310 people graduated from the program in 2021.

### KOZA Development Program

We introduced the KOZA Development Program with the aim of developing young talent in the sales function. The program lasts 1.5 years and consists of three modules. After completing the three modules, participants move to the Project Module, where they share their development and improvement suggestions related to business processes with senior management.

### Corporate Sales Academy

We established the “Corporate Sales Academy” to support the development of our corporate sales teams and help sales teams reach their highest potential in a dynamic business environment and enrich their strategic perspectives in line with our vision and goals. The program lasts a year and a half and includes a range of content including technical training, competency

training and inspiring meetings where key figures from the sector meet participants. 65 participants took part in the program in 2021.

### Technology Development Academy

Designed to enable technology teams to follow developing trends and implement them in required areas, the “Technology Development Academy” is renewed every semester within the scope of current needs and priorities and provides training to IT employees. The program aims to maximize the potential of IT teams and create positive value in performance results in accordance with our vision and strategy. A total of 239 participants took part in the program in 2021.

### We Learn from Each Other

The “We Learn from Each Other” platform fosters a culture of shared learning across the functions while ensuring that employees share their knowledge and know-how with each other. Through this platform, 530 employees gained competence and in-depth knowledge of the dynamics of the sector regardless of their department. They also learned about new approaches in the world of digitalization as well as a global view of the energy sector through the training, which has been prepared by internal trainers since 2019.

### Patika Development Program

We developed the Patika Development Program in collaboration with Sabancı University EDU in view of the competencies which foremen, supervisors and technicians often need in their business environment. Around 800 employees participated in the personal development program consisting of 4 different modules on the art of communication and expression, in-team coordination and a sense of belonging, planning and time management and emotional management in the process of change



# TALENT MANAGEMENT

## Other Programs

### Vocational Training Collaboration Protocol

We signed the vocational Training Collaboration Protocol with the Ministry of National Education at the end of 2017. This protocol aims to create a qualified workforce to meet the sector's needs by supporting the development of vocational high school teachers and students, who comprise the labor pool of the electricity distribution sector. Under the collaboration protocol, we provided vocational high school students studying electronics with insight into our company and the electricity distribution sector including hands-on experience, in addition to supporting their theoretical education and providing information on the latest developments in the sector. In 2019, we offered two in-service training programs for teachers to support them in learning and experiencing the newest practices in the sector. No events were organized within the framework of the protocol during 2021 due to the pandemic. However, the protocol has been extended until the end of 2022.

### Engineering Development School

A total of 545 engineers working for electricity distribution companies participated in our Engineer Development School-1 and Engineer Development School-2 programs online in 2021 through the EnAkademi platform.

### Technical Knowledge Contest

We organized the Technical Knowledge Contest each month throughout 2021, offering rewards and a competitive environment for field operators working in the highly technical electricity distribution sector. Our blue-collar employees can participate in the Technical Knowledge Contest using the İKON application. The competition attracted a total of 12,395 employees in 2021. In 2022, the scope of the contest will be expanded to include all our employees.

### Maintenance Training

We structured the Level One Scheduled Maintenance, Level Two Scheduled Maintenance and Level Three Scheduled Maintenance processes within the scope of the Scheduled Maintenance Procedures and Principles

announced by EMRA in the Fourth Regulatory Period in 2021. In this context, we prepared a training program on the Level One Scheduled Maintenance process and provided a 2-day Level One Scheduled Maintenance training program to 650 employees during the year.

### VR Headset Project

The "VR Headset" project marks a significant step forward in the field of training digitalization. We prepared 12 business scenarios to ensure correct implementation of the approval processes of electrical facility projects, which play a very important role in the electricity distribution sector. Within the scope of the project, we will provide approval process training to our employees involved in the approval processes through VR headsets in 2022.



### New Training Centers

In 2021, we established new training centers at Toroslar EDAS and Başkent EDAS to prepare the physical infrastructure for the technical development programs and training, to increase the number of training programs in electricity distribution companies located over a dispersed geographical area and to increase the efficiency of training processes. We opened six new training centers during the year, including four for Toroslar EDAS and two for Başkent EDAS.

## Vocational Training and Development

In 2021, 1,675 employees completed the certification processes (EKAT, Licensing, Vocational Competence Certificate, etc.), which are legally mandatory and required within the scope of the electricity distribution activity carried out by us.

### Other Training Opportunities

In 2021, we continued to support the professional and personal development of our employees with various training programs, including Master's program courses, online foreign language courses and training courses on information security, competition law and ethics and other fields. We accepted applications from 16 employees to the Master's support program. Approximately 360 employees benefited from online foreign language courses and participants received a total of 1,762 hours of e-learning.

## Measurement of Training Programs

We aim to understand the impact of the investments we make in our employees and assess whether our investments have the desired impact. Therefore, we are committed to measuring the impact of our talent management programs and disclosing the results to our stakeholders. In 2021, we started measuring the impact of two training programs and we aim to expand the scope of our measurement in the future.

Program	Description	Impact Measurement
Young Energy	The Young Energy program focuses on training young talent, people at the beginning of their careers with high potential.	60% of the participants improved their performance scores.
STEP	The STEP program aims to strengthen leadership traits in managers and group managers.	The Organizational Climate Scores of participants increased 70% compared to the previous year.

## PERFORMANCE MANAGEMENT SYSTEM

Establishment of a high-performance culture based on continuous learning, agility, passion, determination and responsibility is a strategic priority for us. The Performance Management System is a significant tool we use to enrich the open and continuous feedback culture and cooperation we have created.

We implement a Performance Management System which is compatible with Company strategies, commitments and goals. The system supports cooperation, is supplied with open and continuous feedback and prioritizes the development of employees.

Employees within the scope of the performance system undergo a transparent, agile, flexible and user-friendly process which can be performed over the internet or through the mobile application.

Other features of the system, which supports a high-performance culture, include;

- Access with a mobile application
- Linking targets with the targets of other employees
- Continuous target setting and revision functionality
- Clear and transparent targets
- Having target-oriented areas of dialogue between the manager and the employee
- Providing instant and continuous structured feedback throughout the year
- A milestone-setting function that helps employees track their targets with ease

# DIVERSITY, EQUITY AND INCLUSION

We believe in the power of a diverse workforce and inclusive work environment. We are committed to increasing our diversity with respect to gender and age, especially in managerial positions.

## ANTI-DISCRIMINATION, DIVERSITY, EQUITY AND INCLUSION

We are committed to offering a diverse and inclusive working environment. Diversity enriches decision-making processes, while inclusion enhances employee loyalty by ensuring employees feel valued. Fair and equal conditions motivate employees while increasing their participation and productivity.

In all People and Culture processes, we adopt an approach based on equality. We do not allow any discrimination against employees in terms of language, religion, nationality, race, ethnic origin, age, gender, sexual orientation, marital status, health, disability status, political opinion, union memberships or similar reasons. The Sustainability Executive Committee ensures that employees report any actions which may be the subject of discrimination and abuse in accordance with the principles of confidentiality and that the necessary steps are taken on such matters.

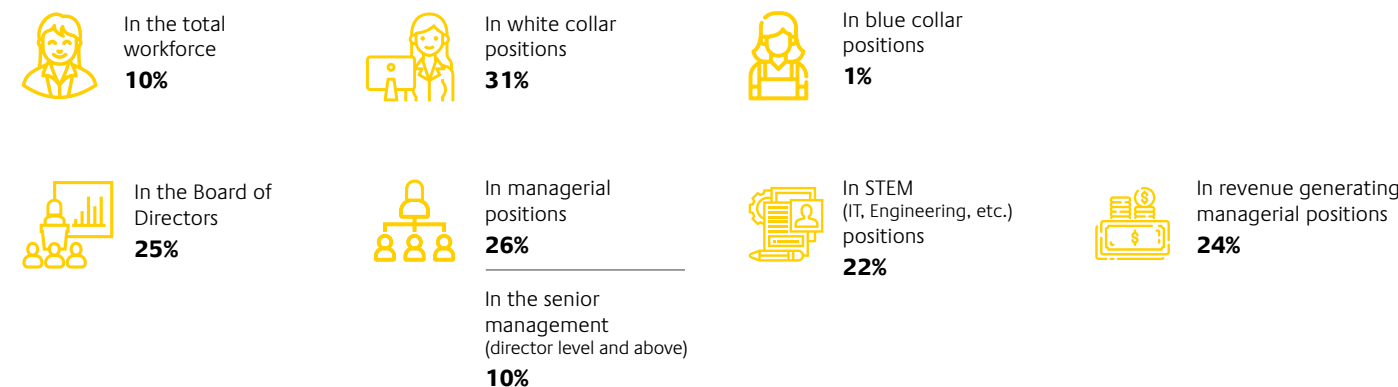
We undertake all our activities in line with the applicable legal regulations and rules, as well as our Code of Conduct (Enetik 2.0). We inform all employees of our working principles through the Code of Conduct and the Human Resources Policy. We published our Diversity and Inclusion Policy in 2021. Ensuring gender equality at all levels is one of our fundamental values, starting with the recruitment processes and our approach to diversity is not limited to gender. We embrace diversity on the basis of age and generational differences as this enables employees to learn from each other.

- In 2021, 79% of newly-hired employees were under the age of 30 and 21% of those joining us were between 30-50 years of age.
- 26% of employees are under the age of 30 while 72% are between 30-50 years of age.
- 47% of our employees have worked with us for between 5 and 10 years.

- The percentage of women in managerial positions was 26%.
- The percentage of women in white collar positions was 31%.
- The percentage of women in mid, senior level and executive managerial appointments was 24%.
- We support the participation of individuals with disabilities in social and economic life on equal terms. As of 2021, we employed 325 employees with disabilities, exceeding the legal requirement.
- Breastfeeding leave: Female employees are given a 1.5 hour milk leave per day (paid leave) to breastfeed their children under age of one year old, in accordance with the Turkish Labour Law. The employee determines the time and frequency of breastfeeding leave. Additionally, we have lactation facilities in our offices in accordance with the regulations.
- Maternity leave: It consists of 16 weeks paid leave in total, 8 weeks before birth and 8 weeks after birth, in accordance with the Turkish Labour Law. Up to six months unpaid maternity leave is given to female employees whose maternity leave ends, upon request.
- Paternity leave: An employee whose spouse gives birth is given 5 working days of paid leave in accordance with the Turkish Labour Law.

You can find further details on People and Culture indicators in Annex VI. [↗](#)

### Women Employment Statistics



[Click here to access our Diversity and Inclusion Policy.](#)

Gender Equality Communication Guide: In 2021, we launched the Gender Equality Communication Guide which is one of the outputs of the “Not Without You” platform. We aim to raise awareness about the power of words used in communication, to support the selection of language and methods that can promote gender equality in communication and to provide guidance for inclusive language in all types of communication.

[Click here to access our Gender-Sensitive Communication Guide.](#)

We take employee feedback very seriously and provide a workplace where employees feel valued. In line with our “Inclusion” value, we encourage our employees to participate in the decision-making processes at every opportunity.

Employee participation in management includes attendance at periodic internal meetings, annual target-setting and performance evaluation meetings, live streaming and participation in decision-making mechanisms, committees and projects within the framework of roles and responsibilities. Employees may also share their requests, suggestions and feedback through various channels such as the intranet, mobile applications (iKON), suggestion systems (Fikir Kumbarası), feedback systems and surveys. The results obtained through these platforms are analyzed and action plans are prepared accordingly to ensure necessary changes are implemented.

In accordance with the Suggestion, Recognition and Appreciation systems, we evaluate and award participating employees where appropriate. In particular, we support the participation of high potential employees in management decisions. We communicate company-related developments to employees through various channels and brief them on the Company’s overall situation through annual meetings with the management.

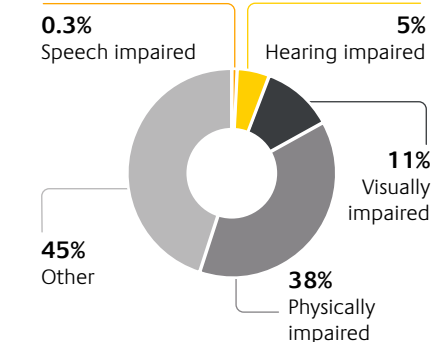
## DIVERSITY, EQUITY AND INCLUSION PROGRAMS

We value the different voices from community life and the business world and including all individuals in our processes with an equitable approach. In line with this thinking, we focus on the principle of “Diversity, Equity and Inclusion” in all our processes and carry out numerous activities to serve this approach. In 2021, we provided 417 hours of equality and inclusion training to 298 employees.

### “Not Without You” (Sensiz Olmaz) Platform

Head of Sustainability and Corporate Capabilities (CSO) is responsible of diversity, equity and inclusion initiatives. We conduct Diversity, Equity and Inclusion activities under the umbrella of the “Not Without You” platform. We launched the platform in 2021 on March 8 to mark International Women’s Day in recognition of the platform’s focus on “Gender Equality”. We aim to provide equal opportunities for everyone in

### Breakdown by Type of Disability



# DIVERSITY, EQUITY AND INCLUSION



business with a focus on gender equality, young people and disabled people through the platform. The sub-categories of our platform are “Not Without Equality” (Eşitlik Olmazsa Olmaz), “Not Without Youth” (Gençlik Olmazsa Olmaz) and “Not Without People Challenging Disabilities” (Engel Tanımayanlar Olmazsa Olmaz).

We organized a number of events during the week to support International Women’s Day in order to raise awareness about this issue. We conducted “The Women of Energy Have the Say” (Söz Enerjinin Kadınlarında) interviews on the program, “Occupation Has No Gender” hosted by the journalist, Elif Ergü Demiral. On the program, our senior management and employees presented our Diversity and Inclusion Policy and activities, as well as their experiences in the energy sector as women. The program was aired on our social media accounts and YouTube.

We aim to increase the number of women employees working in the energy sector. In order to introduce women employees working in different processes in our Company as role models to students and potential candidates, we presented a film featuring female employees to external stakeholders on our social media accounts and to students at university events.

We communicate the details of the diversity and inclusion projects at the Gender Equality event held for our employees. We discussed gender equality and the efforts to tackle gender-based violence with stakeholder

representatives in the “Equal Opportunities in Electricity Distribution” project, which included the European Bank for Reconstruction and Development (EBRD), Deloitte and Sabancı University.

## Violence against Women

We do not stand silent in the face of the increasing number of acts of violence perpetrated against women. During the month of March, we aimed to raise customer awareness about support lines by sharing the contact numbers of the relevant ministries for those who have been subject to violence while also including informative text on the subject on all electricity bills.

## Gender Equality Program

We support gender equality in the workplace as in all areas of life. In 2021, two representatives and one ambassador from our company participated in the Gender Equality Program of UN Global Compact, which helps companies contribute to Sustainable Development Goal 5.5. The program aims to help companies set ambitious and realistic corporate goals in areas such as increasing the number of women on boards of directors and increasing the number of women entrepreneurs in the supply chain and to take action to achieve these goals.

## United Nations Women’s Empowerment Principles

We have been a signatory to the United Nations Women’s Empowerment Principles since 2019.

## Business against Domestic Violence Platform

In 2020, we joined the Business against Domestic Violence (BADV) project, carried out by the Corporate Governance Forum at Sabancı University. In this regard, representatives from the People and Culture teams completed the Gender Equality Training Program. Work is currently underway with representatives to implement the results of these training programs within the Company.

## Turkish Women’s International Network (TurkishWIN)

A total of 14 women managers benefited from the network’s training and mentoring opportunities offered in connection with membership in the Turkish Women’s International Network in 2021.

## Project for Equal Opportunities in the Electricity Distribution Sector

In collaboration with the Gender Equality Program Coordination Office of EBRD with the consultancy of Deloitte, we implemented the Equal Opportunities in the Electricity Distribution Sector project from November 2020 to the end of 2021. The project aimed to review human resources practices, to encourage the employment of women in technical and managerial positions, to set clear and measurable goals for equal opportunity and to collaborate with institutions and organizations working in this area. Action plan studies for the project are ongoing. These studies will be carried out by the project team consisting of volunteers from different departments. The results of the study will be reported to a steering committee consisting of members of the executive management team.

Within the context of action plans, we have organized gender equality training programs to which all our employees can participate. These training programs will continue in 2022, including executive development programs, general programs and orientation processes.

## “Not Without Youth” (Gençlik Olmazsa Olmaz)

We give importance to diversity in age to enrich decision making and launched our programs focusing on young generation under our “Not Without Youth” platform.

**Campus Activities:** We meet with university students in various career activities face-to-face or through virtual platforms. We inform these students about energy sector and career opportunities at Enerjisa.

## ENTER New Generation Talent Management Program:

The program is designed for senior and graduate students in electrical/electronic engineering. During this nine-month program, future engineers are assigned to different business units at our company to experience engineering work flows in the electricity distribution business. Students are mentored by talent coaches and are able to explore their individual areas of interest.



**Retail X:** With the new graduate recruitment program, we aim to strengthen our strategic positions in the retail energy world, train future leaders and ensure succession for managerial roles.

**Young Energy:** The program aims to develop young high-potential human resources at the beginning of their career and to raise up future leaders.

**YODA Reverse Mentoring Program:** With the YODA Reverse Mentorship program, we aim to create a platform where different generations at Enerjisa can learn from each other. The YODA Reverse Mentorship program gives new generation employees the opportunity to mentor our senior management.

**SPARK:** It is an online summer internship program in Enerjisa distribution companies for university students. Throughout the program, students learn about the electricity distribution sector, receive personal development trainings and increase their awareness of sustainable development goals through various activities.

For further details, please refer to “Talent Management Programs” section. [↗](#)

## ENBİZ

We carry out the “ENBİZ” project with a focus on “Diversity and Inclusion”. We launched the project in 2016 to support the integration of disabled individuals into the workforce. Within the scope of the project, we provide training programs on personal development and awareness each year to disabled external participants.

# HEALTH, SAFETY AND WELL-BEING

We care about the overall well-being of our employees. We are a role model in the management of occupational health and safety in our industry. We are committed to a Zero Accident Journey and prevent fatalities and all critical and high potential near-miss accidents.

## WORK-LIFE BALANCE

We care about employees having a good work-life balance and flexible work conditions. As part of our efforts to adapt to the future of work, we have planned several projects, including holistic well-being training on physical and mental health, live broadcasts and support mechanisms, to be implemented in 2022.

We also have practices such as meeting-free hours and meeting time restrictions aimed at maintaining employees' work and private life balance.

We have employed the You Choose (Sen Sec) working model, which covers flexible working hours, flexible dress code and remote work, at all head offices since 2019. Even before the extraordinary changes in working conditions due to the pandemic, employees working in the Company's head offices (11% of all employees) were able to benefit from flexible working hours and the ability to work remotely one day a week.

Throughout 2021, we closely monitored and actively managed health risks. We constantly informed employees about developments related to flexible and remote working conditions by e-mail and through information sessions.

## EMPLOYEE SUPPORT PROGRAMS

We continued to offer personal counseling services to our employees and their family members regarding psychological, medical, financial and legal matters within the scope of the "Employee Support Program" in collaboration with specialists in 2021. The purpose of this program is to provide proactive support to resolve employee problems and minimize related issues. In 2021, 2,465 requests logged through the Avita Employee Support Program.

We support the physical and mental wellbeing of our employees with live wellbeing lectures and sessions. We promote activities such as fitness, mindfulness, pilates, yoga and nutrition to improve the living conditions of our people.

*For further details, please refer to "Enablers" section.* 

## ZERO TOLERANCE POLICY TOWARDS VIOLENCE

In 2022, we issued our Zero Tolerance Policy Towards Violence. The purpose of the policy is to set the principles and enforcement process to create a work environment at Enerjisa that is equalitarian, safe and not tolerant against any kind of violence. In line with this purpose, we make an endeavor to increase awareness about violence, to create support and assistance mechanisms in which our employees subjected to violence can share their situation in a secure and confidential manner and to operate an enforcement mechanism through effective examination and auditing processes.

*Click here to access our Zero Tolerance Policy Towards Violence.* 

## OCCUPATIONAL HEALTH AND SAFETY

Our employees and contractors are exposed to significant health and safety risks during electricity distribution activities and installation of alternative energy solutions. We consider occupational health and safety (OHS) a key priority. We take a wide range of precautions to manage potential risks our employees and contractors may encounter while performing their activities. We present Key Performance Indicators on OHS periodically to the senior management.

In the distribution business unit, the Occupational Health, Safety and Environment Group Management reports to the Head of the Distribution Business Unit under the CEO. In the retail sales business unit, the Occupational Health, Safety and Environment Unit reports to the Head of the Sustainability and Corporate

Capabilities Department under the CEO/CFO. Senior management handles issues related to Occupational Health and Safety. We monitor OHS performance through the monthly OHS-E Report. This report also includes critical accident target realizations, which are included in the senior management's performance assessment.

The OHS policy sets out the senior management's commitment to occupational health and safety. We announced the policy to the entire organization and stakeholders and is available for review. The OHS policy emphasizes the importance of preventing accidents and diseases with a preventive approach, compliance with legal obligations and continuous improvement.

## The Occupational Health and Safety Management System

We believe that the management of OHS in accordance with international standards is vital. The ISO 45001:2018 Occupational Health and Safety Management System covers all locations and facilities of our distribution and retail sales companies. In 2020, we conducted the certificate renewal process in compliance with the latest version of the standard. This audit proved that our Occupational Health and Safety Management System achieved a transformation focused on preventive actions with a more efficient and integrated approach based on risk and opportunity in accordance with the principle of continuous improvement. The annual interim audits in 2021 proved that the activities had been carried out in accordance with the management system and that the commitments set out for continuous improvement had been fulfilled.

Our retail sales companies started to work towards the ISO 45001: 2018 Occupational Health and Safety Management System certification in 2020. After performing internal audits in three regions, the retail sales companies reviewed their compliance with the Occupational Health and Safety Management System and completed the certification process in 2021. The certification process for Eşarj was also completed in 2021. As a result, all our services are included within the scope of ISO 45001.



We conduct risk assessments for potential new projects, non-routine operations, changes in existing operations and new work areas. We ensure compliance with OHS standards before the start of new operations. We implement the Fine-Kinney method during the risk assessment process with hazards determined according to their probability of occurrence, severity and frequency. We classify the identified risks and undertake precautionary measures to mitigate any risk exceeding an acceptable level.

We draw up emergency plans for each region and conduct annual emergency drills. We identify actions that need to be taken to eliminate issues of non-compliance found in the annual drills and monitor their implementation.

We set monthly and annual targets to promote increased OHS awareness. With the aim of improving OHS performance and better identifying risk areas, we ensure the collaboration and participation of our employees and stakeholders. We expect our employees and contractors to participate and provide their feedback in risk assessment and incident investigations.

# HEALTH, SAFETY AND WELL-BEING

We provide our employees with the opportunity to be involved in relevant decision-making processes regarding OHS issues through OHS committees, on which employee representatives also participate. We take into consideration the views of employee and union representatives and field workers in the selection of Personal Protective Equipment and we ensure their participation in the process of selecting materials.

We invest in OHS training to spread our OHS culture and we organize events for OHS Week every May to raise awareness among our employees, business partners and contractors in all of the regions in which we operate. We use the Contractor Communication Portal to communicate with our contractors regarding work accidents and near misses.

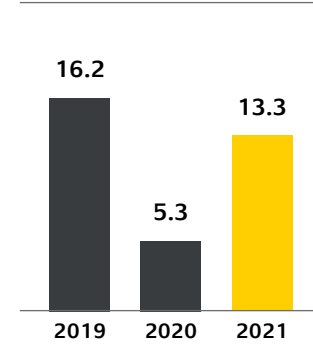
## OHS Training

We strive to maintain our internalized OHS culture and a safe workplace for all our employees. We foster regular training and improvement activities to reduce OHS risks for our employees and contractors and ensure a healthy workplace in terms of OHS management. Training on safe working conditions is an integral part of OHS management and strengthens both our OHS culture and the professional skills of our employees.

In 2021, we continued to conduct OHS trainings in compliance with Covid-19 pandemic precautions. OHS trainings continued to be a priority during the pandemic with OHS training accounting for 36% of total employee training during the year. We provided 150,105 hours of OHS training for 11,300 employees during 2021.



**Average OHS Training per Employee (hour)**



Along with the basics of OHS training, technical training was provided to 1,014 of our field workers by the Technical Development Department. In addition, we provided a three-day practical training program on Working Safely at Heights to 756 field workers and a refresher course on Working Safely at Heights to 704 employees based on their job descriptions.

In order to raise employee awareness regarding occupational health and safety and helping them take ownership in this regard, we also provided training and worked in the following areas in 2021:

### Personal Occupational Health and Safety Consultancy Program for Managers

In 2020, we launched the Personal Occupational Health and Safety Consultancy Program for Managers aimed at raising awareness among managers about occupational health and safety issues. The Program promotes the culture of occupational health and safety in distribution companies and continued in 2021. With the completion of a total of six one-on-one meetings between consultants and managers, the managers set their OHS targets and introduced innovative practices by ensuring that their teams participated in the field practices.

### Messaging during OHS Week

We carried out informative messaging during OHS week between May 4-10 to raise OHS awareness throughout the entire organization with the purpose of making people more sensitive about occupational health and safety issues under pandemic conditions.

## Training for Contractors

We monitor OHS training carried out by our contractors and do not allow untrained contractor employees work in the field. 7,908 contractor employees were given basic OHS training by their own companies during 2021.

## Field Audits

We established instructions and procedures for work performed to ensure that our employees conduct their activities safely. In this context, we provided training in accordance with rules and procedures, and we ensured the compliance of the practices on the field with these instructions and procedures by field inspections. In 2021, we conducted around 39,000 field inspections on our workforce.

Improving the OHS culture of our business partners and contractors is one of our core responsibilities. In this context, our relevant business units make one-on-one visits to contractors and request safety improvement plans. We conducted approximately 19,100 OHS field inspections of contractors in 2021.

## Projects to Improve OHS Performance

We view prevention of occupational accidents is one of the most important requirements of a safe working environment. To this end, we focus on root cause analysis in incident investigations. We implement innovative initiatives and practices that make use of technology throughout the company to prevent accidents, particularly in high-risk processes.

In 2021, two of our employees lost their lives as a result of occupational accidents. Detailed accident investigations were conducted following these accidents, the root causes of the accidents were determined and actions were taken. Senior management closely monitored the actions taken to prevent the reoccurrence of such accidents.

We undertook the following improvement measures in 2021 with the aim of preventing possible accidents and improving the safety culture of our organization.

**ENSAFE Cockpit Screen:** We developed a module on ENSAFE, an online OHS platform accessible to all our employees. Using this module, our managers can track OHS performance indicators in their area of responsibility.

**Traffic Improvement Plan:** We are aware that traffic is one of the high-risk factors in the electricity distribution sector, so we prepared and implemented the Traffic Improvement Plan. This plan involves the creation of a data pool to analyze traffic accidents, the provision of safe driver training based on the type of vehicle used by the drivers and the use of vehicle tracking software to understand driving profiles.

**Safety Improvement Plan (SIP) Targets:** We announce SIP targets for the entire organization each year. In 2021, we made SIP specific to directorate levels. In addition to targets such as field inspections, employee meetings and contractor meetings, managers can include targets they set themselves within the scope of the SIP for the purpose of engaging them in the improvement process.

**Video Verification System:** Having been implemented in distribution companies for two years in high-risk jobs such as energization-deenergization, energy control, working at heights and grounding, the video verification system ensures that our employees start their work after approval from the officer watching the video. To ensure and improve the effectiveness of this system, videos are recorded on an online platform, and the compliance of the process is monitored by engineers, ensuring continuous improvement. Any work that does not comply with instructions and procedures is identified and employees are given feedback.

# HEALTH, SAFETY AND WELL-BEING

## Coronavirus Measures

We established a Coronavirus Crisis Committee to manage issues related to the Covid-19 pandemic effectively and take actions quickly. We drew up plans to determine actions needed to be taken in case of suspected or confirmed active cases. We have updated these plans within the scope of notifications set out by Ministry of Health. We reported the number of confirmed, suspected and recovered cases daily to the Coronavirus Crisis Committee. In addition, we presented a weekly report to the Committee, which includes trends in the number of cases, the number of confirmed and recovered cases, the average age of those who tested positive for Covid-19, their treatment status and people they have come into contact with.

We meticulously implemented several measures throughout the organization:

**Risk Group Evaluation:** At the beginning of the process, we conducted evaluations regarding the situation of employees suffering from chronic diseases or disabilities as well pregnant women. These employees, who were in the high-risk group, continued working remotely or on rotational shift work models, or took administrative leave.

**Review of Working Conditions:** In line with the principles of remote working, we implemented plans to minimize the number of employees in the offices.

**Cleaning and Disinfection Plans:** We updated existing cleaning plans at all locations and tripled the frequency of cleaning. We reviewed the disinfection methods in light of the circulars issued by the relevant official institutions.

**Training:** Workplace doctors conducted activities to raise awareness regarding disease prevention and control at approximately 150 sales and distribution points.

**Physical Barriers:** We placed barriers at all locations to reduce the risk of infection, especially at payment counters and other counters where customers are physically served.

**Entry-Exit Controls:** We initiated temperature measurements, HES (Life Fits Home) code inquiry and coronavirus assessment of visitors at all operational facilities.

**Contact-free Technologies:** In all buildings and their annexes, common use areas, such as entrances and faucets where hand contact is intense, were refitted with sensors to reduce direct contact.

**Appointment System:** We took measures to reduce customer density by ensuring appointments were made through digital channels at all locations that physically serve customers.

**The TSE Safe Service Certificate:** In line with the Infection Prevention and Control Guide prepared by the Turkish Standards Institute, we applied to certify the compliance of our workplaces with current standards.

**Supply of Masks:** We provided seven million masks, as well as surface and hand sanitizers to our employees. We also provided washable masks in a bid to minimize waste.

**Communication Activities:** We carried out regular communication activities through short messages, e-mails, posters and the İKON application to promote awareness with our employees and ensure compliance with pandemic measures.

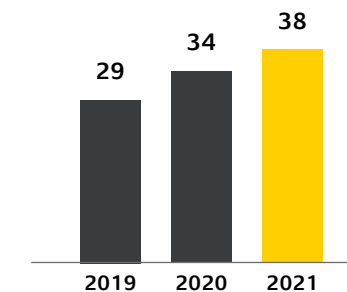
**Vaccination Rates:** Since the start of the vaccine rollout, we have monitored the vaccination dates of our employees and the vaccination rate of the organization and have reported the results to senior management.

## OHS Performance Indicators

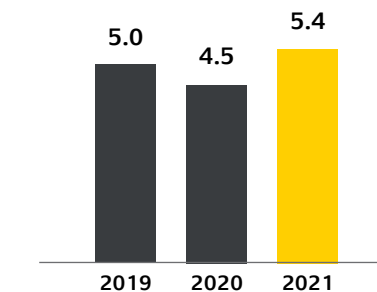
We monitor OHS performance in line with critical accident targets. In addition, we ensure the participation of the entire organization in OHS audits and contractor management by monitoring SIP targets at the directorate level.

We monitor our OHS performance based on the following metrics. Data includes all our employees and contractors.

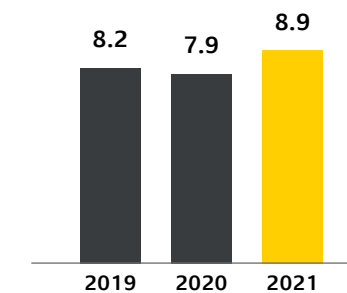
Number of Critical Accidents



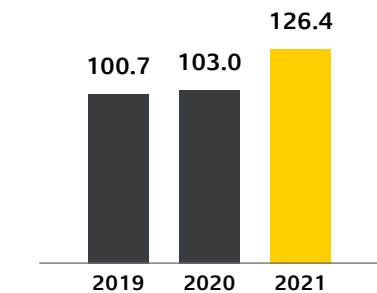
Total Recordable Incident Frequency Excluding Slip, Trip and Fall Incidents (TRIF W/O STF)<sup>1</sup>



Total Recordable Incident Frequency (TRIF)<sup>2</sup>



Lost Time Incident Severity Rate (LTISR)<sup>3</sup>



<sup>1</sup> Total Recordable Injury Frequency W/O Slip, Trip and Fall Accidents: (Accidents resulting in fatality, lost workdays, medical treatment; excluding flat slip, trip and fall accidents) x 1,000,000 / Total working hours

<sup>2</sup> Total Recordable Incident Frequency: (Accidents resulting in fatality, lost workdays, medical treatment) x 1,000,000 / Total working hours

<sup>3</sup> Lost Time Incident Severity Rate (LTISR): (Total number of lost workdays due to work accidents) x 1,000,000 / Total working hours

\* The numbers are consolidated for the Enerjisa employees and contractors.

# MANAGEMENT OF VULNERABLE CUSTOMERS

As a public service provider that serves as a role model, providing affordable energy to disadvantaged communities is a critical part of our agenda for social justice and the promotion of sustainable energy.

We define vulnerable customers in accordance with the parameters specified in the regulations and focus on the services provided for these customers. According to our classification, the number of vulnerable customers in our regions as of year-end 2021 is given below:

Over the age of 65	Families of soldiers killed in action, veterans and disabled veterans	Device Dependent Patients (Hasta Var)	Subscribers who submitted a health committee report
1,145,541	20,449	2,051	193

Covid-19 increased vulnerabilities and sensitivities. 2020 was a challenging year for us and our stakeholders. During the period from March to June of 2020, we temporarily suspended disconnection processes for customers in case of unpaid bills in order to provide uninterrupted electricity at the peak of the pandemic.

Moreover, according to the amendments on the Regulation on Electricity Market Consumer Services Regulation in 2021, the rules have been tightened for cutting off electricity in case of unpaid bills for defined vulnerable customers. Therefore, electricity will only be cut off in case of failure to pay the bill for three consecutive months and if it is proven that a disconnect notice has been served for the following:

- Families of soldiers killed in action, veterans and disabled veterans
- Consumers over the age of 65
- Subscribers who submitted a health committee report stating that were more than 40% disabled

**Device Dependent Patients (Hasta Var Program):** If the medical condition of a patient requires the use of critically important medical equipment and in case of outage in the area, emergency supply is provided to these regions. In 2021, the number of customers using this service was 2,051.

**Services for Customers with Visual Impairment:** We deliver the details of electricity bills belonging to our customers with visual impairment through automatic calls, voice recording and/or printed with the Braille alphabet. As part of this project, we prioritize calls from the customers with visual impairment in our call center and facilitate swift access.

**Electricity Consumption Support for Underprivileged Customers:** According to the Presidential Decree on the Provision of Electricity Consumption Support to Low Income Households ("Decree"), energy support is provided to meet the minimum needs of households who are Turkish citizens and who are currently eligible to receive monthly or regular social assistance from the Social Assistance and

Solidarity Foundations. According to the Decree, 75 kWh for households of one-two people, 100 kWh for households of three people, 125 kWh for households of four people and 150 kWh for households of five or more is provided as support.

**Equal Access Project:** We launched the "Equal Access" project to enable our customers to receive the best service without any obstacles. In addition to behavioral training, the project aims to remove speech and hearing

obstacles with sign language training offered to 45 of our employees from all Customer Service Centers. We also introduced the "Disabled Button" practice in our Customer Service Centers. The disabled customers can use the button at the entrance or in bathrooms. The security personnel can see the alert on Keypad and assist the disabled person. The alert is also monitored at the Ankara Emergency Coordination Center. Efforts are underway to provide equal access at all our service centers.



# CORPORATE SOCIAL RESPONSIBILITY AND COMMUNITY INVESTMENTS

We make voluntary contributions as well as providing direct financial support to the prosperity of society with our community investments. We aim to develop corporate responsibility projects that have a strong community impact.

We continued our corporate social responsibility and community investment activities with a focus on education, energy conservation, the environment and society in 2021.

## I AM PROTECTING THE ENERGY OF THE WORLD

Energy conservation is among the most significant energy-related issues in Turkey. We seek to raise social awareness of energy efficiency, particularly in primary school pupils with the aim of creating a positive impact on the society. With the project named “I am Protecting the Energy of the World”, which was implemented within the framework of the protocol signed with the Ministry of National Education, we have been carrying out activities aimed at raising awareness regarding energy efficiency among children since 2010. Since the start of the project, we have provided energy conservation training to more than 300,000 pupils

from 650 schools in 14 provinces with the voluntarily participation of our 420 employees. We suspended the training programs in 2021 because of the pandemic.

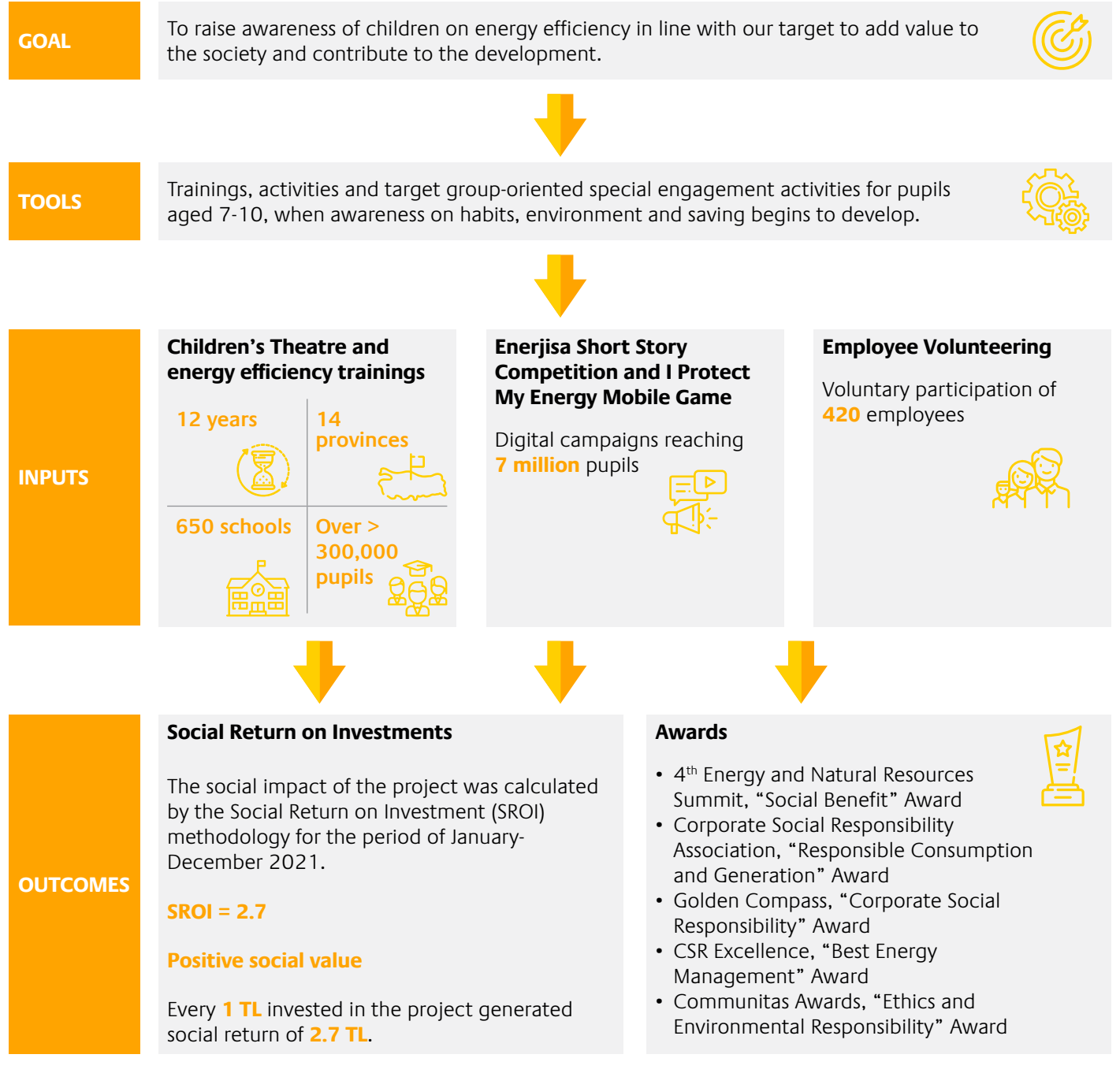
In 2021, the 11<sup>th</sup> anniversary of the project, we organized a short story competition where children wrote essays about how they imagined they could save the world. The theme was “efficient use of energy resources for the protection of natural energy resources”. We reached 1.5 million views through the project’s digital communication campaign. The picture book containing graphic versions of 10 stories has been given as a gift to children starting in 2022.

Additionally, within the scope of this project, we continued to hold children’s plays to educate children in 2021 within the constraints presented by the pandemic. We organized plays in Ankara during the November school break. We reached 600 children with free of charge activities and created awareness of energy conservation.

Within the scope of the children’s theatre, we combined a fairy tale coloring book entitled “May the Stars Not be Offended” and a finger puppet set to create a home theatre project. We delivered this set to more than 10,000 children in the 14 provinces we operate in.



## I AM PROTECTING THE ENERGY OF THE WORLD



### SDGs



\* The SROI methodology is developed to calculate the social value created by socially oriented projects. The SROI analysis targets to understand the social change created on the stakeholders through field surveys and the impact of is reflected via financial values. Thus, a ratio to reflect social benefits and costs can be calculated.



# CORPORATE SOCIAL RESPONSIBILITY AND COMMUNITY INVESTMENTS

## SUSTAINABLE ENERGY BASED TOURISM PRACTICE CENTER (SENTRUM)

Our aim is to transform the selected destination (Ayvalık-Küçükköy) into a Sustainable Energy Based Tourism Practice Center (Sentrum) with the project of the same name. We initiated the project in cooperation with the United Nations Development Programme (UNDP) and Sabancı University in 2021.

The project will contribute to 10 of the United Nations Sustainable Development Goals and aims to achieve the following:

- Raise awareness of energy efficiency by developing a Sustainable Green Destination Model,
- Support social, environmental and economic transformation in the field of sustainable tourism,
- Contribute to society-based socio-economic development by raising awareness of energy efficiency and the use of renewable energy resources,
- Create a scalable and reproducible Sustainable Green Destination Model in Küçükköy-Ayvalık.

This pilot study project will consist of four phases. In the first phase, an inventory of touristic assets will be prepared, energy efficiency analysis will be conducted in the region, women in the region will be included in the project as part of our promotion of gender equality and innovative financing models will be identified for energy efficient practices. While providing energy savings,



studies regarding the use of renewable energy resources and tourism enterprises in the region will also be carried out during the design phase of the model. In parallel with the findings of these studies, an environmentally friendly transportation systems will be encouraged and the necessary improvements will be completed. At the same time, a sustainable production and consumption strategy for the tourism destination will be determined, a green procurement and supply chain management strategy will be created and the tourism ecosystem in the region will be reconstructed with a sustainable perspective.

In addition, a “Sentrum Coordination Office” will be established which will be open to local people, businesses and tourists, offering all stakeholders an awareness of energy efficiency and the use of renewable energy resources.

This process is expected to mark the beginning of a significant transformation due to its environmental, social and economic potential. We will also support the project with our “Energy of My Business (İşimin Enerjisi)” brand in areas such as energy efficiency, savings and reduction of carbon emissions as well as encouraging the use of renewable energy resources.

With the Sustainable Energy Based Tourism Practice Center model, we aim to contribute to the country's economy and create a society more sensitive to environmental issues by educating local people.

## EMPLOYEE VOLUNTEER ACTIVITIES

We support our employees' voluntary participation in social responsibility projects as well as their efforts to contribute to social welfare in every aspect. We believe that volunteer activities not only boost employee morale and loyalty, but also strengthen their sense of belonging within the Company.

In 2021, our volunteer activities were limited due to Covid-19. Our employees participated in the Republic Mobilization of Sabancı (Sabancı Cumhuriyet Seferberliği), which was initiated under the leadership of Sabancı Holding and took place from 29 October to

**“We donated a total of TL 38.6 million in 2021. Every year, we donate to the Sabancı Foundation, which contributes to society with social and cultural projects that leverage the industrial and economic strength of the Sabancı Group.”**

10 November. Within the scope of the mobilization, 266 Company employees took part in activities such as painting schools, planting saplings, preparing parcels for children with leukemia, cleaning the environment and distributing food to animals for a total of 800 hours.

We sponsor a coding program developed by Kodluyoruz (an association which works on coding).

The aim of the program is to train young programmers to create social benefit and create equal opportunities for young people to study in all cities of Turkey. Candidate programmers can participate in the program after passing certain stages. In the first bootcamp held in 2021, 35 participants received 72 hours of Java and SQL training. In the second bootcamp, 34 participants received 70 hours of Data Science and Analytics training per person. Our Human Resources and IT employees supported the process by participating in the webinars as speakers to meet and assist the participants.

Our employees also participate in the Tomorrow Is Ours (Yarın Bizim) project as volunteer mentors. This is a social responsibility project implemented by the Sabancı Group to support the personal and academic development of 12<sup>th</sup> grade students with at least one immediate family member who works in healthcare. Our employees shared their knowledge and experience as mentors, introduced their companies and professions and thus contributed to the students' development with a wide range of other content by conducting online interviews with students for a year after they had received their mentoring training.

## BAŞKENT EDAŞ SPORTS CLUB

We carry out activities to protect our youth from bad habits and contribute to their wellbeing and education. For that purpose, we have been supporting Başkent EDAŞ Sports Club since 2010 with the volunteering of our employees.

We contribute to the physical and mental development of the youth through our support for the Başkent EDAŞ Sports Club. The club provides the youth aged 11-18 with the opportunity to do sports, develop themselves,

realize their potential, and prepares them for the future by providing them teamwork experience.

With a total of 105 athletes under the supervision of 3 coaches, Başkent EDAŞ Sports Club competed in the five football categories in 2021. The Club participated in the Turkish championship in the U17 category in 2021 as the Ankara championship and reached the final. In the U18 category, the club participated in the Turkish Amateur League Championship as the Ankara Amateur Football League Playoff A champion.

## DONATIONS AND SPONSORSHIPS

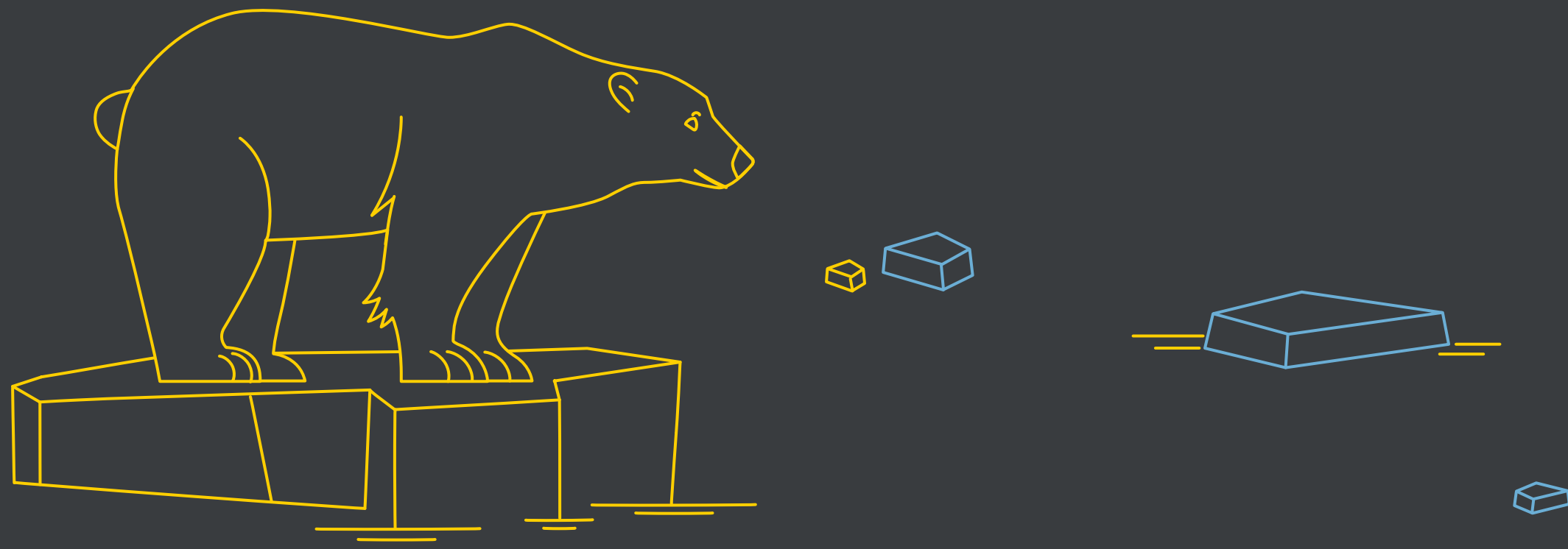
In 2021, we donated TL 27 million to the Sabancı Foundation and Sabancı University, which is mostly used in educational and cultural projects in Turkey. In addition, we continue to support local NGOs focused on social, educational and environmental issues, and donated supplies to those whose homes were damaged in the forest fires in Adana and Osmaniye.

We also sponsor several projects which unite stakeholders in Turkey and around the world to create value in various areas, such as digitalization, innovation and energy efficiency. In 2021, we provided TL 1.2 million of support within this scope. Moreover, in order to increase our brand recognition and strengthen our relations in the energy sector, we sponsored the Turkey Energy and Natural Resources Summit, the 11<sup>th</sup> Turkey Energy Summit & ISTRATE Energy Supply and Trade SISO Summit, the event to commission the new EMRA Service Building, the Fast Company Climate and Sustainability Summit, the World Energy Congress, the South-Eastern Energy Forum and the Eurasia Cogeneration Conference.





# WE STRIVE FOR A SUSTAINABLE FUTURE



**IMPACT FOR PLANET**

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# “We reduce the ecological impact of our operations by transitioning to a carbon-neutral business model and zero-waste operations.”

The anthropogenic impact that results in environmental problems, namely climate change, environmental pollution, depletion of natural resources and loss of biodiversity, are increasingly felt all around the world. The Covid-19 pandemic has served to highlight the significance of healthy, safe and environmentally-friendly operations. The pandemic has clearly proven that natural resources are not unlimited, business continuity cannot be achieved in a world where climate and biodiversity are not protected and the conservation-utilization balance must be considered in the process of development. Moreover, Turkey’s ratification of the Paris Agreement and the Green Deal action plan are likely to accelerate the momentum in its national policies and practices to reduce GHG emissions in accordance with its Intended Nationally Determined Contribution.

We closely follow recent global and national trends and take actions accordingly. As part of our approach to environmental management, we try to preserve natural resources and do our part in the fight against climate change. We are committed to developing action plans for Net Zero emissions. We aim to reduce the environmental impact of our operations and decrease our carbon emissions by focusing on energy efficiency in our facilities. We are also committed to conserving our ecosystem and biodiversity. We explore opportunities for implementing circular economy principles in our operations as well as achieving Zero Waste.



## OUR APPROACH TO ENVIRONMENTAL MANAGEMENT

Unless limited resources are managed carefully, the ecosystem and biodiversity are preserved and the necessary actions are taken to tackle climate change, there will be irreversible changes in the environment with an inevitable impact on the global economy and societies. With this in mind, we act in full compliance with legislation and proactively take responsibility in all our operations with our environmentally conscious approach.

Within the scope of our Environmental Management System, we assess and manage our environmental risks and opportunities and continuously improve our environmental performance with a particular focus on mitigating the adverse impact of our operations on the environment. Therefore, we assume responsibilities beyond the requirements of the legislation in our relations with contractors and suppliers, encourage our stakeholders to adopt good environmental practices and closely monitor their environmental performance in line with our environmental sustainability goals.

[Click here to access our Environmental Policy.](#)

Our Occupational Health, Safety and Environment Department in the distribution business unit oversees issues related to the environment and reports to the Head of the Distribution Business Unit under the CEO, and the Occupational Health, Safety and Environment Unit in the retail business unit reports to the Head of Sustainability and Corporate Capabilities Department under the CEO/CFO.

In 2021, we set goals regarding pollution prevention and environmental impact management in line with the life cycle principle, circular waste management and resource efficiency (recovery of electricity, fuel, network assets) as part of the ISO 14001:2015 Environmental Management System and environmental sustainability compliance activities and we delivered improvements to attain these goals.

All our locations have ISO 14001:2015 Environmental Management System certification. According to the annual audits conducted in 2021, we carry out our operations in line with the framework of the continuous

improvement principle, as defined in the management system.

In 2021, we continued our collaborations with NGOs and participated in the Working Group on Environment and Climate Change and the Sub-Working Group on Circular Economy of the Turkish Industry and Business Association (TÜSİAD), aiming to improve our environmental performance. In 2021, we also participated in “Climate Change Action Plan” workshops organized by the Ankara and Adana Metropolitan Municipalities as part of our collaborations with local stakeholders. Furthermore, in 2021, we joined the Working Group on the Environment of the Association of Distribution System Operators (ELDER), which was established to increase cooperation and harmonization of the electricity distribution companies in environmental management.

In 2021, we provided 3,869 hours of sustainability and environment training to 3,069 employees.

In 2021, we did not incur any penalties from the Ministry of Environment, Urbanization and Climate Change or any other local authority pursuant to Environmental Law No. 2872.



# EMISSIONS

Our sector plays a critical role in the transition to a low-carbon world. Accordingly, we place climate change and carbon management at the top of our priority list. Climate Change initiatives are embedded into our Company/CEO scorecard, which is approved by the Board of Directors. We disseminate these targets to the relevant business units and their realization impacts annual performance and thus remuneration.

In 2021, we initiated our Net Zero Project as part of our ambitions to switch to a low-carbon economy. We will be defining short, mid and long term targets by evaluating different scenarios. All outputs will be reflected on our strategy and financial planning. We aim to establish our decarbonization strategy in 2022.

In 2021, we conducted activities to raise awareness of climate change. A total of 100 people from management and related units attended two information meetings held as part of these activities.

We organized a competition on the environment featuring prizes throughout the Company on June 5, World Environment Day, which is celebrated to raise global awareness and to foster action integrity for the protection of the environment. 1,500 employees participated in the contest and 25 employees were presented various awards with the drawing organized following the competition.

*For information on our initiatives on climate change, please refer to "Sustainable Products and Services" section.*

## Emission Reporting

We monitor our emissions under Scope 1-2-3; constantly review and improve reporting methodologies in order to meet the transparency and consistency expectations of our stakeholders. Our Scope 1, 2 and 3 emissions go through an external assurance process annually since 2020. Depending on different factors such as recent availability of better data collection methods or increase in reporting scopes, it might be necessary to revise data pertaining to previous years. Where the revised figures



have a material impact on our consolidated figures, we restate the relevant data in the sustainability report.

Our Scope 1 emissions were 59,952 metric tons in 2021. Our Scope 2 emissions, which includes distribution losses, were 1.94 million metric tons and our Scope 3 emissions, which include emissions from electricity sold to customers, was 16.97 million metric tons. Our energy intensity in 2021 was 0.62 kg CO<sub>2</sub> / TL (2020: 0.87 kg CO<sub>2</sub> / TL).

Details of our emissions can be found in Annex V. ↗

## Changes in Reporting Scope

**Scope 1 emissions:** SF6 emissions make up almost half of our Scope 1 emissions. Our Scope 1 emissions increased 35% year-over-year in 2021, and most of this increase can be attributed to increased SF6 emissions. The reason for this increase is not an organic increase in SF6 emissions, but the fact that we initiated a more robust system to track our SF6 impacts. As SF6 is one of the most impactful items in our Scope 1 inventory, we target to be transparent and full scope reporting is an important step towards reducing it.

**Scope 2 emissions:** Purchased electricity amounts and the Scope 2 emissions associated by these purchases were also restated for 2020 as we are now able to start monitoring additional locations that were not possible previously. Past-year data also became available for these locations.

**Scope 3 emissions:** Additionally, we also altered the methodology to calculate emissions from the production of electricity we sell to customers. Previously, we considered all distributed electricity in our regions and retail electricity sold in other regions in our Scope 3 inventory. However, there are customers in our distribution regions who do not purchase electricity from us.

Therefore, we assessed that it would be better to report emissions related to our retail electricity sales in all regions (in our distribution regions and other regions). 2019 and 2020 figures for production of sold electricity were restated to better reflect year-on-year performance on this item. We also included emissions from purchased paper and plastics used in our operations to our Scope 3 inventory for the first time in 2021 as part of our goal to constantly improve our scope and transparency.



### Climate Project on the Use of SF6 Gas in the Electricity Sector

We participated in the "Climate Project on the Use of SF6 Gas in the Electricity Sector" financed by the European Union and conducted by the Paper and Recycling Industrialists Association (AGED) and ELDER (Association of Distribution System Operators of Turkey). With this project, we aim to develop a framework to monitor and recycle SF6 gas, a widely used GHG in the electric sector, in compliance with the provisions of the Regulation on Fluorinated Greenhouse Gases, thus mitigating the impacts of climate change caused by SF6.



## Air Quality

As we do not generate electricity, our direct impact on air quality is limited. We nevertheless monitor and aim to reduce emissions that affect air quality and operate in compliance with the Regulation on Control of Industrial Air Pollution and Regulation on Control of Exhaust Gas Emission for emissions from our generators, equipment and vehicle fleet.

Under normal operating conditions, our activities do not produce any polluting gas emissions other than using fossil fuels for heating and transportation.

# EMISSIONS

We conduct activities and implement various practices to manage and reduce our emissions:

	Practices to Reduce Emissions	Impacts of the Practices
<b>Scope 1</b>	<p><b>Fleet Vehicle/Fuel Consumption</b> We are setting our Fleet Transformation Plan. We aim to replace the diesel vehicles in our administrative fleet with hybrid and electric vehicles.</p> <p>We replace diesel forklifts with electric ones in new purchases. Currently, we have two electric forklifts in our fleet, and we aim to increase the share of electric forklifts in our fleet.</p> <p><b>Fuel Consumption</b> With the completion of the driver tracking system for the fleet vehicles of the distribution business unit, we will start tracking vehicle requirements in the fleet. As a result, we will reduce the number of vehicles and accordingly, fuel consumption.</p>	<p><b>Fleet Vehicles</b> In 2021, 42 electric/hybrid vehicles were added to the fleet and the share of electric and hybrid vehicles in the administrative vehicles fleet increased from 8% in 2020 to 13% in 2021.</p>
<b>Scope 2</b>	<p>We aim to reduce our indirect Scope 2 emissions by purchasing energy from renewable resources for our energy consumption.</p> <p>We regularly monitor our electricity consumption to boost efficiency through root-cause analysis and improvement projects.</p> <p>Our investment program for improving the reliability and modernization of our grid network directly impacts our Scope 2 emissions as we are responsible for emissions of grid losses as a distribution company.</p>	<p>In 2021, we met almost all of the electricity requirements of our facilities through green energy supply.</p> <p>In 2020, we initiated a pilot project in the electricity distribution business line (98 buildings) to monitor electricity consumption in real time via the AMRS system. With the expansion of the project to other regions in 2021, the number of buildings in which electricity consumption is monitored in real time via the AMRS system reached 150.</p> <p>In 2021, we invested TL 200 million towards improving the efficiency, modernization and loss reduction projects in our grid.</p>
<b>Scope 3</b>	<p>For the first time in December 2020, we signed bilateral agreements (Power Purchase Agreements - PPA) to supply electricity directly from renewable power generators.</p> <p><b>Solutions for Customers (Indirect Impacts)</b></p> <p>Green Energy Solutions: With two types of certificates, GHG emissions from the electricity consumption of customers are reduced or neutralized.</p> <p>Lighting Conversion Solutions: In 2021, we initiated a LED conversion project consisting of 11,000 fixtures with the Energy Performance Contract (EPC).</p> <p>Process Efficiency Projects: In 2021, we started a project to renew the compressed air system with the EPC model of one of the largest manufacturers in the iron and steel industry.</p> <p>CHP and CCHP Solutions: Cogeneration and trigeneration services are provided with an installed capacity of 3.8 MWe.</p> <p>Distributed Generation Solutions: In 2021, we put 13.4 MWp of SPPs into operation and the total installed power reached 22.6 MWp.</p> <p><b>Digital Channels</b></p> <p>With the digital and remote application channels developed for the retail companies, we target to reduce the need for customers to visit physical channels.</p> <p>Digital Application System for New Connections Annually, 45 operation centers under our three distribution companies receive over 100,000 connection applications with the documents specified in the regulations. Thanks to the update in August 2021, applications for new connections can be submitted online and 24/7 via ybp.eedas.com.tr.</p>	<p>With the bilateral agreements for renewable energy resources, we supplied electricity for liberalized customers partially from renewable energy resources.</p> <p><b>Benefits to Customers</b></p> <p>Green Energy Solutions: In 2021, we sold 284 GWh of renewable energy certificates and CO<sub>2</sub> emission reduction certificates equivalent to 27,000 metric tons were sold.</p> <p>Lighting Conversion Solutions: With the projects completed as of end of 2021, c.3,650 MWh of energy was conserved, while c.1,730 tons of CO<sub>2</sub> emissions were prevented.</p> <p>Process Efficiency Projects: With the project initiated in 2021, approximately c.280 MWh of electrical energy will be conserved, while c.130 tons of CO<sub>2</sub> emissions will be prevented per annum.</p> <p>CHP and CCHP Solutions: The efficiency resulting from these facilities is expected to prevent a total of more than 30,000 tons of CO<sub>2</sub> emissions over 10 years.</p> <p>Distributed Generation Solutions: With the total installed capacity, c.12,200 tons of CO<sub>2</sub> emissions were prevented.</p> <p><b>Digital Channels</b></p> <p>Thanks to the exclusive developments made for digital and remote channels in 2021, the number of applications submitted to physical channels decreased by 7%.</p> <p>Digital Application System for New Connections Consumption of 8 million pages of A4 paper will be avoided per year, which will save approximately 100 trees every year.</p> <p>Since the applications can be submitted without the need to visit the operation center, fossil fuel consumption, as well as the carbon footprint will decrease.</p>

# ENERGY EFFICIENCY

Focusing on and improving energy efficiency is a key step in tackling climate change. We are keenly aware of our significant role in climate action, so we aim to mitigate the direct and indirect impacts of the energy consumed in our operations. We closely monitor our energy consumption, invest in energy efficiency and mitigate our operational environmental impact.

In 2021, we started establishing the ISO 50001 Energy Management System to monitor our activities in a systematic and measurable manner. We plan to complete the certification process in 2022.

Some of our ongoing major energy efficiency projects are as follows:

**Smart Grids:** We analyze grids built in compliance with renewable energy systems for the energy infrastructure and energy storage systems of the future through pilot projects. Within the scope of these projects, we target to manage the electric public transport and charging infrastructure in an integrated manner. These pilot projects aim to make significant improvements in energy efficiency and reduction of GHG emissions. Furthermore, with smart electricity meters and automatic meter reading studies, we aim to prevent energy losses caused by meter failures.



**HASAT Project:** With the purpose of developing innovative practices and methodologies to increase energy efficiency in the electricity distribution industry and defining a roadmap for energy efficiency, the HASAT Project was initiated in collaboration with ELDER and with the participation of other Electricity Distribution Companies. With the project, we aim to develop practices in order to identify infrastructure and systemic improvements and to encourage consumers to use energy more efficiently.

While managing the environmental impacts of our activities, we also offer our customers leading energy solutions in tackling climate change.

For further details on sustainability investments, please refer to "Sustainable Investments" section ↗



**Dr. Göktürk Poyrazoğlu**  
Özyeğin University Electrical and Electronics Engineering

We worked with Enerjisa on the HASAT project to make the distribution grid more energy efficient. We also conducted a study on the use of sustainable and clean energy in e-mobility. I believe that Enerjisa Enerji is a company that not only meets global standards but also sets them.



We are keenly aware of our significant role in climate action, so we aim to mitigate the direct and indirect impacts of the energy consumed in our operations.

# BIODIVERSITY

One of our priorities is to converse biodiversity and mitigate the possible negative effects of our operations on the ecosystem. Our Environmental Policy serves as a guide in all our efforts to conserve biodiversity. We put a strong emphasis on the principle of zero harm to natural life in our areas of operation, which are spread over 14 provinces in Turkey, covering approximately 60% of Turkey's biogeography.

Our electrical grid covers important designated areas such as RAMSAR sites, national parks and other nature conservation areas in Turkey. Furthermore, Turkey is a significant feeding and breeding area for birds given the two major global bird migration routes that cross the country. As the electrical grid operated by AYEDAŞ, Toroslar EDAŞ and Başkent EDAŞ also intersects with important flyways of birds, it is critical to identify biodiversity risks, assess the impacts of our operations on biodiversity and properly manage the risks. We take appropriate measures to mitigate the impact of our operations and investments in line with national and international legislation and our Biodiversity Conservation Action Plan developed in 2020.

Within the scope of the European Bank for Reconstruction and Development (EBRD) financing facility, we developed a Biodiversity Conservation Action Plan for our regions. As part of the Action Plan, we prepared Ecological Risk Assessment Reports with the guidance of flora-fauna experts to assess the current situation. We conducted the assessment in accordance with the EBRD Biodiversity Conservation and Sustainable Management of Living Natural Resources Guide, as well as the Bird Protection Plan prepared in the light of ornithological surveys.

With the Biodiversity Conservation Action Plan, we aim to comply with legal requirements arising from national legislation and international obligations including the Convention for the Conservation of European Wildlife and Natural Habitats (BERN), the Rio Convention on Biological Diversity, the RAMSAR Convention (Convention on the Protection of Wetlands) ratified by Turkey in 1994 and the EU Habitat and Bird Directives.

As per our Biodiversity Conservation Action Plan, we specified actions to be taken as follows:

- Defining the diversity of the ecosystem and its characteristics in the distribution regions: A biological diversity inventory and conservation measures that will form a basis for conservation activities in all areas to be protected within the legal boundaries of electricity distribution regions shall be included in the action plan. As part of that action, we defined the status of conservation and/or development sites, key bird and plant areas, sensitive areas, national parks, natural parks, RAMSAR sites and wetlands specified by national and international legislation and conventions in the distribution regions.
- Identifying the vulnerability, rarity and protection status of the living species.
- Assessing the potential impacts of electricity distribution activities on the ecosystem and related habitats.
- Preparing an Action Plan to manage and monitor our mitigation activities.

We carry out various projects as part of our biodiversity conservation efforts, which are detailed below:

**Daphne Project:** Trees along the routes of energy transmission lines may cause electricity loss and fires in the event of contact with the lines. Vegetation is removed for a certain cross-section of the energy transmission lines as per applicable regulations. If required, trees are cut or pruned. However, this process has significant ecological and financial impacts.

With the Daphne Project, we aim to ensure line security and prevent possible fires by planting suitable tree species instead of underline cutting or pruning. Thus, we target not only the security of the distribution lines, but also the sustainability of nature and protection of the environment. The project aims to reduce outages and losses on the energy transmission lines due to trees, avoid electricity outage for extended hours, reduce costs related to losses and conserving the balance of nature, as well as ecological conditions.

“With the Daphne Project, we aim to ensure line security and prevent possible fires by planting suitable tree species instead of underline cutting or pruning.”

As part of the project, we focused on choosing the right tree type with high added value and economic return based on literature review and research. Based on the results of our research, we decided to plant bay trees (daphne) and planted 5,500 bay tree saplings in the designated area in Bartın. The project has various direct and indirect results, such as reducing the workload of the maintenance teams, malfunction repair costs, energy losses and preventing possible accidents, etc.

**High Voltage Aerial Line Insulation Project:** Due to our operations, birds, particularly migratory birds, face the risk of electrocution as they often perch and nest on utility poles or go between two conductors, which often leads to bird fatalities. As part of the High Voltage Aerial Line Insulation Project, started at the end of 2017, we retrofitted several power lines with insulators.

**Bird Deterrent:** In order to avoid bird fatalities, we installed insulators on the lines over migration routes or lines considered to pose a risk. We designated a line in Adana for the installation of insulators and started monitoring it. With this project, we aim to conserve bird populations in the region as well as the biodiversity of avifauna.

**Bird Deflector:** In order to minimize bird fatalities due to electric shocks, we started a pilot project to install Bird Deflectors on designated aerial lines.



# WASTE MANAGEMENT

We conduct all our waste management operations in compliance with the relevant legislation, our OHS and Environmental Policy and international standards. We determined methods for the prevention and reduction of waste at the source, for collection, transportation, storage, recycling and/or final disposal of domestic, industrial, hazardous and non-hazardous wastes arising from our activities in accordance with the waste hierarchy.

We designed our Waste Management System in compliance with ISO 14001, applicable legislation and our sustainability goals. We are committed to continuously improving our waste management system. We conduct all material use and waste management processes with the aim of mitigating environmental impacts and evaluating waste management based on the principles of a circular economy.

Our waste management approach for hazardous and non-hazardous waste is as follows:

## HAZARDOUS WASTE MANAGEMENT

We store hazardous wastes in accordance with legislation, and the waste is disposed of by licensed recycling companies. We have 8 Logistics Service Centers Hazardous Wastes Temporary Storage Areas in various cities in compliance with legislation for wastes generated by our distribution operations. As a result, we separate our waste at the source, store it for recycling/recovery while preserving its capacities and deliver them to authorized waste companies.

We have Hazardous Waste Temporary Storage Permits for all our sites and annually renew the Dangerous Goods and Hazardous Waste Compulsory Liability Insurances that are legally required for all storage areas where hazardous wastes are temporarily stored. In 2021, we generated 3,804 tons of hazardous waste and sent all of it to recycling facilities.

## NON-HAZARDOUS WASTE MANAGEMENT

In 2021, we sent a total of 7,563 tons of non-hazardous waste generated at our facilities to recycling facilities.

We completed the project to establish the Zero Waste System in compliance with Turkey's Zero Waste Regulation. The application and approval procedures for the certification process of the Zero Waste System are ongoing at our HQ buildings while the Toroslar HQ building has the fundamental level of zero waste certification since January 2021.

**Grid Waste:** We attach importance to bringing operational wastes into the circular economy. Our operational grid waste may contain valuable and recyclable/reusable materials that should be included in the circular economy. We ensure the adequate collection of network waste arising from our distribution activities, re-use when necessary and as much as possible, storage pursuant to legislation and disposal by licensed recycling companies in order to reduce resource utilization and to control environmental impacts with the life cycle approach. Accordingly, we pass our grid wastes through the Material Quality Control and Recycle Test Center processes to recycle them to the extent possible.

**Domestic and Recyclable Waste:** We deliver domestic and recyclable waste to the related municipalities and the authorized companies of the municipalities' licensed waste management facilities.

**Biodegradable Waste:** At the AYEDAŞ HQ, we recycle biodegradable waste into compost.

**Vegetable Oils:** We ensure that our catering contractors deliver waste vegetable oils arising their services to licensed companies to be disposed of in accordance with the Vegetable Waste Oil Control Regulation.

**Hygienic Waste:** As part of the Covid-19 measures, we established a waste collection and disposal system in compliance with legislation regarding the waste created by masks, gloves and single-use hygiene materials.

**“We perform all material use and waste management processes with the purpose of mitigating environmental impacts and bringing wastes into the circular economy.”**

**Medical Waste:** We manage medical waste generated at the workplace healthcare units in accordance with the Regulation on Medical Wastes. This waste is properly disposed of by licensed companies.

Below are other highlights of our waste management efforts in 2021:

Practices	
<b>Reducing On-Site Consumption</b>	<ul style="list-style-type: none"> <li>In 2021, approximately 25% paper saving was achieved compared to the previous year, by printing and copying on both sides of papers; thus, approximately 216 trees were saved.</li> <li>In 2021, water dispensers with filtration were used at the İstanbul Anadolu Yakası, Toroslar and Başkent Distribution HQs, preventing the purchase of 62.5 tons plastic carboys. Glass bottles were distributed to the employees, thus, a total of more than 2 million plastic water bottle waste was avoided. Elimination of use of raw materials for PET plastic carboys prevented emissions and waste of water and energy resources.</li> <li>We initiated activities to end the use of disposable plastics at the Company buildings. In-house awareness-raising activities continue in order to prevent disposable plastic, paper and other similar wastes.</li> </ul>
<b>Separation</b>	<ul style="list-style-type: none"> <li>Waste separation practices were adapted to the Zero Waste Management System at all locations. Therefore, plastic, paper, metal, glass, biodegradable and non-recyclable wastes are collected separately.</li> </ul>
<b>Recycling/ Disposal</b>	<ul style="list-style-type: none"> <li>Distribution transformers, cells and circuit breakers which are among the environmentally important materials, were recycled at the targeted level at the Company's Material Quality Control and Recycling Test Centers. Thus, a total of 618 distribution transformers, 355 cells and 270 circuit breakers were reused in all distribution companies in 2021. Hence, the environmental impacts were reduced at the production phases of these materials according to the principle of life cycle.</li> <li>Papers from certified industrial productions (Forest Certification) are used in all printers. Wastepaper is separated for recycling and delivered to the contracted local authorities to be recycled.</li> <li>The waste management plans are requested from the suppliers in accordance with their operations. Thus, the separated wastes are coordinated to be recycled or disposed in compliance with the legislation.</li> </ul>
<b>Circular Economy</b>	<ul style="list-style-type: none"> <li>The Company facilitated the inclusion of the wastes resulting from its operations in the circular economy as part of the scrap procurement contracts for 2021 in its distribution business unit. Enerjisa contractors under these contracts are required to have ISO 14001 certificates. In 2021, scrap sales tenders for the sale of useful grid inventories that will contribute to the circular economy and completed their lives were also revised according to the waste hierarchy that complies with the latest regulations in the Environmental Legislation and the principles of circular economy.</li> </ul>



# WATER MANAGEMENT

The decrease in suitable water resources throughout the world poses a risk to all humanity. Moreover, the risk regarding water resources is expected to increase with the impact of anticipated population increase, economic growth and climate change. Turkey, on the other hand, is not a water-rich country and is also on course to become “water-poor” with its growing population, developing economy and expanding cities.<sup>13</sup>

For our operations, we mainly use municipal water supplied by city networks. Some distribution locations built prior to privatization have licensed groundwater wells. However, only one of these wells is used, mostly for garden irrigation purposes and for fire hydrants.

As the direct use of water in our operations is only limited to domestic purposes, the direct impact of water-related risks on operations is relatively low. On the other hand, water-related risks may affect the ability payment of our customers who consume large quantities of water in their operations and the hydrological factors may also affect energy prices. These risks are monitored by the relevant business units and necessary precautions are taken.

We do not discharge wastewater into a receiving environment, but directly to the city sewer system (with the exception of ground water and rainwater which we use for gardening purposes). Wastewater is not contaminated with vegetable waste oils from cafeteria-kitchen and other industrial chemicals. Our distribution companies published the Instructions for the Chemical Leakage-Spill and Pollution Prevention Plan, specified the necessary rules and process controls to prevent any environmental pollution in municipal water, surface water and groundwater resources while conducting their electricity distribution activities outside the boundaries of their own buildings and informed all their employees about the issue.

<sup>13</sup> WWF-Turkey, WATER RISKS OF TURKEY REPORT, 2014, ISBN: 978-605-86596-7-4

## WATER CONSUMPTION

Administrative Affairs Units in both the distribution and retail business lines are responsible for monitoring and reducing water consumption. In 2021, total annual water consumption was 95,285 m<sup>3</sup> (91,760 m<sup>3</sup> of municipal water, 3,493 m<sup>3</sup> of groundwater and 32 m<sup>3</sup> rainwater) compared to 98,654 m<sup>3</sup> in 2020. The decrease in water consumption was due to office employees switching to the home-office working model as well as improvements made to the water infrastructure at the Company facilities.

Below are highlights of our activities in 2021 to manage water consumption:

- We continued our activities to raise awareness about water conservation in buildings and organized awareness campaigns for employees.
- We use faucet aerators to reduce water consumption.
- We equipped the İstanbul and Toroslar HQ buildings with rainwater harvesting equipment that collects rainwater for garden irrigation, toilet flushing and cleaning activities at 9 locations. Thanks to these systems, we recollected and re-used approximately 32 tons of rainwater in 2021. We plan to expand the rainwater harvesting system at other locations as well.

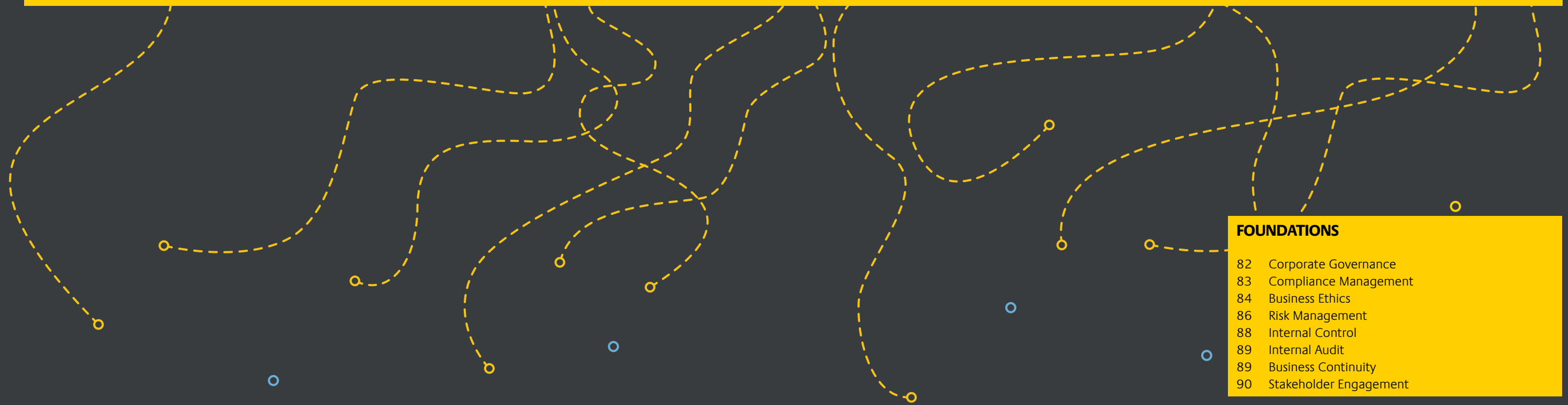
We continue our efforts to set targets to reduce potential water consumption, and we aim to complete these activities in 2022.



“As the direct use of water in our operations is only limited to domestic purposes, the direct impact of water-related risks on operations is relatively low.”



# WE IMPROVE OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE



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## 66 Our corporate governance approach is based on four main principles: Transparency, Fairness, Responsibility and Accountability.

As investors increasingly focus on how companies manage ESG issues, it is important for companies to be transparent about their ESG management. ESG metrics should be measurable, create value and be clearly linked to the company’s long-term strategy, while companies should also explain to stakeholders the rationale for choosing the specific ESG metrics they monitor and disclose.

Corporate governance essentially involves balancing the interests of a company’s many stakeholders, such as shareholders, senior executives, customers, suppliers, financial institutions, government and society. Well-run companies aim to be transparent in their operations and in all their business practices.



# CORPORATE GOVERNANCE

We believe that strong corporate governance, compliance, integrated risk management and internal control mechanisms along with effective stakeholder engagement are key to sustaining our performance. We focus on communicating the impact of operations and our performance to our stakeholders.

Today’s investors have a particular need for standardized information to assess a company’s long-term value creation strategy and its long-term risk profile.

Our culture, ethics and compliance policies are shaped by our company’s principles. We believe that behavior influences culture and that culture determines our company performance. Compliance with our principles throughout our value chain and application of these principles every day through the policies that govern our organization are very important to us.

Our corporate governance approach is based on four main principles: Transparency, Fairness, Responsibility and Accountability. We shape our management approach based on these principles and we improve our corporate governance practices every year by using best practices as a guide. We have been on the BIST Corporate Governance Index since 2019.

*Detailed information about our corporate governance rating can be found at [Enerjisa Enerji 2021 Corporate Governance Rating Report](#).*

### GOVERNANCE STRUCTURE

Our Board of Directors is the highest management body in our company and consists of eight members, two of which are independent.

Chairperson of the Board and CEO positions are held by separate individuals. The Audit Committee, the Early Risk Detection Committee and the Corporate Governance Committee report to the Board of Directors.

We determine and monitor performance indicators, risks and opportunities under the leadership of process owners and implement necessary improvements in order to increase the effectiveness of our corporate governance.

Our Board of Directors convened a total of five times in 2021. We evaluated our company strategy and our performance at these meetings, and the average attendance rate of our board members was 94% in 2021.

As per our Diversity and Inclusion Policy, we have a target of at least 25% of the members of the Board of Directors be female. As of the end of 2021, 25% of our Board of Directors were women.

### COMMITTEES

#### Corporate Governance Committee

The Corporate Governance Committee became operational following the public offering in February 2018. The Corporate Governance Committee consists of 3 Board Members and the “Investor Relations, Mergers and Acquisitions and Tax” Director. The Committee is chaired by an independent Board Member.

The purpose of the Corporate Governance Committee is to make suggestions to our Board of Directors in order to:

- ensure that the Company’s Corporate Governance Principles comply with the Corporate Governance Principles determined by the Capital Markets Board and other internationally accepted corporate governance principles and best practices,
- make suggestions for the implementation of these principles,
- monitor the company’s compliance with these principles.

# CORPORATE GOVERNANCE

The Committee also performs the duties and responsibilities of the Nomination and Remuneration Committees. The Corporate Governance Committee meets at least four times a year. In 2021, the Corporate Governance Committee convened four times.

[Click here to access the Working Principles of the Corporate Governance Committee.](#)

## Audit Committee

The Audit Committee consists of two independent board members. The Audit Committee assists the Board of Directors by advising on and making recommendations in relation to the

- integrity of financial statements and internal control processes,
- effectiveness of the Internal Audit function of the Company,
- effectiveness of internal audit processes and functioning systems,
- independence, qualifications and performance of external auditors,
- compliance with applicable laws and regulations.



Internal Audit department plans and conducts internal audit activities related to the efficiency of our internal control system. Internal Audit only shares the audit results with the Audit Committee and the Company management and monitors the planned actions.

The Internal Audit Department regularly reports its activities to the Audit Committee. In this regard, four Audit Committee meetings and one report circulation took place in 2021. Through these meetings, the Audit Committee was informed on topics including, but not limited to, improvement areas identified in audit/ consultancy activities and relevant action plans, results of follow-up activities, ethics investigation activities and significant considerations about other activities.

[Click here to access the Working Principles of the Audit Committee.](#)

## Early Risk Detection Committee

The Board delegates the monitoring of risks to the Early Risk Detection Committee. Members of the Committee are selected from Board Members (including two independent members) and the Committee is chaired by an independent Board Member. Aside from receiving regular Risks and Opportunities Reports, each committee meeting agenda includes an in-depth review of a prioritized topic. The Early Risk Detection Committee reports directly to our Board.

The Early Risk Detection Committee is responsible for advising the Board regarding risk and opportunity definitions which pose a threat to the Company's existence and strategies, relevant mitigation actions, early detection and precautions. Following Board review, the specified actions are monitored by the CFO and the Early Risk Detection Committee.

[Click here to access the Working Principles of the Early Risk Detection Committee.](#)

# COMPLIANCE MANAGEMENT

In 2020, we established the Compliance Function, setting clear roles and responsibilities. The Compliance Function is responsible for the effective execution of compliance management by identifying and preventing compliance risks, creating and maintaining compliance awareness, organizing compliance training, guiding employees and regular reporting of compliance management performance.

We initiated the process for obtaining ISO 37301 Compliance Management System Certification. As part of the process, we prepared our Compliance Policy, which was approved by the Board of Directors. Internal audit of the related departments as per requirements of the standard are completed within Distribution, Retail Sales and Group companies in June 2022 by the compliance function. We aim to complete the certification process in 2022.

The Compliance Function performs regular compliance risk assessments in order to identify potential compliance threats in our activities and the risk level to which we are exposed. Under the supervision and monitoring

of the Board of Directors and top management, we ensure that the necessary measures are taken in a timely and complete manner to prevent possible violations and compliance risks by regularly evaluating and identifying said risks. By eliminating compliance risks, we are protected from severe fines, administrative and criminal sanctions and behaviors that may damage our reputation.

The Compliance Function guides Company employees proactively for effective compliance management. The Compliance Management Unit replies to information requests from employees regarding actions and processes that may violate the Code of Conduct, carries out activities to raise awareness of related issues and plans training for our executives.

The Compliance Management Unit monitors compliance rules and possible risks through the risk matrix prepared in accordance with the related legislation.

[Click here to access our Compliance Policy.](#)



# BUSINESS ETHICS

Ethics and transparency play an important role in our governance. Together with our stakeholders, we act in accordance with the highest ethical standards in all our business processes and relationships. In 2020, we updated our Code of Conduct, which is one of the critical tools we use to bring our values to life.

Ethics, transparency, honesty and integrity are our primary values in all our business processes and relationships. The fight against bribery and corruption is at the heart of our business ethics approach for the sake of our company's reputation and the smooth functioning of our operations. Ethics is a priority for all our stakeholders, so we act accordingly.

We value stakeholder dialogue and collaboration with NGOs in the management of ethics. We are a corporate member of the Turkish Ethics and Reputation Society. In 2021, we committed to complying with the principles of Transparency International to underscore our determination to satisfy higher ethical standards.

## CODE OF CONDUCT

The Enerjisa Code of Conduct (Enetik 2.0) provides a common and binding framework that we follow at every stage of our activities. Enetik 2.0 is developed by the Compliance Management Unit in consultation with the relevant teams, reviewed once a year and updated, if required.

The Enerjisa Code of Conduct addresses various issues, such as human rights, protecting the environment, anti-bribery and anti-corruption, compliance with sector-related and general legal regulations, establishing sustainable relations pursuant to the rules of competition, protection of personal data and confidentiality, protection of corporate data and assets, principles related to the use of printed and mass media as well as social media, relations with public institutions and political organizations, conflicts of interest, accepting and giving gifts and donations, working outside of the Company, dress code, employment of relatives, Health and Safety, etc.

All our employees acknowledge that they will abide by Code of Conduct in written form. All our employees are responsible for acting in compliance with the Code of Conduct while the Compliance Management Unit is responsible for oversight. All Compliance Management Department employees completed the Corporate Ethics and Compliance Management training provided by the Ethics and Reputation Society (TEID), and they were certified as Ethics and Compliance Managers.

We collect information on risks related to violations of the Code of Conduct including anti-bribery and anti-corruption from the relevant units during qualitative risk assessment activities we conduct twice a year. We present these risks to the Early Risk Detection Committee or Risk Management Committee.

At the beginning of each year, we evaluate the realization of risk due to these violations. During back-testing, we assess the reported expectations, the probability and impacts of risk realization and measure the performance of the risk reports of the previous year.

The Internal Audit Department monitors the follow-up and investigation of violations of the Code of Conduct and the Corporate Compliance Function supports the reviews and investigations of the Internal Audit Department regarding violations of the Code of Conduct.

[Click here to access our Code of Conduct.](#)



## Informing and Training Employees

We inform all of our employees of the Code of Conduct via e-mail. The Code of Conduct is easily accessible on the Company website, in the Document Management System, which is available to all employees, and under the Sustainability menu of İKON, the mobile application for our employees.

In 2021, we continued to provide online Code of Conduct training for all employees to expand and sustain our compliance culture. In 2021, we provided 6,354 hours of online Code of Conduct training to 2,321 employees. The online training also consists of anti-bribery and anti-corruption training. Moreover, we organized exclusive training for relevant business units. In addition, specific training for anti-bribery and anti-corruption has been organized in 2022.

## Business Ethics Violation Notifications

Employees and all our stakeholders can anonymously report any non-compliance or violations of the Code of

Conduct by calling the “Enerjisa Enetik Line” at 0 (216) 579 09 14, by sending an e-mail to ENETIK@enerjisa.com, a fax to 0 (312) 573 55 56 or a letter to P.K. 2 06510 Emek/ Ankara. In addition to these reporting channels, all stakeholders can make notifications to the Sabancı Holding ethics line.

Employees who honestly and in good faith report a violation and/or suspected violation and/or request information shall not be subject to any retaliation (including but not limited to discrimination, suspension, loss of rights, demotion, blocked promotions, threats or harassment) as per our “Anti-Retaliation Policy”.

The Internal Audit Department reviews all reported notifications and investigates them if required. The Internal Audit Department is also in charge of maintaining confidentiality and anonymity of all reporting channels. The notices are scrutinized and reported to senior management and, if required, to the Disciplinary Board. The Audit Committee is informed about the notices reported to the Disciplinary Board.

We received 80 notifications via different channels, such as the ethics line, shareholder requests, business units, human resource departments, etc. and resolved all of them.

Subject	Notified Violation	Verified Violation
Bribery and corruption	40	27
Irregular activities/violation of internal rules and procedures	13	7
Mobbing and harassment	10	1
Outside engagement without permission	8	8
Internal code of conduct violation	3	2
Employee personal rights violation	3	0
Other	3	2
<b>Total</b>	<b>80</b>	<b>47</b>

# BUSINESS ETHICS

## ANTI-BRIBERY AND ANTI-CORRUPTION

We are against all forms of bribery and corruption. It is unacceptable to receive or offer bribes, regardless of their purpose. The prevention of bribery and corruption is governed by the Enerjisa Code of Conduct and in particular “Anti-Bribery and Anti-Corruption Policy”, which are binding for all employees and stakeholders. All practices and sanctions related to violations of the Code of Conduct also apply to bribery and corruption.

The Board of Directors is responsible for the implementation and revision of the Anti-Bribery and Anti-Corruption Policy. The Policy covers all our employees, our Board of Directors, companies contracted for goods and services and their employees, all persons and organizations that are assigned to serve on behalf of the Company (business partners), including suppliers, consultants, advocates, external auditors, etc.

Furthermore, we ask that business partners sign the Enerjisa Supplier Compliance Declaration, which requires them to commit to comply with our Anti-Bribery and Anti-Corruption Policy.

In 2021, the duties and responsibilities of the Board of Directors were revised and a responsibility of “ensuring that no employee shall suffer any harm due to refusing to pay bribes” was included.

The Compliance Management Unit is in charge of developing the Enerjisa Code of Conduct and the Anti-Bribery and Anti-Corruption Policy, providing training to employees and responding to requests for an opinion. The Ethics and Investigation Department works in coordination with Compliance Management to raise awareness about compliance with business ethics in general, as well as all internal procedures and policies, including the Company’s Anti-Bribery and Anti-Corruption Policy. The Ethics and Investigation Department regularly informs the Board of Directors, Audit Committee and Compliance Management Unit regarding the nature and intensity distribution of violations of ethical rules and shares its opinions and suggestions about the actions which have been taken or will be taken.

## Providing Information and Training to Employees

Our employees have been informed of our Anti-Bribery and Anti-Corruption Policy. The up-to-date Policy, which is continuously and easily accessible in the Document Management System available to all employees, is also available on the Company website.

Online ethics training provided to employees also includes anti-bribery and anti-corruption training. Moreover, the Compliance Management Unit prepared an up-to-date, more detailed and interactive video training in December 2021 regarding anti-bribery and anti-corruption. In 2022, we assigned the interactive video training to all white-collar employees through the EnAkademi platform.

## Notifying Other Stakeholders

We use the best anti-bribery practices in the selection of our suppliers and business partners. We are in constant communication with our suppliers and business partners to prevent possible future violations regarding corruption. We are committed to review the anti-corruption performance of suppliers and business partners at least once every three years or in shorter periods, if required. We request support from independent third parties to carry out assessments, if required. In the event that a possible violation is identified, the required sanctions are imposed immediately in accordance with the signed contracts.



## Anti-Bribery and Anti-Corruption Notifications

In the notifications reported in 2021, we detected and investigated 27 cases of bribery and corruption, implemented the necessary process improvements and legal actions as well as disciplinary measures. As a result of the assessments, disciplinary sanctions were imposed on 35 employees in connection with bribery and corruption.

There are no lawsuits, administrative or judicial investigations or any judicial or administrative sanctions against the Company related to bribery and corruption.

[Click here to access our Anti-Bribery and Anti-Corruption Policy.](#) 

## DONATIONS AND GRANTS

We updated our Donation and Grant Policy with the approval at the Annual Ordinary General Assembly Meeting held on March 30, 2021. The revised policy clearly stipulates that no donations can be made to political parties, political candidates, executives of political offices or public administration representatives for political purposes. Donations and aids can only be made to public institutions and organizations, non-governmental organizations and other private natural persons and legal entities for social, cultural, educational, environmental protection and similar purposes related to sustainability.

## THIRD PARTY TRANSACTIONS

We aim to establish sustainable relations with all third parties with whom we have business relations as part of our company activities in accordance with the basic principles outlined in our Code of Conduct. In this context, we enacted our Third-Party Relations Policy in 2021, following its approval by the Board of Directors.

The purpose of this policy is to define the fundamental principles regarding the conditions that govern our work with third parties. “Third Party” refers to the persons, organizations and communities with which we establish any kind of business relation, such as suppliers, dealers, authorized dealers, service providers and consultants. Third Party Compliance Criteria pursuant to the Policy is addressed under the following categories:

- i. Corporate Responsibility (Human Rights, Equal Treatment and Non-Discrimination, Occupational Health and Safety, Working Conditions and Working Hours, Environment)
- ii. Integrity in Business Relations (Avoiding Conflicts of Interest, Anti-Bribery and Anti-Corruption, Relations with Public Institutions and Authorized Authorities, Gifts, Entertainment and Invitations, Consultants and Intermediaries)
- iii. Fair Market Conduct (Fair Competition, Anti-Money Laundering, Business Information) and
- iv. Data Security and Protection of Company Assets (Data Protection, Protection of Intellectual Property Rights and Trade Secrets, Protection of Company Assets).

[Click here to access the Third-Party Relations Policy.](#) 

## RELATED PARTY TRANSACTIONS

The Enerjisa Code of Conduct outlines a compliance framework for all our employees to avoid conflicts of interest when making business decisions. We identify situations where the personal interests of one or more of our employees and/or their family members and the Company’s interests affect each other positively or negatively. In such cases, we inform the relevant Compliance Manager directly and act in accordance with the opinion of the Compliance Manager. In order to prevent such situations, we carefully avoid relationships and situations that will involve potential or real conflicts of interest. In supplier selection processes, we avoid actions that may benefit our employees, their relatives and/or third parties.

## BUSINESS ETHICS

Furthermore, every year, our Board of Directors makes a resolution to specify principles related to transactions to be carried out by our company with related parties pursuant to the Capital Markets Legislation.

Accordingly, in the assessment regarding all assets, services and liability transfer transactions, including common and recurring transactions between the Company and related parties, included in the financial plans (budget) approved by the Board of Directors, it is decided that:

- Transaction conditions should be determined in line with previous years, as well as market conditions
- Transactions should be carried out in line with the financial planning of the Company, unless there is a significant change in the conditions of the transactions during the year and
- Approval of the Board of Directors should be requested in case of a change in the conditions of the transactions or the related parties and before the transaction takes place under the new conditions (significant price or quantity deviations, significant change in the nature of the purchased service or product).

Furthermore, we annually assess whether the amount of common and recurring related party purchase (sales) transactions as a ratio of the cost of sales (revenue) based on the previous year's financial statements exceeds 10% pursuant to the Corporate Governance Communique. In the event that the ratio exceeds 10%, a report is prepared by our Board of Directors regarding the terms of the transactions and their comparison with market conditions and the entire report or outcome is disclosed on the Public Disclosure Platform.

[Click here to access our report for 2021.](#)

### HUMAN AND EMPLOYEE RIGHTS

In 2020, we issued our Human Rights Policy. Our Human Rights Policy statement applies to all employees, business partners within our sphere of influence and to other parties in our supply chain.

Our commitment to human rights also includes acknowledgement of the following international documents:

- 1) The International Bill of Human Rights
  - Universal Declaration of Human Rights
  - International Covenant on Civil and Economic Rights
  - International Covenant on Economic, Social and Cultural Rights
- 2) International Labour Organisation's Declaration on Fundamental Principles and Rights at Work

Our Human Rights Policy is available on our company website and in the Sustainability section of İKON, which is a mobile application for employees. In 2022, we started to provide mandatory Human Rights training to all our white collar employees.

[Click here to access our Human Rights Policy.](#)



## RISK MANAGEMENT

### CONTEXT

According to the World Economic Forum Global Risk Report 2022, social and environmental risks have been getting worse since the beginning of the pandemic. While the erosion of social cohesion, livelihood crises and mental health deterioration will be among the top five risks in coming years, environmental risks, especially extreme weather conditions and climate action failure, are seen as the most important risks in the short, medium and long-term outlooks. Economic risks such as debt crises, and the bursting of the asset bubble are of concern in the medium term while geopolitical and technological risks such as geoeconomics conflicts, geopolitical resource competition and cyber security failures are of concern in the long term.

### OUR APPROACH

Risk management is an integral part of sound governance in formulating our corporate strategy, setting goals and monitoring our performance. With our risk management policies, we aim to ensure sustainable and predictable profitability by effectively managing risks in the energy markets and to protect the value created as a result of sales and distribution activities.

By identifying risk management as an integral part of sound management, our Risk Management Framework aims to identify risks and opportunities which may impact our financial, operational and strategic plans. The framework enables assessment, classification and mitigation of these risks through various methodologies. The ultimate aim of this framework is to provide transparency to management functions and to support decision-making processes through regular reporting.

Established under the CFO organization, our Central Group Risk Management function is responsible for scoring risks, monitoring and improving risk management processes, and periodically reporting risks along with their impacts and improvement actions.

We act in accordance with the principle of assigning responsibility to the business units in risk identification and risk management as recommended by quality

standards in this field such as COSO and ISO 31000. Our actions align with those recommended by quality standards in this field such as COSO and ISO 31000. We appoint risk coordinators in the business units to act as a bridge between the departments and the central risk management function.

We hold risk management workshops with business unit risk coordinators and process owners every year to raise awareness of risk management. In these workshops, we discuss the important topics of the previous year, the annual risk management calendar and risk analysis, consolidation and reporting methodology. In 2021, we held 6 online risk management workshops attended by 57 employees.

### PROCEDURE

We identify the risks and opportunities that we may be exposed to with a detailed assessment study, which uses two different risk reporting methodologies, namely qualitative and quantitative risk reporting:

**1. Quantitative risk and opportunity methodology:** We collect best-case, base-case and worst-case scenarios from business units for each risk and opportunity. We determine the probability of realization of these risks and opportunities. Using numerical analysis methodologies, we simulate the risks and opportunities and group them according to their expected values. We report fluctuations that may affect our net profit, taking into account their correlations during the consolidation of impacts of risk and opportunities.

**2. Qualitative risk reporting methodology:** We define the risks that have a direct financial impact on the company but cannot be calculated and which also have the potential to have a negative impact on the Company's strategic and operational activities according to their impact levels and probabilities. We prioritize these risks through scales and report it with heat maps. The studies form the basis of our Risk and Opportunities Report. We present these studies to senior management and the Early Detection of Risk Committee.

# RISK MANAGEMENT

## CATEGORIES OF RISK AND OPPORTUNITIES

We establish risk management systems and prepare action plans in order to minimize the occurrence of financial and non-financial risks and their effects so that we can maximize the value we create for our stakeholders.

We map financial and non-financial risks by identifying their effects on the sector and our operations. The risk mapping process consists of three stages - identification, assessment and classification. These cover the regular reporting and decision-making processes while also facilitating transparency.

We classify financial risks and opportunities into five main categories.

Main Risk & Opportunity Areas	How We Manage?
<b>Regulation Risks &amp; Opportunities</b>	<p>Electricity distribution and retail sales activities are regulated businesses which are carried out under the supervision of EMRA and are governed according to the principles determined by the Electricity Market Law and secondary legislation. We apply the National Tariff determined by EMRA to our regulated customers. The National Tariff consists of the tariffs to be applied to transmission and distribution system users. EMRA determines the items of the National Tariff for each tariff period. Revenue requirements and/or price ceilings for regulated activities is determined by EMRA and reflected to the end consumer through the National Tariff mechanism by taking into account all the costs and services for the execution of the relevant activity in the fourth regulatory period, which will apply between 1 January 2021-31 December 2025, as in the previous regulatory periods.</p> <p>Since the majority of our revenues are derived from electricity distribution activities and retail sales to regulated customers at a tariff set by EMRA, changes in any component of this tariff may result in a significant deviation in our plans. In addition, regulations issued by EMRA include organizational and operational requirements and limitations regarding retail sales and distribution activities. These requirements and limitations are audited by regulatory authorities (primarily EMRA) and any finding of non-compliance may adversely affect our financial and operational plans.</p> <p>We conduct regular and constructive reviews with industry participants and regulatory bodies in order to manage regulatory risks and opportunities. We also engage in rational and fact-based negotiations with other market participants and regulatory bodies as the market leader through systematic projects and transparent reporting. As a result of the meetings conducted and in-house activities, we carry out work and initiatives which will make a positive contribution to all sector stakeholders, including consumers, and on legislative measures in order to support the sustainability of the sector.</p>

## Financial Risks and Opportunities

The nature of electricity distribution and retail sales activities exposes players in the sector to various risks and opportunities in the value chain. We categorize and monitor risks and opportunities according to their sources. We monitor and prioritize these risks depending on their possible impact levels and record with risk-mitigating practices. Following the sensitivity analysis, we report quantifiable risks and their financial implications.

Main Risk & Opportunity Areas	How We Manage?
<b>Market Risks &amp; Opportunities</b>	We are exposed to interest rate fluctuations in financial markets as a result of our financial debt and to exchange rate fluctuations due to the Renewable Energy Resources Support Mechanism (FIT). We are also affected by volatility in over-the-counter market pricing and trading volumes in the commodity markets due to retail sales activities, as well as volatility in prices of other products due to material procurement in distribution activities (procurement is conducted in Turkish Lira, but prices are correlated with prices in the commodity markets). We use systematic approaches to estimate market parameters such as price, inflation, interest rates, exchange rates and demand in the most realistic way. We check existing and anticipated exposure on a regular basis and maintain at an optimum level with hedging transactions. Finance Committee and the Commodity Risk Committee periodically discuss derivative transactions and the effectiveness of these transactions.
<b>Credit Risks &amp; Opportunities</b>	Our retail companies are exposed to credit risks due to sales in the regulated and liberalized markets. Our distribution companies, on the other hand, are exposed to credit risks due to the system usage receivables to be collected from retail companies that provide retail sales services using the distribution network. In addition, invoicing for theft/illegal electricity use also poses a credit risk in collection processes. We manage our credit risk by obtaining security deposits from regulated customers, letters of guarantee or other types of guarantees from liberalized customers. Timely invoicing, efficient receivables management and monitoring the credit ratings of large customers helps us minimize our credit risk. In addition to carrying out reporting and follow-up activities aimed at reducing the credit risk arising from financial transactions, we work only with counterparties that have a credit rating no more than two notches below the sovereign rating. In addition, steps are also taken to ensure the diversification of banks in the portfolio of financial derivative instruments and deposits.
<b>Liquidity Risks</b>	We are exposed to liquidity risks due to network investments in the distribution business or temporary funding needs driven by collection performance in the retail business. Although we believe this funding need can be covered by external debt capital providers, there is a risk that market conditions could limit conventional liquidity sources. We manage liquidity risk by extending the average tenor of the debt portfolio and developing alternative debt capital sources such as corporate bonds, etc. In addition, we regularly forecast our short and medium-term cash needs in order to anticipate the liquidity need in a timely manner and to take appropriate action.
<b>Operational Risks</b>	All the processes in our value chain are exposed to operational risks arising from internal and external factors. The areas affected by these risks are grouped under the categories of Information Technologies and Occupational Health and Safety (which mostly pertains to the distribution business), Environment, Human Resources and Reputation and are examined in detail with mitigation plans. Relevant procedures and policies are established for all operational risks and published in our quality management systems. Committees are appointed to review realizations and manage risk mitigation activities.



# RISK MANAGEMENT

## Non-financial Risks and Opportunities

We classify non-financial risks and opportunities into three main categories.

Main Risk & Opportunity Areas	Definition of the Risk	How We Manage?
<b>Occupational Health and Safety Risks &amp; Opportunities</b>	Electricity distribution involves a high level of OHS risk. Accidents, which may occur during the construction, maintenance and repair of power lines, pose significant risks to the safety of our employees and subcontractors as well as the reputation of our Company.	We work towards the goal of zero critical injuries and accidents. We manage related risks within the scope of the ISO 45001:2018 Standard. The OHS issue is under the oversight of senior management. We proactively manage risks faced by us and our contractors. Within the framework of the Safety Improvement Plan, we define targets, manage risks and plan preventive measures. We use the Fine-Kinney method to classify risks. We organize training programs to reduce our risks and provide a healthy workplace for our employees and contractors.
<b>Climate and Environment Related Risks &amp; Opportunities</b>	Severe weather conditions resulting from climate change may disrupt electricity distribution infrastructure. Global warming may lead to droughts which may also affect energy prices. In addition, developments such as the global and regional regulatory environment and Turkey's ratification of the Paris Agreement are important for us to take the necessary measures to combat climate change. The spilling of transformer oil during operation, maintenance or storage and causing water and soil pollution poses a risk.	We prepared our Biodiversity Conservation Action Plan in 2020. Within the scope of the CDP Climate Change, we evaluate the issue of climate change from the perspective of risks and opportunities. In the CDP-related study carried out in 2021, we prepared a report under the heading of carbon emissions and climate change, which includes the definitions of risks and opportunities, the financial effects of risks and opportunities, methods of combating risk and the costs of these methods. In addition, we completed the study to quantify climate change risks. The study uses acute inventory losses, damages and disruptions to service related to climate change, and penalties for quality standard violations stipulated by the legislation as inputs. We regularly monitor and report our environmental performance and carbon emissions. We take part in various initiatives on climate change and energy efficiency, meet with NGOs and regulatory authorities and pursue R&D projects. We offer solutions to our customers to help them reduce their carbon emissions.
<b>Digitalization and Customer Privacy Risks &amp; Opportunities</b>	The increasing complexity of protecting customer data and IT systems poses risks especially for those companies with databases consisting of data belonging to millions of customers. Additionally, data security breaches may occur due to cyber-attacks with increased digitalization of grids and processes.	We take every precaution necessary to ensure the highest level of confidentiality and security of customer information and personal data within the framework of the legislation in force. Within that scope, we implement the measures and actions specified in accordance with our corporate policies.  Holding the ISO 27001 Information Security Management System certificate, we fully comply with the Personal Data Protection Law (PDPL) with oversight from the Personal Data Protection Committee. We provide training on the PDPL and information security to our employees. We have a Cyber Security Group Management under the Information Technologies and Digital Business Management Department to manage cyber-attack risks. In addition, we also have cyber risk insurance.

# INTERNAL CONTROL

We began working on the establishment of an Internal Control System in our organization in 2020. Within this framework, we established an Internal Control Department. We completed system development processes in the first quarter of 2021 and finalized the dissemination activities by the end of 2021. We used the COSO Internal Control Framework, which is a globally-recognized standard that consists of best practices, as a reference while establishing the Internal Control System and decided to implement the principles, standards and methods within the framework.

We view an Internal Control System as an essential component of effective and sustainable governance. The primary goal of our Internal Control System is to maintain an always effective and efficient control environment, means of information and communication; thus to support senior management in the fulfilment of their oversight responsibility.

In line with this goal, we modelled our Process Management, Risk Management, Control Activities and Business Continuity structures end-to-end using the Periscope software in order to achieve effective

and efficient management. As part of these activities, we provided a transparent, reliable and up-to-date information flow regarding business processes, the impact these processes have on each other, their owners, risks and controls. We perform process, risk and control management on a digital platform, and we monitor the effectiveness and efficiency of the controls related to the risks centrally. Accordingly, we defined more than 800 workflows, 650 operational risks and 780 control activities.

In order to control the risks of our company and its subsidiaries with the Internal Control System, we initiated pilot studies in the fourth quarter of 2021 to review and assess the effectiveness and efficiency of existing preventive, detective and corrective controls. We aim to present the control calendar for 2022 to management, and we will carry out the internal control assessment activities in line with management priorities.

We published the Internal Control Procedure in 2021. The procedure is easily accessible in the Document Management System, which is available to all our employees.



## INTERNAL AUDIT

The Internal Audit Department reports directly to the Audit Committee, which consists of members of the Board of Directors, in accordance with the principle of independence.

Internal audit activities are carried out for the purpose of expressing opinions to the Board of Directors on the activities of the Company and its affiliates in line with the laws and other related legislation as well as internal strategies, policies and procedures and to report on the effectiveness and adequacy of internal audits, risk management systems and compliance management.

The goal of these activities and structuring is to improve work processes and create added value for the organization through the opinions and suggestions presented in connection with preventive measures, by protecting company assets and increasing operational efficiency. In line with this goal, internal audit activities are carried out in compliance with the approved Audit Committee charter and the Internal Audit charter.

Internal Audit prepares the annual risk-based internal audit plan in light of the Company's annual risk assessment results and the opinions of the relevant executives and submits the audit plan for the approval

of the Audit Committee and the Board of Directors. Every year, Internal Audit performs its audit activities in accordance with international audit standards and the requirements of the "COSO" (Committee of Sponsoring Organizations of the Treadway Commission) as part of the approved audit plan. We have certified our compliance with the standards via an independent quality assurance assessment conducted in 2018.

Internal Audit evaluates and examines ethics notification processes related to employees and other stakeholders (shareholders, customers, suppliers, public institutions). In addition to its auditing function, Internal Audit also provides consultancy services in line with its vision and mission, as required by its principle of being a "reliable business partner" and in line with requests from executive management.

In 2021, Internal Audit implemented the Continuous Audit and Continuous Monitoring activities effectively, hence supported all units in developing effective control practices. Furthermore, Internal Audit shared findings and improvement suggestions based on data analytics methods that were not included in the audit plan with the business units.



## BUSINESS CONTINUITY

Due to the many risks in the rapidly changing world of today, disruptions may occur in the business processes of companies. Business continuity is of critical importance in providing uninterrupted and sustainable energy service with our wide operation network. In this context, we implement Business Continuity Management (BCM) practices to create a resilient organization in possible interruptions and crises.

Group Risk Management, which is part of our finance organization, monitors the global Business Continuity Management Systems (BCMS), prepares all documents and implements the standards with this approach.

Group Risk Management is also responsible for monitoring the crisis management processes and guiding the Crisis Management Team in case of crisis, comprehensive interruptions and/or disasters that may affect our company in general.

We prepare our BCMS documentation in accordance with the ISO 22301:2019 Business Continuity Management System Standards and update it every year with contributions from all stakeholders relevant to the process. We renewed the ISO 22301 Business Continuity Management System certificates of our retail sales companies in 2021 after the successful completion of annual monitoring audits.

While the certification requirement only applies to retail sales companies, we maintain the BCMS infrastructure and documentation quality at the same level in all our business units, including our distribution companies and Enerjisa Enerji A.S.

### CRITICAL PROCESSES AND DEPARTMENTS

Critical Departments are units with at least one process that must be activated within the first month following a crisis to ensure business continuity. We define the relevant processes of these critical departments as "critical processes" and the owners of these processes comprise the members of Business Rescue Teams, which are responsible for putting the process back on track after any interruption.

We organize Business Continuity Information Meetings attended by our Critical Department managers in order to raise awareness about business continuity, update documents and ensure the transition to digital processes in business continuity. At these meetings, we inform attendees about the changes implemented during the year and the process for updating the Business Impact Analysis documents for the next year.

### COORDINATION

We established the Business Continuity Committee in 2019 with the participation of the unit managers. Regardless of whether any incident occurs, the Committee meets biannually under the coordination of the Group Risk Department.

Our CEO is the leader of the Crisis Management Team and is the ultimate crisis manager in the event of any crises. After the certification audit and the first meeting of the Business Continuity Committee, the CEO is briefed in a special session every April. During this meeting, the CEO is informed of his/her duties and responsibilities within the crisis management organization and updates to the relevant plans are presented to him/her. Since the active crisis management process continued in 2020 and 2021 due to the Covid-19 pandemic, these meetings did not take place, but weekly Crisis Management Team meetings continued. Group Risk Management monitors all decisions and actions taken during these meetings.

### DRILLS AND EXERCISES

We use two methods to evaluate the extent to which the scenarios and forecasts prepared within the scope of the Business Continuity Management System will succeed in real-life scenarios.

**Scenario-Based Desktop Exercise:** We conduct a desktop exercise about the scenario, submit final report of this exercise to the auditors and share with process stakeholders.

# BUSINESS CONTINUITY

**Disaster Recovery Test:** Every year, we conduct 24-hour disaster recovery tests under the leadership of the IT unit. Group Risk Management is responsible for participating in the test activity as an observer and to archive the final test reports. During the course of the ISO 22301:2019 certification audit, we share these final reports with the audit company.

All IT applications used at the Company are simultaneously disabled during the exercise in accordance with a real disaster scenario. We measure the Recovery Time Objective, Recovery Point Objective and Maximum Tolerable Period of Disruption as defined in the Business Continuity Management Standards. We synchronize the data obtained in the exercise with the data in the IT and Group Risk Management documents.

## 2021 DEVELOPMENTS

Within the scope of annual updates, we determined critical processes in line with our Business Continuity Policy. We reviewed and updated necessary documentation. We held information sessions to raise awareness within the organization and implemented an effective follow-up to take the necessary actions throughout the Company.

We held best practice meetings on Business Continuity Management with the Sabancı Group and the companies outside the group. We evaluated whether there were any potential improvement areas in the current crisis management practices using an objective approach.

In 2021, we launched a new digital application, integrating process management, risk management and internal control mechanisms. The process involved phases, such as identification of critical departments and processes for business continuity, their periodic evaluations and the preparation of Business Impact Analysis documents through an online system. We transferred the Business Continuity and Crisis Management Plans library to a digital environment.

More than 60 critical departments are included in the scope of business continuity activities. The Group Risk Management (for group and retail sales companies) and the Process Development Team (for distribution companies) coordinate all meetings and activities to be held within the scope of the BCM. They periodically provide information regarding the annual update period in critical processes and the organizational changes to be reflected in the documentation.

## Covid-19

The Covid-19 pandemic has revealed vulnerable areas in work and production processes all around the world. We defined these critical processes in 2020 according to the Business Continuity Policy and ensured business continuity despite the ongoing uncertainties.

We have focused on two areas, namely maintaining uninterrupted electricity distribution and sales services in all regions and taking the health measures necessary for our employees, suppliers and customers.

The Business Continuity Committee started to hold weekly meetings on developments related to Covid-19 in March 2020 and these meetings continued during 2021.

Established at the same time as the Committee, the Crisis Management Team, led by the CEO, elaborated current business continuity scenarios and followed up the relevant actions by taking Covid-19 into account.

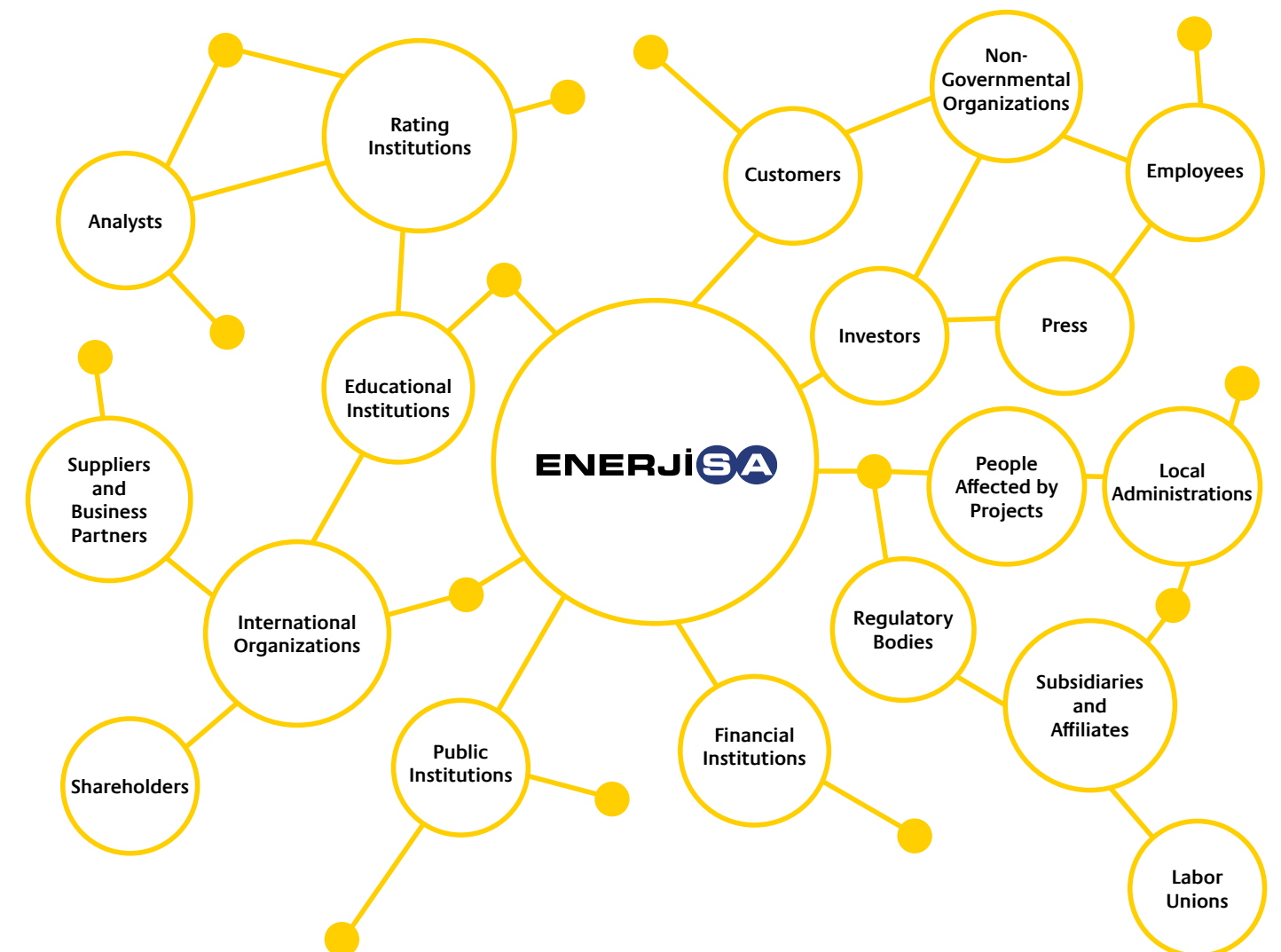


# STAKEHOLDER ENGAGEMENT

We value our relations with all stakeholders who are directly or indirectly affected by our activities. As we work with an extensive value chain, we communicate with the stakeholders in this ecosystem on the basis of trust and in an open and transparent manner. Within this framework, we identify all stakeholders within our impact area and the impacts of our activities on these stakeholders.

The ultimate responsible of stakeholder engagement is Head of Sustainability and Corporate Capabilities (CSO). We adopted the AA1000 Accountability Stakeholder Engagement Standard to identify our stakeholders. We utilize several communication tools to receive feedback from our stakeholders and better address their expectations. We communicate with our internal and external stakeholders on a regular basis via the mechanisms specified in Annex III ↗

## Enerjisa Enerji Stakeholders



# STAKEHOLDER ENGAGEMENT

**Employees and Labor Organizations:** For the purpose of fostering a positive corporate environment, communication and culture across the entire organization, we provide a safe working environment to our employees and support their development. Within this framework, we focus on issues like developing our employees' leadership skills, supporting their development through various training programs and ensuring equal opportunity to all of our employees. We conduct employee engagement surveys annually to assess employee engagement and to ensure that the best possible working conditions are provided. Additionally, we respect labor unions and our employees' collective bargaining rights, as stated in the Human Rights Policy.

**Customers:** We believe that access to energy is an undisputable human right. We strive to deliver the best possible service in power supply by constantly improving our products and services. We provide electricity to a population of around 22 million with a customer-centric approach. We offer our customers tailored product and services in compliance with the ISO 10002 Customer Satisfaction Management System Standard.

**Contractors and Suppliers:** We purchase goods and services from over 3,000 different suppliers. We categorize around 100 of these suppliers as first-tier

critical suppliers. The entire supplier network in our distribution business line is composed of local suppliers. Attaching importance to the quality and sustainability of the supply chain, we support the development of our suppliers and business partners.

**Public Institutions and Regulatory Bodies:** Public institutions and regulatory bodies are critical stakeholders which may directly affect us. We are aware of the necessity of a regulatory framework which promotes investments, efficiency and quality for a reliable and cost-effective grid infrastructure in Turkey. We conduct our relations with public institutions on the basis of integrity, honesty, equality and independence. We conduct our relations independent of any political view and in a manner that is consistent with our corporate identity. We regularly interact with public institutions and regulatory bodies.

**Local Governments:** Within the scope of our annually prepared "Local Governments Communication Plan", we regularly visit the offices of governors, district governors, majors and local community leaders, i.e., mukhtars (elected village or neighborhood leaders) in our regions. We learn about the expectations of local governments through face-to-face interviews. The requests and feedback we receive provides us with the opportunity to improve our work processes.



**“We engage with all stakeholders in our value chain in a trustworthy, open and transparent manner.”**

**Non-Governmental Organizations (NGOs):** As the sector leader, we are actively involved with NGOs and initiatives that advance the sector and spread our sustainability vision.

For further details, please see Annex III. ↗

We actively participate in non-governmental organizations and initiatives to promote actions that move our industry forward and broaden the private sector's sustainability vision at the highest levels. Our Board of Directors Chairperson is also the Chairperson of the Turkish Industry and Business Association's (TÜSİAD) Energy Working Group. He also serves as a board member of the Sabancı University İstanbul International Centre for Energy and Climate (IICEC), which conducts energy policy research and brings together significant global experts on energy and climate at Sabancı University. Additionally, he is the Chairperson of the Association of Distribution System Operators (ELDER) and a member of the Advisory Council of the SHURA Energy Transition Center.

In order to improve our environmental performance, we maintained our engagement with NGOs in 2021. We continued to participate in TÜSİAD's Environment and Climate Change Working Group and the Circular Economy Sub-Working Group. In 2021, we also joined ELDER's Environment Working Group, established to foster a spirit of common purpose and harmony among electric distribution companies in environmental management. We are also a part of the Business Plastic Initiative, founded by TÜSİAD and collaborate with the Business Council for Sustainable Development Turkey (SKD Turkey).

Our CEO has been serving as the Chairperson of EUROGIA2020, a EUREKA Cluster for low-carbon energy technologies. EUROGIA2020 is a market- and industry-driven initiative that works across the entire energy value chain, from renewable energy and efficiency to reducing energy consumption and carbon emissions from fossil fuels. Our CEO is also a member of the ELDER Board.

You can find the list of our memberships in Annex IV. ↗

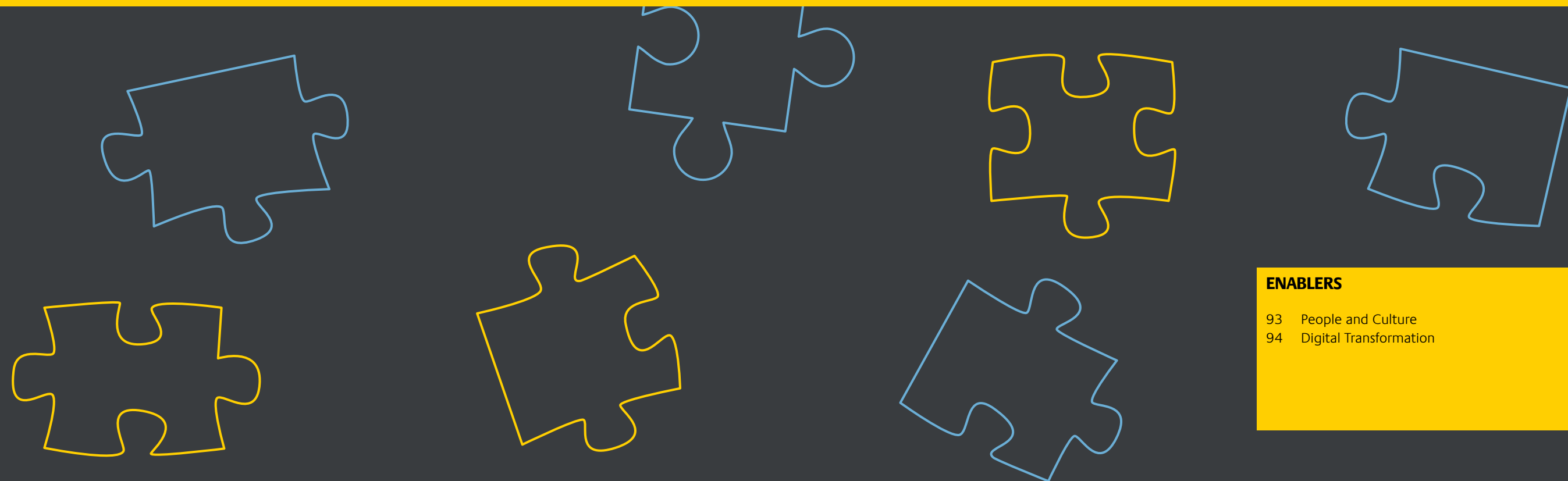
## CORPORATE STAKEHOLDER ENGAGEMENT PLAN

We have prepared a "Corporate Stakeholder Engagement Plan" within the scope of the loan agreement signed with the European Bank for Reconstruction and Development (EBRD) in 2019 and in accordance with the conditions of EBRD Requirement 10 (EBRD PR10): "Information Disclosure and Stakeholder Engagement", and we update the Plan every year. The Corporate Stakeholder Engagement Plan establishes a framework for stakeholder engagement, public consultation, stakeholder identification and grievance mechanisms that we plan to implement at the corporate level, as well as their implementation processes.

[Click here to access our updated Corporate Stakeholder Engagement Plan.](#) 



**PEOPLE & CULTURE AND DIGITAL TRANSFORMATION SIT AT THE HEART OF OUR BUSINESS**



**ENABLERS**

- 93 People and Culture
- 94 Digital Transformation

# PEOPLE AND CULTURE

**“To realize our purpose and deliver stellar performance, we put people & culture and digital transformation at the heart of our business. We are dedicated to continuously investing in these areas as they are essential elements to creating value in our impact areas.”**

Rapid technological advances, automation, artificial intelligence and changes in employee expectations are transforming the work environment and the workforce globally. This transformation was accelerated by the Covid-19 pandemic, and many organizations are rethinking how to design the workplace of the future. We started our systematic “Adapting to the Future of Work” studies in 2020. We defined our model in 7 dimensions with our own principles.

Within the scope of our studies, an independent consultant firm carried out gap analysis studies for today’s world and future needs. We organized 12

workshops with employees from all levels, one-on-one meetings with our senior management team and carried out alignment studies. Throughout these processes, we used scientific tools and questionnaires for assessment.

As a result of these studies, we have shaped the “Future of Work” together with our employees in the areas of ‘Remote Working’, ‘Physical and Mental Health’, ‘Flexible Workforce and High Performance’, ‘Talent and Skill Management’, ‘Future Leadership’, ‘Purpose Driven Organization and Culture’, ‘Digital, Data-Oriented and Agile Organization’.

In 2021, we updated the scope and application details of the working models in line with 7 basic dimensions and 6 working principles. We have implemented 47 actions including the support packages that we prioritized within the scope of Adapting to the Future. These actions are implemented with our motto #On the Road to the Future (#Geleceğin Yolunda). Some of the implemented actions are as follows:

**1. Remote Working:** We have reviewed the scope and content of our 1-day per week remote working practice, which we have been implementing in headquarters since 2019. We expanded remote working practice to at least 2 days a week or at least 1 day a month in accordance with different needs. We have provided amenities such as ergonomics support, inventory, communication packages and commuting support to make remote working convenient.

**2. Physical and Mental Health:** In order to support the wellness of our employees, we provided access to the wellness application where experts conduct live classes on subjects such as fitness, mindfulness, pilates, yoga and nutrition. 1,000 of our employees are actively using this application, which can also be used by their families. In 2021, we published our Meeting Culture Manifesto, which enables our employees to better manage their time and have focused time. We have also started the practice of meeting-free hours.

We established the Enerjisa sports and e-sports club to make it possible to have fun at work and support our employer branding. In 2022, more than 1,000 employees applied to Enerjisa Sports Clubs, which include swimming, running, esports and basketball and represent our company in external tournaments. Following the evaluation processes accompanied by expert coaches, we formed our sports club teams.

## Model of Adaptation to the Future of Our Business



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# PEOPLE AND CULTURE



**3. Flexible Workforce and High Performance:** We have updated the minimum and maximum performance bonus ratios to support high performance. Award values for seniority, birthdays, births, welcome badges and thank you badges used by employees to show each other appreciation have been updated as well. We launched the “Happy to have you here” badge and the “Happy to have you here: Special for you” award, which enable managers to instantly appreciate and reward their teams.

**4. Talent and Skill Management:** In 2021, we carried out segmentation, effort and efficiency studies with the Helios project in our retail companies, the ABC project in our distribution companies and the Elpis project in our IT function. These studies will form the basis of the Strategic Workforce Management studies that we started in 2022. The Strategic Workforce project will enable us to use advanced data analytics to identify skill families and define desired skill sets, build a workforce demand & supply model to identify gaps with different scenarios, deploy a digital tool to manage Strategic Workforce Planning & HR measures efficiently and in an integrated fashion. In addition, our digital recruiting and welcoming platform that has been in use since 2020 and the TalentIn platform

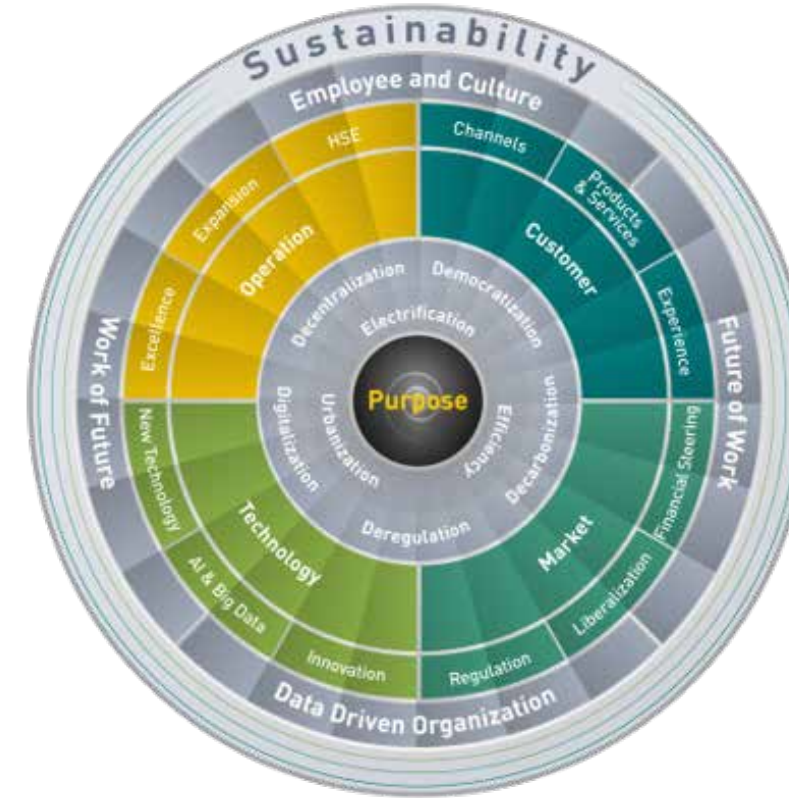
that was developed in 2021 as an internal candidate evaluation tool enable us to use data analytics for recruiting & hiring.

**5. Future Leadership:** In our training programs, we included training on Holistic Well-being for the well-being of our executives and their teams, leadership for the training of remote teams and gender equality training.

**6. Purpose-Oriented Organization and Culture:** We consider adapting to the future of work as a cultural change. We ensured alignment with the principles of the future of work with the participation of employees from different levels and senior management meetings.

**7. Digital, Data-Driven and Agile Organization:** In 2022, we expanded the scope of the online Data Marathon, to develop a solution to a specific business problem by using machine learning, artificial intelligence and data science methods. We accelerated digitalization efforts in people and culture processes within the scope of the HR-Connect project to improve the end-to-end employee experience. We continued the establishment of agile teams and completed 47 agile team transformations.

# DIGITAL TRANSFORMATION



“As data-based energy and demand management becomes possible thanks to digitalization, energy will increasingly be used in the most efficient way.”

We address mega trends such as digitalization, decarbonization, distributed generation, urbanization, customer centricity and deregulation, which are shaping the future needs of the energy sector.

The expansion, modernization and digitalization of electricity grids is essential to pool all available sources of flexibility, increase efficiency and support a swift transition to a low-carbon electricity supply. With digitalization, data-based energy and demand management becomes possible, and energy can be used in the most efficient way. The opportunities created by developments such as the Internet of Things (IoT) and smart technologies continue to transform the energy sector.

## DIGITAL TRANSFORMATION MODEL - E-TERNAL

While supplying energy to our customers, we add value to the world, humanity and our own operations by using the power of technology. In 2020, we developed E-TERNAL, our digital transformation model, to holistically empower sustainability with digitalization. Ternal symbolizes our dedication to improve the world, people and our business, while “E” symbolizes electron, energy and Enerjisa.

# DIGITAL TRANSFORMATION

We performed a comprehensive benchmarking analysis and conducted several activities with our internal and external stakeholders in order to integrate our digital initiatives.

We also ensured transparent and participatory management of our digital transformation at the Company through the digital platforms and dashboards we developed.

We have defined past and current projects along with over 500 new digital projects for the next 5 years. We identified our major areas of value creation within 14 digital programs and matched these programs with the names of inspiring scientists from history.

## 2021 DEVELOPMENTS

We created our digital transformation governance plan in 2021 and implemented the plan with the participation of more than 100 employees and all business units throughout the year. Moreover, we have implemented several new digital projects with a particular focus on customers, operations, technology and the market. Some of the significant projects are as follows:

**Employee Focus:** We initiated the HR Connect project to strengthen our technological infrastructure in people and culture processes through an integrated structure that puts a particular focus on employees, and we carried out the planning and design activities for the new infrastructure. We developed mobile applications for our employees and launched the HR-Chatbot application to strengthen instant contact with our employees, to ensure the dissemination of Company information and to enable our employees to perform basic transactions such as leave and payroll.

**Standing by the Customer:** Within the scope of this program, we strengthened our digital infrastructure in areas such as ID authentication, digital signature methods and PDPL compliance pursuant to regulations and legislation. We expanded our digital channels with improvements such as introducing a WhatsApp channel, online services center transformation, chatbot applications and process improvements for call center employees to communicate better with our customers. In addition, we have implemented self-service solutions such as Jet Kiosk and Jet Subscription to enable our customers to perform their own transactions. We implemented automation and RPA (Robotic Process Automation) projects to increase the efficiency of high-volume customer processes and reduce errors.

**Enriched Sales:** With the aim of enriching our sales processes, we contributed to both operational efficiency and customer satisfaction by digitizing the field sales process and enabling instant transactions from tablets with the KURMOB (Corporate Mobile) and D2D (Door to Door) projects. We designed and launched process and segment-based dashboards to monitor our sales processes and improve data-based decision making. In order to strengthen our commercialization and customer delivery processes, we moved contracts to digital platforms. Analytical studies on customer segmentation enabled us to better define customer needs for customized solutions.

**Supply Continuity:** We made improvements in the Outage Management System to ensure the continuity of supply in the field and to minimize power outages. We established a digital infrastructure to improve the public lighting processes and resolve issues related to the notifications more swiftly. We continued the EDVARS project to regularly report the data requested by sector regulators in order to demonstrate that the legislation and requirements of the 4<sup>th</sup> regulatory period are being fulfilled and we successfully completed the audits carried out by the regulators.

“We developed our digital transformation governance plan in 2021 and implemented the plan with the participation of more than 100 employees and all our business units throughout the year.”

**Maintenance:** In the 4<sup>th</sup> 5-year regulatory period, our maintenance spending is expected to exceed TL 2 billion. We launched the 4<sup>th</sup> Regulatory Period Maintenance Project to ensure accurate planning and implementation of maintenance processes. We also launched the Asset Health Check Project, in which analytical models are used to manage the maintenance processes of energy assets such as field transformers.

**Asset Management:** We launched a number of developments with a GIS (Geographical Information System) focus for the purpose of ensuring optimum management of field assets. We implemented analytical solutions to enhance data integrity and accuracy and improved the METWEB Project Management Plan to facilitate the management of investment requests and construction work.

**Safety First:** Having OHS as a top priority, we launched the OHS Cockpit and SIP (Safety Improvement Plan) Monitoring Projects to digitally monitor the inspections we carry out in the field and to monitor the OHS improvement plans online. In order to ensure OHS management throughout the entire work ecosystem, we further improved the Contractor Communication Portal, which serves as a guide for contractors.

**Data-Oriented Operations:** In order to strengthen our data-driven operation capability, we initiated several analytical projects. We carried out numerous data optimization and infrastructure studies to increase data quality. We launched the PROSA Project, which makes it possible to estimate failures in our on-site meter operations and guides our field teams based on analytical models. We developed dashboards to be used for data visualization and as decision support systems and focused on e-signature solutions in our technological infrastructure transformation.

**Energy Market:** We obtained positive results with the ASP (Average Selling Price) Calculation and Day Ahead Electricity Demand Forecast Projects. With these projects, hourly consumption in the market is estimated via analytical models to improve our performance in the energy market.

**Digital Finance:** We launched the Helios and ABC projects in order to make the costs of office and field activities transparent and analyze them with a particular focus on digital finance. We also developed several initiatives, including e-Archive, Online Banking Integration, Invoice Process Automation, Income Assurance Analytics and Report Automations to increase our operational efficiency in the finance area.

**M2C Journey:** We carried out projects to improve the management of receivables through digital systems and to monitor the payments of collection proceedings and litigation files of receivables in order to improve our operations. We undertook projects to enable the digital management of security deposits and invoicing automation.

We also participated in benchmark analysis carried out by independent consultancy companies to embody and continuously improve the value we create with E-TERNAL. According to their digital maturity measurements and assessments:

- We were ranked as the Digital Leader in BCG’s maturity assessment,
- We became the Digital Champion among distribution companies within E ON.





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# ANNEX I: LIMITED ASSURANCE REPORT



## Limited Assurance Report To the Board of Directors of Enerjisa Enerji A.Ş.

We have been engaged by Enerjisa Enerji A.Ş. ("Company") to perform an independent limited assurance engagement in respect of the Selected Sustainability Information ("Selected Information") stated in Enerjisa Enerji A.Ş. 2021 Sustainability Report ("2021 Sustainability Report") for the year ended 31 December 2021 and listed below.

### Selected Information

The scope of the Selected Information for the year ended 31 December 2021, which is subject to our independent limited assurance work, set out on pages 47, 84, 109, 110, 111, 112 and 113 of the 2021 Sustainability Report with the sign  is summarised below:

### Social Indicators

- o Occupational Health and Safety
  - The Number of Critical Accidents
  - Total Recordable Incident Frequency (excluding slip, trip and fall (STF) incidents) (TRIF w/o STF)
  - Total Recordable Incident Frequency (TRIF)
  - Lost Time Incident Severity Rate (LTISR)
  - The Number of Fatal Accidents
  - Occupational Diseases
  - Total Working Hours
- o People and Culture
  - Total Number of Employees
  - Total Number and Rate of Female Employees
  - Gender Distribution of Employees in Managing Positions (Entry, Mid, and Senior Level)
  - Gender Distribution of Employees in Managerial Revenue-Generating Functions
  - Gender Distribution of Employees in STEM Roles
  - Ratio of Female Managers (Mid Level and above) in Appointments
  - New Employee Hires by Gender and Age
  - Employees who Left Work by Gender and Age
  - Employees entitled to parental leave
  - Employees who returned to work following parental leave
  - Employee Engagement Survey Results
- o Trainings
  - Total Training Hours
  - Total Training Cost
  - Average Training Hours Per Employee and Total Training Hours
  - Average Training Costs Per Employee
  - Training Hours in Selected Areas: Ethics, Equality, Equal Opportunity and Inclusiveness, Sustainability and the Environment



### Environmental Indicators

- o Energy Consumption
  - Renewable Energy Consumption (MWh)
  - Electricity Consumption (kWh)
  - Natural Gas Consumption (m3)
  - Diesel Consumption (l)
  - Gasoline Consumption (l)
- o Water Consumption
  - Water Withdrawal and Discharge by Source (m3)
- o Waste Management
  - Total Hazardous and Non-Hazardous Waste by Type and Management Method (ton)
- o Scope 1, 2 and 3 Emissions
  - Direct (Scope 1) Greenhouse Gas Emissions (tCO2e)
  - Energy-related Indirect (Scope 2) Greenhouse Gas Emissions (tCO2e)
  - Other Indirect (Scope 3) Greenhouse Gas Emissions (tCO2e)
- o Plastic and paper consumption

### Economic Indicators

- o Environmental Investments and Expenditures
  - Environmental Investments (TL)
  - Environmental Expenditures (TL)
- o Vulnerable Groups Reached Through Inclusion Programs
- o Sustainable Business Model
  - Number of Sustainable Products and Services (#)
  - Amount of Income from Sustainable Products and Services (TL)
  - Sustainability-Focused R&D and Innovation Investment (TL)
  - R&D and Innovation Investment (TL)
  - Environmental Savings Through Sustainable Investments/Operations
  - Economic Value Generated and Distributed

### Governance Indicators

- o Code of Business Ethics
  - Training on Business Ethics Rules
  - Violations of the Code of Business Ethics

Our assurance was with respect to the year ended 31 December 2021 information only and we have not performed any procedures with respect to earlier periods, any information other elements in the 2021 Sustainability Report, any other elements included in the 2021 Sustainability Report and, therefore, do not express any conclusion thereon.

# ANNEX I: LIMITED ASSURANCE REPORT



## Criteria

The criteria used by the Company to prepare the Selected Information is set out in section "Reporting Guidance" on pages 100, 101, 102, 103, 104, 105 and 106 of 2021 Sustainability Report.

## The Company's Responsibility

The Company is responsible for the content of 2021 Sustainability Report and the preparation of the Selected Information in accordance with the Reporting Guidance. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Selected Information that is free from material misstatement, whether due to fraud or error.

## Inherent Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Selected Information in the context of the Reporting Guidance.

In particular, for carbon emissions from energy used is based upon, inter alia, information and factors generated internally and/or derived by independent third parties as explained in the Reporting Guidance. Our assurance work has not included examination of the derivation of those factors and other third-party information.

## Our Independence and Quality Control

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

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



## Our Responsibility

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that the Selected Information has not been properly prepared in all material respects in accordance with the Reporting Guidance. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 and ISAE 3410. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Made inquiries of the persons responsible for the Selected Information;
- Understood the process for collecting and reporting the Selected Information. This included analysing the key processes and controls for managing and reporting the Selected Information;
- Evaluated the source data used to prepare the Selected Information and re-performed selected examples of calculation;
- Performed limited substantive testing on a selective basis of the preparation and collation of the Selected Information prepared by the Company and;
- Undertook analytical procedures over the reported data.

## Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's Selected Information for the year ended 31 December 2021, is not properly prepared, in all material respects, in accordance with the Reporting Guidance.

# ANNEX I: LIMITED ASSURANCE REPORT



## Restriction of Use

This report, including the conclusion, has been prepared for the Directors of the Company as a body, to assist the Directors in reporting Enerjisa Enerji A.Ş.'s performance and activities related to the Selected Information. We permit the disclosure of this report within the 2021 Sustainability Report for the year ended 31 December 2021, to enable the Directors to demonstrate they have discharged their governance responsibilities by commissioning a limited assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors of Enerjisa Enerji A.Ş. as a body and Enerjisa Enerji A.Ş. for our work or this report save where terms are expressly agreed and with our prior consent in writing.

PwC Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.



Mehmet Cenk Uslu, SMMM  
Partner

Istanbul, 8 July 2022

# ANNEX II: REPORTING GUIDANCE

## Enerjisa 2021 Sustainability Report - Reporting Guidance

This reporting guidance (“Guidance”) provides information on the data preparation and reporting methodologies of indicators within the scope of the independent audit process of Enerjisa Enerji A.S. (“Enerjisa”, “Company”) for the 2021 Enerjisa Sustainability Report. The indicators include;

- **Environmental indicators** (energy consumption, water consumption, waste management, Scope 1, 2 and 3 emissions),
- **Social indicators** (occupational health and safety, employee demographics, trainings, vulnerable groups reached through inclusion programs),
- **Economic indicators** (environmental investments and expenditures, sustainable business model),
- **Governance indicators** (business ethics rules).

The Company Management is responsible for ensuring that appropriate procedures are in place to prepare the indicators mentioned above in line with, in all material respects, the Guidance.

The data included in this guidance is for the FY 21 (01 January - 31 December 2021), fiscal year ended December 31, 2021, and as detailed in the “Key Definitions and Reporting Scope” section, it covers the relevant operations and all its subsidiaries (Başkent Elektrik Dağıtım A.Ş., Enerjisa Başkent Elektrik Perakende Satış A.Ş., İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş., Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş., Toroslar Elektrik Dağıtım A.Ş., Enerjisa Toroslar Elektrik Perakende Satış A.Ş., Enerjisa Müşteri Çözümler A.Ş., Eşarj Elektrikli Araçlar Şarj Sistemleri A.Ş.) and excludes information about subcontractors unless otherwise stated.

### General Reporting Principles

In preparing this guidance document, consideration has been given to the following principles:

- Preparation of Information - to highlight to users of the information the primary principles of relevance and reliability of information; and
- Preparation of the Report - to highlight the primary principles of comparability / consistency with other data including prior year and understandability / transparency providing clarity to users.

### Key Definitions and Reporting Scope

For the purpose of this report, the Company defines:

Type	Indicator	Scope
<b>Environmental Indicators</b>	<b>Energy Consumption</b>	
	Renewable Energy Consumption (MWh)	This indicator reflects the Company's renewable energy consumption, purchased during the reporting period.
	Electricity Consumption (kWh)	This indicator reflects the total purchased electricity consumption used for air conditioning, lighting, electrical equipment use and other business operations that require electricity, at the relevant locations of the Company during the reporting period. It is reported in MWh on a consolidated basis.
	Natural Gas Consumption (m <sup>3</sup> )	This indicator reflects the total purchased natural gas (volume - m <sup>3</sup> ) consumption used for heating, cooking and other business operations that require natural gas, at the relevant locations of the Company during the reporting period. It is reported in MWh on a consolidated basis.
	Diesel Consumption (l)	This indicator reflects the total purchased diesel (volume - l) consumption used for generators and Company owned cars at the relevant locations of the Company during the reporting period. It is reported in MWh on a consolidated basis.
	Gasoline Consumption (l)	This indicator reflects the total purchased gasoline (volume - l) consumption used for Company owned cars at the relevant locations of the Company during the reporting period. It is reported in MWh on a consolidated basis.

## ANNEX II: REPORTING GUIDANCE

Type	Indicator	Scope
Environmental Indicators	<b>Water Consumption</b>	
	Water Withdrawal and Discharge by Source (m <sup>3</sup> )	This indicator reflects the total water withdrawal and discharge by source (volume - m <sup>3</sup> ) at the relevant locations of the Company during the reporting period.
	<b>Waste Management</b>	
	Total Hazardous and Non-Hazardous Waste by Type and Management Method (ton)	This indicator refers the total amount of waste (by weight - ton) based on the type and disposal method in the places where the Company's operations take place during the reporting period. <ul style="list-style-type: none"> <li>Hazardous waste means the waste that contain substances that are dangerous for human health and the environment and that have the potential to be harmful,</li> <li>Non-hazardous waste means the waste that do not cause any harm to human health and the environment.</li> </ul>
	<b>Scope 1, 2 and 3 Emissions</b>	
	Direct (Scope 1) Greenhouse Gas Emissions (tCO <sub>2</sub> e)	This indicator reflects the emissions of greenhouse gases due to the use of natural gas, diesel, gasoline consumption, SF <sub>6</sub> and refrigerant gases and fire extinguishing devices at the relevant locations of the Company during the reporting period.
	Energy-related Indirect (Scope 2) Greenhouse Gas Emissions (tCO <sub>2</sub> e)	This indicator reflects the emissions of greenhouse gases due to the use of purchased electricity at the relevant locations of the Company and distribution losses during the reporting period.
	Other Indirect (Scope 3) Greenhouse Gas Emissions (tCO <sub>2</sub> e)	This indicator reflects the emissions of greenhouse gases due to non-company and non-directly controlled sources such as energy related activities, waste disposal, business travel and purchased goods and services(paper and plastic), which are not considered under Scope 1 and Scope 2 during the reporting period.
Paper & Plastic Usage		
Paper & Plastic Usage	This indicator reflects total plastic and paper consumption in the reporting period. While plastic consumption includes the consumption of plastic cutlery, knives and water bottles etc.; paper consumption includes paper used in offices and paper invoices to customers.	
Social Indicators	<b>Occupational Health and Safety</b>	
	The Number of Critical Accidents	This indicator includes the accidents resulting from; <ul style="list-style-type: none"> <li>falling from a height of more than 1.8 meters with loss of working days,</li> <li>electric shock accidents with loss of working days,</li> <li>electric arc accidents with loss of working days,</li> <li>traffic accidents with the loss of more than 10 working days,</li> <li>lifting and conveying accidents with the loss of working days,</li> <li>accidents requiring treatment in the intensive care unit and injuries resulting from accidents resulting in limb loss occurred during the reporting period.</li> </ul> This indicator includes the Company, its affiliates and subcontractors.
	Total Recordable Incident Frequency (excluding slip, trip and fall (STF) incidents) (TRIF w/o STF)	This indicator reflects total recordable incident frequency (TRIF) excluding slip, trip and fall (STF) accidents, occurred during the reporting period. This indicator includes the Company, its subsidiaries and subcontractors.
	Total Recordable Incident Frequency (TRIF)	This indicator reflects total recordable incident frequency (TRIF). This is the ratio of injuries of a certain severity (termed recordable injuries) to hours worked. This indicator includes the Company, its subsidiaries and subcontractors.
	Lost Time Incident Severity Rate (LTISR)	This indicator reflects the severity rate of all incidents that occurred during the reporting period, resulting in lost workdays. This indicator includes the Company, its subsidiaries and subcontractors.
	Number of Fatal Accidents	This indicator reflects the number of fatal accidents resulted in one or more deaths, occurred during the reporting period. This indicator includes the Company, its subsidiaries and subcontractors.
	Occupational Diseases	This indicator reflects the temporary or permanent illness, disability, which the employee suffers due to a recurring reason due to the nature of his work, or due to the operating conditions of the work during the reporting period. This indicator includes the Company, its subsidiaries and subcontractors.
Total Working Hours	This indicator reflects total working hours of the reporting period. This indicator includes the Company, its subsidiaries and subcontractors.	

## ANNEX II: REPORTING GUIDANCE

Type	Indicator	Scope
Social Indicators	<b>People and Culture</b>	
	Total Number of Employees	This indicator reflects the total number of employees working in the Company and its subsidiaries during the reporting period.
	Total Number and Ratio of Female Employees	This indicator reflects the total number of female employees of the Company and its subsidiaries and the percentage ratio of female employees to the total number of employees during the reporting period.
	Ratio of Senior, Mid, Entry-Level and Total Female Managers	This indicator reflects the ratio of the number of female employees to the total number employees according to the management category of the Company and its subsidiaries (entry, mid and senior-level managers) during the reporting period. Management categories are categorized as senior management, director and manager in the Company.
	Gender Distribution of Employees in Managerial Income-Generating Roles	This indicator reflects the number of male and female employees of the Company in managerial income-generating roles by gender. Income-generating roles are categorized as roles from: <ul style="list-style-type: none"> <li>• R&amp;D and Innovation Group Management,</li> <li>• Distribution Directorates (AYEDAS, Baskent, Toroslar),</li> <li>• Free Market Group Directorate,</li> <li>• Regulated Market Group Directorate,</li> <li>• Energy Management Directorate,</li> <li>• Investment Planning Directorate.</li> </ul> Managing roles are categorized as entry, mid and senior-level managers at the Company.
	Gender Distribution of Employees in STEM Roles	This indicator reflects the number of women employees of the Company in STEM roles by gender. STEM roles are categorized as roles related with: <ul style="list-style-type: none"> <li>• Distribution Directorate,</li> <li>• Information Technology,</li> <li>• Sales Directorate (Corporate Solutions &amp; Large Scale Customers),</li> <li>• Grid and System Operations Directorate,</li> <li>• Construction Works Directorate.</li> </ul>
	Ratio of Female Managers in Appointments	This indicator reflects the ratio of women in mid-level and above appointments made on the basis of promotions or rotations within the Company and its subsidiaries during the reporting period.
	Number of Employees on Maternity Leave	This indicator reflects the number of female employees of the Company and its subsidiaries who took maternity leave during the reporting period.
	Number of Employees Returning to Work After Maternity Leave	This indicator reflects the number of female employees who took maternity leave and started to work again in the reporting period in the Company and its subsidiaries.
	Number of Employees Taking Paternity Leave	This indicator reflects the number of male employees on paternity leave in the Company and its subsidiaries during the reporting period.
	Employee Engagement Survey Results	This indicator reflects the results of the employee engagement and satisfaction survey conducted in the reporting year at the Company and its subsidiaries by gender.
	<b>Trainings</b>	
	Total Training Hours	This indicator reflects the total training hours given in the reporting year at the Company and its subsidiaries on the basis of gender, managerial level and training type.
	Total Training Cost	This indicator reflects the total costs of the training given in the reporting year in the Company and its subsidiaries.
	Average Training Hours Per Employee and Average Training Costs Means	This indicator reflects the average training hours and costs per person on the basis of gender and managerial level of training provided in the Company and its subsidiaries in the reporting year.
	<b>Vulnerable Groups</b>	
	Vulnerable Groups Reached Through Inclusion Programs	This indicator reflects the number of people within the vulnerable groups (youth, women and disabled people, etc.) reached by the Company through inclusion programs during the reporting period. This indicator covers the following customer groups: <ul style="list-style-type: none"> <li>• Families of Martyrs and Combatants / Disabled Veterans</li> <li>• Customers over the age of 65</li> <li>• Customer group with a health report</li> <li>• Device dependent Customer group in the “Hasta Var” Program.</li> </ul>

## ANNEX II: REPORTING GUIDANCE

Type	Indicator	Scope
Economic Indicators	<b>Environmental Investments and Expenditures</b>	
	Environmental Investments (TL)	This indicator reflects the investments made by the Company as a mitigating, transition and enabler investments during the reporting period.
	Environmental Expenditures (TL)	This indicator reflects the legally mandatory and non-legally mandatory expenditures of the Company during the reporting period.
	<b>Sustainable Business Model</b>	
	Number of Sustainable Products and Services (#)	This indicator reflects the number of sustainable products and services that the Company has provided during the reporting period.
	Amount of Income from Sustainable Products and Services (TL)	This indicator reflects the amount of income from sustainable products and services that the Company has provided during the reporting period.
	Sustainability-Focused R&D and Innovation Investment (TL)	This indicator reflects the amount of Company's sustainability-focused R&D and innovation investments during the reporting period.
	R&D and Innovation Investment (TL)	This indicator reflects the amount of Company's all R&D and innovation investments during the reporting period.
	Environmental Savings Through Sustainable Investments/ Operations	This indicator reflects environmental savings realized through sustainable investments and/or activities during the reporting period.
Economic Value Generated and Distributed	This indicator reflects the economic value generated and distributed by the company during the reporting period.	
Governance Indicators	<b>Code of Business Ethics</b>	
	Training on Business Ethics Rules	This indicator reflects means the training carried out for the Business Ethics Rules and Procedures in the Company and its subsidiaries during the reporting period.
	Violations of the Code of Business Ethics	This indicator includes the number of cases investigated at the Company and its subsidiaries, and the number of cases where violations are detected and reported to the senior management. It is calculated based on the case reports opened and concluded in 2021.

### Data Preparation

#### ENVIRONMENTAL INDICATORS

##### Energy Consumption

Energy consumption data are reported for electricity and primary fuel sources, which comprise natural gas, diesel and gasoline.

Electricity and natural gas consumption data are obtained from supplier meters and service provider invoices. Diesel consumption for the use of generators and company owned vehicles are obtained from service provider invoices. Gasoline consumption for the use of company owned cars data are obtained from service provider invoices.

The company uses the following conversion factors in its energy consumption calculations:

- Since the electricity supply unit is billed in kWh, a conversion factor of 1 kWh=0.0036 GJ is used for conversion to GJ;
- Since the natural gas supply unit is billed in m<sup>3</sup>, a conversion factor  $[1\text{m}^3 * (34.52) \text{ MJ/m}^3]/1000$  is used;
- Since the diesel supply unit is billed in liters, the conversion factor  $[1\text{l} / (1204.82) \text{ l/ton} * (42.68) \text{ GJ/ton}]$  is used for conversion to GJ;
- Since the gasoline supply unit is billed in liters, the conversion factor  $[1\text{l} / (1360.54) \text{ l/tons} * (43.51) \text{ GJ/tons}]$  is used for conversion to GJ;
- Since the unit of all fuel consumption is reported as MWh, a conversion factor of 1GJ=0.277777 MWh is used for conversion to GJ.

##### Other Environmental Performance Data

Water withdrawal and discharge by source within the scope of other environmental performance data includes groundwater and mains water. It is assumed that all of the water withdrawn from the network is discharged to municipal wastewater. It is assumed that all of the water withdrawn from the groundwater is discharged to groundwater.



# ANNEX II: REPORTING GUIDANCE

## Scope 1, 2 and 3 Emissions

Scope 1, Scope 2 and Scope 3 emissions have been calculated in accordance with ISO 14064-1, with the principle of operational control within the framework of the “Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard”.

In the calculations, CO<sub>2</sub> equivalent factors consisting of CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs (SF<sub>6</sub> and refrigerant gas) CO<sub>2</sub> equivalent emission factors were used. The emission factors used are detailed in the table below. Global Warming Potential (GWP) coefficients are from 5<sup>th</sup> Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) and Greenhouse Gas Protocol (<https://www.gov.uk/government/publications/greenhouse-gasreporting-conversion-factors-2020>) and the resultant ton CO<sub>2</sub>-e value is calculated by multiplying with the appropriate coefficients.

Purchased products and services, well-to-tank energy emissions and waste management factors used in Scope 3 calculations are taken from the UK DEFRA 2021 Emission Factors list. ICAO Carbon Emission Calculator and DEFRA 2021 Emission Factors were used to calculate emissions from flights.

Emission Factors - Scope 1	Total Carbon Factor (kg CO <sub>2</sub> -e)
Natural Gas (kg/m <sup>3</sup> )	2.0263
Diesel - stationary (kg/l)	2.6403
Diesel - mobile (kg/l)	2.6652
Gasoline - mobile (kg/l)	2.2731
HFC - SF6 (kg)	23,500.00
Refrigerant Gases - R410A (kg)	1,923.50
Refrigerant Gases - R600A (kg)	3.00
Emission Factors - Scope 2	Total Carbon Factor kg CO <sub>2</sub> -e/kWh
Electricity Energy (from renewable energy resources)	0.0000
Turkey Electricity (from grid)	0.4736

Emission Factors, Well-to-Tank - Scope 3	Total Carbon Factor (kg CO <sub>2</sub> -e)
Purchased products and services - Plastic (kg/ton)	3 104.7269
Purchased products and services - Paper (kg/ton)	919.3963
Well to tank - Natural gas (kg/m <sup>3</sup> )	0.34593
Well to tank - Diesel (kg/lt)	0.62874
Well to tank - Gasoline (kg/lt)	0.60283
Waste - Recycling - Metal (kg/ton)	0.9891
Waste - Recycling - Plastic, paper, glass, other (kg/ton)	21.2936

## SOCIAL INDICATORS

### Occupational Health and Safety (OHS) Indicators

The following definitions and formulas are used in the calculation of OHS data.

#### Formulas:

Definition	Formula
Total Recordable Incident Frequency (excluding slip, trip and fall incidents) (TRIF w/o STF)	(Accidents resulting in fatality, lost workdays, medical treatment; excluding flat slip, trip and fall accidents) x 1,000,000 / Total working hours
Total Recordable Incident Frequency (TRIF)	(Total number of fatal, lost workday, medical intervention work accidents) x 1,000,000 / Total working hours
Lost Time Incident Severity Rate (LTISR)	(Total number of lost workdays due to work accidents) x 1,000,000 / Total working hours

## ANNEX II: REPORTING GUIDANCE

### People and Culture

#### Distribution of Female Employees Data

The following definitions and formulas are used in the calculation of female employee distribution indicators. Data required for the calculation of the total number of employees, the total number of female employees, the ratio of senior, mid-level and entry-level female managers, the ratio of female employees in STEM (IT, engineering, etc.) roles and the ratio of female managers in income-generating roles in this indicator group, 31 December as of 2021, it was created from the "Employee List Report" to include the following gender, position, STEM and income-generating role information.

Calculations have been made based on the total number of employees, the information included in the annual reports published as of 31 December 2021 or in the human resources systems that the companies have as of the end of the reporting year.

#### Formulas:

Ratio of Female Employees = Number of Female Employees / Total Number of Employees

Ratio of Female Managers = Total Number of Female Managers / Total Number of Managers

Rates of Senior, Mid-Level and Entry-Level Female Managers = Senior, Mid-Level and Entry-Level Number of Female Managers / Senior, Mid-Level and Entry-Level Total Number of Managers

Ratio of Female Employees in STEM (IT, engineering, etc.) Roles = Number of Female Employees in STEM (IT, engineering, etc.) Roles / Total Number of Employees in STEM (IT, engineering, etc.) Roles

Ratio of Female Managers in Income Generating Roles = Number of Female Managers in Income Generating Roles / Total Number of Managers in Income Generating Roles

#### Parental Leaves

Parental leaves refer to the number of employees who took parental leaves (maternity, paternity leaves) during the reporting period and returned to work within the same reporting period.

#### Trainings

Total training hours based on gender (female, male), manager level (entry, mid-level and senior manager levels) and type of training (mandatory) of the trainings given in the reporting year. OHS means total hours on the basis of non-compulsory OHS, personal development, professional development, sustainability and environment, equality of opportunity and inclusion trainings.

Total training cost refers to total costs of the training given in the reporting year.

Average training hours and costs per employee are calculated according to the formulas below on the basis of each breakdown.

#### Formulas:

Average training hours per person = (Total Training Hours for Relevant Group x Number of Relevant Group Persons Receiving Training) / Total Number of Employees

Average training cost per person = (Total Training Cost for Relevant Group \* Number of Relevant Group Persons Receiving Training) / Total Number of Employees

#### Employment and Turnover Rate

Employment data reflects the number of employees hired during the reporting period, while employee turnover rate represents the percentage ratio of the number of employees who left the job during the reporting period to the average number of employees in the same period.

#### Formula:

Employee turnover rate (%) = (Number of employees leaving / Average number of employees during the reporting period)

#### Ratio of Female Employees in Appointments

This indicator reflects the ratio of women in mid-level and above managerial appointments made on the basis of promotions or rotations within the Company and its subsidiaries during the reporting period.

#### Formula:

Ratio of Female Managers in Appointments (%) = Number of female managers (mid-level and above) appointed / Total number of managers (mid-level and above) appointed

#### Employee Engagement

This indicator reflects the results of the employee engagement and satisfaction survey conducted in the reporting year by gender. In the survey calculated by the independent consultant firm, employees with a score of 4.5 and above (1- "I totally disagree", 6 - "I totally agree") are calculated as engaged employees.

#### Vulnerable Groups

##### Vulnerable Groups Reached Through Inclusion Programs

Vulnerable groups reached through inclusion programs indicator represents the number of people within the vulnerable groups (youth, women and disabled people, etc.).

This indicator covers the following customer groups: families of martyrs, veterans and disabled veterans, customers over the age of 65, and device dependent customer group in the "Hasta Var" Program, during the reporting period. As of 31 December 2021, the total number of following groups have been checked from the databases and the relevant official documents were also examined:

## ANNEX II: REPORTING GUIDANCE

### ECONOMIC INDICATORS

The following definitions and formulas are used in the calculation of economic indicators.

#### Environmental Investments and Expenditures

This indicator reflects the environmental investments and expenditures of the Company during the reporting period.

Environmental investments are reported as mitigation, enabler and transition investments. The total amount reported in these indicators are derived from the expenditures made within the approved budget of the Company.

- Mitigation Investments: Include investments in consultancy projects, LED conversion investments, GES and Solar Rooftop investments.
- Enabler Investments: Include investments in Eşarj, SCADA, AMRS, voltage conversion, compensation and low loss transformer projects.
- Transition Investments: Include investments related to the connection of renewable energy sources to the network.

Environmental expenditures, which are legally obligatory (expenses related to waste disposal, generator maintenance costs, etc.) and not legally obligatory (LED conversion, solar lighting, electric vehicle charging stations, electric and hybrid vehicle purchase/rental costs; purified water dispenser rental costs, aerator investments made for drinking water supplied with glass bottles, rainwater harvesting storage and system installations, purchase costs of compost storages, line insulations, efforts to prevent reactive power penalties, landscaping arrangements, etc. within the company) are expenditures.

- Number of customers from families of martyrs, veterans and disabled veterans.
- Number of customers over the age of 65: Represents the number of customers whose date of birth is 1956 and above.
- The number of customers of device dependent customer group in the “Hasta Var” Program.
- Customers with a health report.

#### Sustainable Business Model

##### Sustainable Products and Services

While determining sustainable products, the methodology based on the European Union Sustainable Finance Taxonomy study was taken into account. In this context, the environmental impacts of the Company’s financial activities were evaluated under mitigation (impact mitigation) and enabler (facilitator) categories. Category definitions are given below.

Mitigation: It covers products and services that provide benefits related to the direct reduction of environmental resource use and carbon emissions.

Enabler: Includes products and services that create a positive environmental impact on customer operations or are provided as inputs to sustainable industries.

The sustainable products and services revenue were determined through the sales lists followed under;

- Mitigation projects Green Energy Certificates (Renewable Energy Certificate, Carbon Reduction Certificate), Cogeneration, energy efficiency products, Solar Power Plant projects, Regulated Green Energy Tariff Sales, Solar PV Rooftop, Green Energy Sales (green energy certificate and electricity bundle sales)
- Enabler projects (Eşarj AC, Eşarj DC, Network and Maintenance Revenue). The total revenue generated from the sales lists tracked on a project basis is reported within the scope of this indicator.

#### R&D Innovation Investments

R&D investments include R&D investment expenditures within the income requirement limits determined for distribution companies.

#### Sustainability-focused R&D and Innovation Investments

This indicator reflects the sustainability-focused investments within the total R&D and innovation investments. Total R&D innovation investment represents the total R&D expenditures made by the company during the reporting period and stated in the Energy Annual Report published as of 31 December 2021.

#### Environmental Savings Through Sustainable Investments/Operations

This indicator represents the environmental saving achieved through CO<sub>2</sub> emission reduction thanks to the Solar projects realized during the reporting period.

#### Economic Value Generated and Distributed

It represents the economic value produced and distributed by the company. Its generated value is generated revenue, while its distributed economic value consists of operating costs, employee wages and benefits, and payments to capital providers. Retained economic value is calculated by the difference between the direct value generated and the economic value distributed.

#### Formula:

Retained Economic Value = Direct economic value generated - Economic value distributed

### GOVERNANCE INDICATORS

The following definitions and formulas are used to calculate governance indicators.

#### Code of Business Ethic

##### Violations of the Code of Business Ethics

Training hours given within the scope of Communication and Training on Business Ethics Rules have been reported.

This indicator includes the number of cases included in the investigation at the Company and its subsidiaries, and the number of cases where violations are detected and reported to the senior management. It is calculated with the case reports opened and concluded in 2021.

#### Restatement

The measuring and reporting of sustainability-related data inevitably involves a degree of estimation. Restatements are considered where there is a change in the data of greater than 5 percent at the Company level.

# ANNEX III: COMMUNICATION WITH STAKEHOLDERS

Stakeholder Group	Stakeholder Category	Stakeholder Communication Platform and Methods	Communication Frequency	Objectives and Success Self-Evaluation Criteria
<b>Analysts</b>	External	Meetings, conferences, telephone calls, quarterly investor teleconferences, activities to inform analysts, podcasts, webcasts, investor relations website	Continuous	<ul style="list-style-type: none"> <li>Assuring financial sustainability</li> <li>Increasing transparency</li> <li>Informing the market about the Company</li> <li>Increasing the quality and quantity of Company valuation reports</li> <li>Improving the Company's reputation</li> </ul>
<b>The Press</b>	External	E-mail campaigns, sponsorships and sectoral events, regular and irregular press releases, press conferences, interviews	Year-round	<ul style="list-style-type: none"> <li>Timely and accurately informing the public about Company developments</li> <li>Improving the Company's reputation and brand value</li> <li>Building strong relations with members of the press</li> <li>Increasing sustainability awareness through collaborating with local partners</li> </ul>
<b>Credit Rating Agencies</b>	External	Meetings, teleconferences and telephone calls, e-mail	Annually	<ul style="list-style-type: none"> <li>Increasing transparency</li> <li>Ensuring a fair assessment of Company's credit risk profile</li> <li>Improving the Company's reputation</li> <li>Assuring financial sustainability</li> <li>Decreasing the cost of financing</li> </ul>
<b>Financial Institutions</b>	External	Meetings, teleconferences and phone calls	Continuous	<ul style="list-style-type: none"> <li>Assuring financial sustainability</li> <li>Increasing transparency</li> <li>Improving the Company's reputation</li> <li>Increasing the share of sustainable financing</li> <li>Decreasing the cost of financing</li> </ul>
<b>Shareholders</b>	External	Board of Directors meetings, committee meetings, quarterly investor teleconferences, General Assembly Meetings, investor relations website	Continuous	<ul style="list-style-type: none"> <li>Assuring financial sustainability</li> <li>Compliance with Corporate Governance Principals</li> <li>Transparently reporting the ESG targets, risks, opportunities and performance</li> </ul>
<b>Public Institutions and Regulatory Bodies</b>	External	Meetings, teleconferences, and telephone calls	Continuous	<ul style="list-style-type: none"> <li>Improving stakeholder engagement</li> <li>Engaging to influence a facilitating public policy on ESG areas (including climate-related issues)</li> <li>Increasing transparency in customer communication</li> <li>Assuring financial sustainability</li> </ul>
<b>People Affected by the Project (landowners/ users/ local communities)</b>	External	Face-to-face meetings, e-mail, telephone calls, SMS, mobile app, communication through the website	Continuous	<ul style="list-style-type: none"> <li>Enhancing stakeholder engagement</li> <li>Managing social risks of the projects and mitigating adverse impacts</li> <li>Accurately informing those affected by the projects</li> </ul>
<b>Directly Affected Relevant Specialists (electrical technicians/ electrical engineers)</b>	External	Face-to-face meetings, telephone calls, SMS, mobile app, e-mail, communication through the website and other Enerjisa channels, authorization training for electricians	Continuous	<ul style="list-style-type: none"> <li>Enhancing stakeholder engagement</li> <li>Supporting capacity building and improvement of knowledge (project design, changing legislation, etc.)</li> <li>Engagement of and cooperation with authorized electrical technicians and electrical engineers</li> </ul>
<b>Customers</b>	External	Customer Service Centers, Enerjisa Operation Centers, alternative sales channels, call centers, digital channels (mobile application, website), customer representatives, social media channels, SMS, and customer satisfaction surveys	Continuous	<ul style="list-style-type: none"> <li>Developing customer-oriented solutions</li> <li>Increasing customer satisfaction</li> <li>Providing uninterrupted electricity</li> <li>Ensuring data security and customer privacy</li> <li>Expanding smart technologies</li> <li>Proving sustainable products and services to help customers reduce their electricity consumption and carbon emissions</li> </ul>

Stakeholder Group	Stakeholder Category	Stakeholder Communication Platform and Methods	Communication Frequency	Objectives and Success Self-Evaluation Criteria
<b>Labor Unions</b>	External	Face-to-face meetings, telephone calls, SMS	Continuous	<ul style="list-style-type: none"> <li>Collaboration for the protection and continuity of labor peace and welfare.</li> <li>Managing OHS risks, strengthening OHS culture and taking action for Zero Accident Journey</li> </ul>
<b>NGOs</b>	External	Conferences, management meetings, focus group activities	Continuous	<ul style="list-style-type: none"> <li>Engagement and cooperation on ESG issues</li> </ul>
<b>Suppliers and Business Partners</b>	External	Joint projects	Continuous	<ul style="list-style-type: none"> <li>Engaging to ensure compliance with Enerjisa Enerji ESG policies</li> <li>Developing the resilience of the supply chain</li> <li>Supporting the suppliers and business partners to increase their ESG performance</li> <li>Providing customer satisfaction and uninterrupted energy supply</li> </ul>
<b>International Organizations and Initiatives</b>	External	Joint projects	Continuous	<ul style="list-style-type: none"> <li>Engagement and cooperation on ESG issues</li> <li>Leadership and increasing awareness of energy efficiency</li> </ul>
<b>Educational Institutions</b>	External	Joint projects	Min four times a year	<ul style="list-style-type: none"> <li>Collaboration with stakeholders</li> <li>Providing technical development opportunities.</li> <li>Attracting qualified talent</li> <li>Investment in R&amp;D</li> <li>Developing people and technology-oriented projects for sustainable energy</li> </ul>
<b>Investors</b>	External	Informative meetings, meetings, teleconferences, quarterly investor teleconferences, podcasts, webcasts, General Assembly Meetings, investor relations website, online surveys	Continuous	<ul style="list-style-type: none"> <li>Assuring financial sustainability</li> <li>Compliance with Corporate Governance Principles</li> <li>Managing sustainability risks</li> <li>Adopting a target-based management approach</li> <li>Reporting ESG performance transparently</li> </ul>
<b>Local administrations/ Mukhtars</b>	External	WhatsApp Mukhtar Support Line, regular meetings with mukhtars	Continuous	<ul style="list-style-type: none"> <li>Building stakeholder dialogue</li> <li>Transparency in customer communication</li> </ul>
<b>Employees</b>	Internal	iKON People and Culture mobile application, intranet, employee engagement focus groups, team leaders' information meetings, CEO briefing meetings, management meetings, people and culture information meetings	Continuous	<ul style="list-style-type: none"> <li>Attracting qualified talent</li> <li>Broadening the knowledge and skills of employees with upskilling and reskilling programs</li> <li>Increasing employee engagement</li> <li>Increasing the participation in innovation</li> <li>Strengthening the OHS culture</li> <li>Increasing diversity with respect to gender and age</li> <li>Strengthening 'employees' health and well-being with various programs</li> </ul>
<b>Subsidiaries</b>	Internal	Meetings, Board meetings	Continuous	<ul style="list-style-type: none"> <li>Promoting leadership in the use of new technologies</li> <li>Managing financial and ESG risks</li> <li>Increasing ESG awareness and participation to increase companywide ESG performance</li> </ul>

# ANNEX IV: MEMBER ORGANIZATIONS

United Nations Women's Empowerment Principles (WEPs)	In support of 
UN Global Compact	
World Economic Forum (WEF)	
Learning and Development Platform Association (TEGEP)	
Association of Electricity Distribution System Operators (ELDER)	
Energy Regulators Regional Association (ERRA)	
Energy Traders Association (ETD)	
Energy Efficiency and Management Association (EYODER)	
Ethics and Reputation Society (TEİD)	
EUROGIA 2020	
Energy Investors Association (GÜYAD)	
Human Resources Professional Association (İKMD)	
İstanbul Exporters' Association (İİB)	
İstanbul Chamber of Commerce (İTO)	

Business Plastic Initiative (İPG)	
Business Council for Sustainable Development Turkey (BCSD Turkey)	
Corporate Communication Professionals Association (KİD)	
Corporate Volunteers Association (ÖSGD)	
Woman in Technology Association (WTECH)	
Turkish Education Foundation (TEV)	
Turkish Industry and Business Association (TÜSİAD)	
The Institute of Internal Auditing-Turkey (TİDE)	
Turkish Quality Association (KalDer)	
Turkish Cogeneration and Clean Energy Technologies Association	
Corporate Governance Association of Turkey (TKYD)	
Transparency International (TI-Turkey)	
International Investors Association (YASED)	
Artificial Intelligence and Technology Association (YZTD)	
Turkish Investor Relations Society (TÜYİD)	
Yenibirlider Development Program - The Yenibirlider Association	

# ANNEX V: ENVIRONMENTAL PERFORMANCE INDICATORS

Assured data

Energy Consumption (MWh)	2019	2020	2020 restated <sup>1</sup>	2021
<b>Non-electricity Energy Consumption</b>	<b>111,566</b>	<b>110,561</b>	<b>110,561</b>	<b>119,492</b>
Natural gas	6,725	6,728	6,728	7,022
Emergency power units	147	913	913	1,833
Vehicle fleet	104,695	102,920	102,920	110,637
<b>Electricity Consumption</b>	<b>14,650</b>	<b>14,744</b>	<b>16,935</b>	<b>17,409</b>
Non-renewable electricity purchased	13,661	0	0	610
Renewable electricity purchased	989	14,744	16,935	16,799
<b>Total Net Energy Consumption</b>	<b>126,216</b>	<b>125,305</b>	<b>127,496</b>	<b>136,902</b>
<b>Energy Intensity (MWh/million TL)</b>	<b>6.48</b>	<b>5.76</b>	<b>5.86</b>	<b>4.48</b>

Greenhouse Gas Emissions <sup>2</sup> (ton CO <sub>2</sub> e)	2019	2019 restated <sup>3</sup>	2020	2020 Restated <sup>3</sup>	2021
<b>Scope 1</b>	<b>38,933</b>	<b>38,933</b>	<b>44,482</b>	<b>44,482</b>	<b>59,952</b>
Vehicles	28,321	28,321	27,867	27,867	29,932
F-gases & SF6	9,151	9,151	14,949	14,949	28,044
Fuels used inside the buildings	1,421	1,421	1,422	1,422	1,484
Generators (Diesel)	39	39	245	245	492
<b>Scope 2</b>	<b>1,775,386</b>	<b>1,817,976</b>	<b>1,837,853</b>	<b>1,758,535</b>	<b>1,941,560</b>
Electricity consumption - location based	7,206	7,321	7,252	8,020	8,245
Electricity consumption - market based	6,719	6,897	0	0	279
Transmission & Distribution Losses	1,768,180	1,810,655	1,830,600	1,750,515	1,933,315
<b>Scope 3</b>	<b>21,343,689</b>	<b>17,012,125</b>	<b>21,561,367</b>	<b>17,120,256</b>	<b>16,970,517</b>
Purchased goods and svcs.	0	0	0	0	1,502
Fuel and energy related activities	21,343,147	17,010,582	21,560,658	17,119,547	16,968,550
Emissions from electricity sold to customers	21,335,282	17,003,717	21,553,880	17,112,769	16,961,099
Well-to-tank emissions of consumed fuels	6,865	6,865	6,778	6,778	7,450
Employee commuting	364	364	250	250	154
Business travel	922	922	196	196	175
Waste	257	257	263	263	137
<b>Total</b>	<b>23,158,008</b>	<b>18,869,033</b>	<b>23,443,702</b>	<b>18,923,273</b>	<b>18,972,029</b>
<b>Emission Intensity (kg CO<sub>2</sub>/TL)<sup>4</sup></b>	<b>1.19</b>	<b>0.97</b>	<b>1.08</b>	<b>0.87</b>	<b>0.62</b>

<sup>1</sup> 2020 energy consumption figures have been restated as we are now able to start monitoring additional locations that were not possible previously.

<sup>2</sup> 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) 5<sup>th</sup> Assessment Report.

<sup>3</sup> 2019 and 2020 emission figures have been restated. The main differences are due to inclusion of 1) electricity sold rather than electricity distributed in the Scope 3 category for "emissions from electricity sold to customers" 2) change in scope for electricity consumption and recalculated grid emission factor for 2020.

<sup>4</sup> Emission intensity is the level of GHG emissions per unit of economic activity (revenue).

Water Consumption (m <sup>3</sup> )	2019	2020	2021
<b>Total Water Consumption (m<sup>3</sup>)</b>	<b>101,842</b>	<b>98,654</b>	<b>95,285</b>
Municipal water	97,875	92,504	91,760
Ground water	3,967	6,150	3,493
Surface water	0	0	0
Rainwater	0	0	32
<b>Total Water Discharge (m<sup>3</sup>)</b>			
Discharged to municipal wastewater system	97,875	92,504	91,760
Ground water used for gardening	3,967	6,150	3,493
Rainwater used for gardening	0	0	32

Total Waste Amount (ton)	2019	2020	2021
<b>Hazardous Waste</b>	<b>4,418</b>	<b>3,922</b>	<b>3,804</b>
Recycled hazardous waste	4,401	3,880	3,804
<b>Non-hazardous Waste</b>	<b>7,785</b>	<b>8,727</b>	<b>7,563</b>
Recycled non-hazardous waste	7,785	8,727	7,563
<b>Total Waste</b>	<b>12,203</b>	<b>12,649</b>	<b>11,367</b>

Paper and Plastic Consumption (ton)	2019	2020	2021
Plastic	n.a.	n.a.	25
Paper	n.a.	n.a.	1,557

# ANNEX VI: SOCIAL PERFORMANCE INDICATORS

✓ Assured data

## Occupational Health and Safety Indicators

OHS	2019			2020			2021		
	Enerjisa	Contractors	Consolidated	Enerjisa	Contractors	Consolidated	Enerjisa	Contractors	Consolidated
Number of critical accidents	21	8	29	23	11	34	✓ 25	✓ 13	38
TRIF (w/o STF)	5.1	4.8	5.0	4.5	4.5	4.5	✓ 5.2	✓ 5.6	5.4
TRIF	9.6	4.9	8.2	9.0	5.6	7.9	✓ 10.1	✓ 6.6	8.9
LTISR	106.4	113.0	100.7	81.3	146.6	103.0	✓ 113.7	✓ 150.0	126.4
The number of fatal accidents	2	0	2	1	1	2	✓ 2	✓ 0	2
Occupational diseases	0	0	0	0	0	0	✓ 0	✓ 0	0
Total working hours (million)	24.6	10.5	35.1	24.9	12.3	37.3	✓ 26.2	✓ 14.2	40.4

	2019	2020	2021
<b>OHS Investments (TL million)</b>	128.9	54.6	80.9
<b>OHS Trainings (hour per employee)</b>	16.2	5.3	13.3

## People and Culture

Employees Per Category	2019		2020		2021	
	Female	Male	Female	Male	Female	Male
Total number of employees	1,106	9,124	1,133	9,282	1,129	10,171
White collar employees	1,048	2,170	1,078	2,225	1,080	2,423
Blue collar employees	58	6,954	55	7,057	49	7,748
Employees covered by collective bargaining agreements	58	6,954	55	7,057	49	7,748
<b>Total number of employees</b>	<b>10,230</b>		<b>10,415</b>		<b>11,300</b>	

Employees by Employment Types	2019		2020		2021	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
White collar employees	3,218	0	3,303	0	3,503	0
Blue collar employees	7,012	0	7,112	0	7,797	0
Employees with disabilities	304		306		325	
<b>Total number of employees</b>	<b>10,230</b>		<b>10,415</b>		<b>11,300</b>	

Employees by Age	2019		2020		2021	
	Female	Male	Female	Male	Female	Male
<30 years old	345	2,038	385	2,280	260	2,656
30-50 years old	755	6,927	737	6,729	855	7,266
>50 years old	6	159	11	273	14	249
<b>Total number of employees</b>	<b>10,230</b>		<b>10,415</b>		<b>11,300</b>	

Employees in Management Positions <sup>5</sup>	2019		2020		2021	
	Female	Male	Female	Male	Female	Male
Total number of employees in entry-level management	104	302	124	306	✓ 111	✓ 292
Total number of employees in mid management	50	126	53	142	✓ 51	✓ 155
Total number of employees in senior management	1	19	3	19	✓ 2	✓ 21
Total number of executives	1	3	0	5	✓ 1	✓ 7
<b>Total number of employees in management positions</b>	<b>156</b>	<b>450</b>	<b>180</b>	<b>472</b>	<b>✓ 165</b>	<b>✓ 475</b>

Employees in All Management Positions <sup>5</sup> by Gender and Age	2019		2020		2021	
	Female	Male	Female	Male	Female	Male
<30 years old	1	10	7	7	5	5
30-50 years old	128	372	170	432	156	430
>50 years old	2	24	3	33	4	40
<b>Total number of employees in management positions</b>	<b>131</b>	<b>406</b>	<b>180</b>	<b>472</b>	<b>✓ 165</b>	<b>✓ 475</b>
Board members	2	6	2	6	2	6

Revenue Generating Roles	2019		2020		2021	
	Female	Male	Female	Male	Female	Male
Total number of all managers in revenue generating functions	17	63	24	87	✓ 19	✓ 59
The ratio of all female managers in revenue generating functions	21.3%		21.6%		✓ 24.4%	
The number of employees in STEM (IT, engineering, etc.) roles	80	331	105	354	✓ 104	✓ 375
The ratio of female employees in STEM roles	19.5%		22.9%		✓ 21.7%	

<sup>5</sup> includes entry, mid, senior level managers and executives

# ANNEX VI: SOCIAL PERFORMANCE INDICATORS

Assured data

Appointments	2019		2020		2021	
	Female	Male	Female	Male	Female	Male
Number of positions filled with internal candidates	n.a.	n.a.	73	431	97	1,072
Number of all open positions	n.a.		1,211		2,123	
The ratio of mid, senior-level and executive management positions filled with internal candidates	n.a.		n.a.		93%	
The ratio of women in mid, senior level and executive managerial appointments	20%		25%		24%	

New Employee Hires by Gender and Age	2019		2020		2021	
	Female	Male	Female	Male	Female	Male
<30 years old	93	640	52	342	69	1,143
30-50 years old	41	272	34	133	43	277
>50 years old	0	0	0	1	0	0
<b>Total</b>	<b>134</b>	<b>912</b>	<b>86</b>	<b>476</b>	<b>112</b>	<b>1,420</b>

Employees Who Left Work by Gender and Age	2019		2020		2021	
	Female	Male	Female	Male	Female	Male
<30 years old	37	150	21	95	32	121
30-50 years old	67	249	39	180	78	346
>50 years old	2	42	0	37	4	55
<b>Total</b>	<b>106</b>	<b>441</b>	<b>60</b>	<b>312</b>	<b>114</b>	<b>522</b>
Employee turnover	5.5%		3.6%		5.9%	
Voluntary employee turnover	3.2%		2.4%		3.3%	

Parental Leave	2019		2020		2021	
	Female	Male	Female	Male	Female	Male
Employees entitled to (who took) parental leave	88	699	133	766	68	665
Employees who returned to work following parental leave	85	699	133	766	66	664
Employee who returned to work following parental leave and continue working for 12-months	78	677	78	723	66	664

Performance Evaluation	2019		2020		2021	
	Female	Male	Female	Male	Female	Male
Total number of employees subject to regular performance evaluation	1,048	2,170	1,076	2,225	1,080	2,423

Employee Satisfaction	2019		2020		2021	
	Female	Male	Female	Male	Female	Male
<b>All Employees</b>						
Employee satisfaction score	n.a.		80%		76%	
Employee engagement score	n.a.		70%		66%	
<b>White Collar</b>						
Employee satisfaction score	n.a.	n.a.	82%		75%	
Employee engagement score	n.a.	n.a.	67%	68%	59%	65%
Employee engagement score	n.a.		68%		63%	

Employee Engagement Score by Age (White Collar)	2019	2020	2021
	20-24 years old	n.a.	72%
25-34 years old	n.a.	65%	60%
35-44 years old	n.a.	69%	64%
45-54 years old	n.a.	77%	74%
>55 years old	n.a.	88%	91%



# ANNEX VI: SOCIAL PERFORMANCE INDICATORS

Assured data

Trainings	2019	2020	2021
Total number of employees who received training	10,539	8,013	11,270
Total training hours	234,119	139,993	415,772
Total training expenditure (TL million)	12.4	11.2	24.9

Training Hour (by Employee Type)	2019	2020	2021
Employees in senior management and above	807	526	552
Employees in mid-level management	6,096	5,366	9,452
Employees in entry-level management	12,655	13,098	25,598
Other white collar employees	46,966	52,376	107,935
Blue collar	167,596	68,627	272,236

Training Hour (by Gender)	2019	2020	2021
Female	29,343	32,196	52,618
Male	204,776	107,797	363,154

Training Hour (by Training Type)	2019	2020	2021
Professional development	31,826	27,543	45,673
Technical Development	92,383	9,214	155,437
Individual Development	15,278	24,978	53,341
Leadership Development	6,154	10,736	11,216
Occupational Health and Safety	88,478	67,522	150,105

Summary Training Indicators	2019	2020	2021
Total training per person (hour)	22.9	13.4	36.8
Total training cost (million TL)	12.4	11.2	24.9
Total training cost per person (TL)	1,212	1,075	2,204

Training Hours in Selected Areas	2019		2020		2021	
	Female	Male	Female	Male	Female	Male
Ethics	n.a.	n.a.	788	1,472	2,908	3,446
Anti-Bribery & Anti-Corruption	n.a.	n.a.	788	1,472	n.a.	n.a.
Equality, equal opportunity, inclusiveness	n.a.	n.a.	n.a.	n.a.	201	216
Sustainability and the environment	398	2,717	292	1,215	499	3,370

## Contractors

Contractors by Service Type	2019	2020	2021
<b>Number of contractors</b>	<b>4,996</b>	<b>5,119</b>	<b>6,558</b>
Administrative affairs	939	1,010	1,052
Construction works	2,298	2,742	3,407
Fault repair and maintenance	747	522	1,199
Call Center	1,012	845	900

## Vulnerable Groups Reached Through Inclusion Programs

Vulnerable Groups Reached Through Inclusion Programs	2019	2020	2021
Over the age of 65	n.a.	1,056,441	1,145,541
Families of martyrs, veterans and disabled veterans	n.a.	20,306	20,449
Device Dependent Patients (Hasta Var)	n.a.	1,706	2,051
Subscribers who submitted a health committee report	n.a.	114	193

# ANNEX VII: ECONOMIC INDICATORS

✓ Assured data

## Environmental Investments and Expenditures

Environmental Investments and Expenditures (TL million)	2019	2019 restated <sup>6</sup>	2020	2020 restated <sup>6</sup>	2021
<b>Total environmental investments</b>	<b>73.9</b>	<b>90.2</b>	<b>115.9</b>	<b>150.8</b>	<b>✓ 330.4</b>
Mitigation investments	0	0	2.2	2.2	✓ 58.4
Enabler investments	73.9	82.6	113.7	132.1	✓ 244.0
Transition investments	0	7.7	0	16.5	✓ 28.0
<b>Total environmental expenditures</b>	<b>2.2</b>	<b>2.2</b>	<b>2.0</b>	<b>2.0</b>	<b>✓ 4.6</b>

## Sustainable Business Model

Sustainable Business Model	2019	2020	2020 restated <sup>7</sup>	2021
The number of sustainable products and services (number)	4	7	7	✓ 12
Amount of income from sustainable products and services (TL million)	15.9	23.5	45.1	✓ 326.0
Mitigation Revenues	12.8	17.0	38.7	✓ 309.5
Enabler Revenues	3.1	6.5	6.5	✓ 16.5

## R&D Innovation Investments

Metrics	2019	2020	2021	
<b>Innovation management</b>	Number of R&D positions	13	13	11
	Number of Innovation positions	6	4	4
	Number of ideas collected with NAR	249	160	130
	Sustainability focused R&D, innovation investment budget (TL million)	3.5	6.7	✓ 9.2
	Total budget of R&D and innovation investment (TL million)	15	9.0	✓ 11.8

## Economic Value Generated and Distributed

(TL million)	2019	2020	2021
<b>Direct economic value generated</b>	<b>20,128</b>	<b>22,467</b>	<b>✓ 31,488</b>
Revenue	19,453	21,757	✓ 30,548
Interest income	511	273	✓ 378
Power theft penalties	141	136	✓ 135
Income from operational hedges- net	-8	250	✓ 324
Other income	32	51	✓ 103
<b>Economic value distributed</b>	<b>19,700</b>	<b>22,302</b>	<b>✓ 30,469</b>
Dividends	472	709	✓ 1,134
Operating and other fixed expenses	15,735	18,214	✓ 24,617
Personnel expenses	1,031	1,180	✓ 1,571
Taxes and levies	537	602	✓ 1,060
Community investments	0	18	✓ 39
Finance expenses	1,925	1,579	✓ 2,047
<b>Economic value retained</b>	<b>428</b>	<b>166</b>	<b>✓ 1,019</b>

<sup>6</sup> Compensation investments (enabler) and investments for connection of renewable energy sources (transition) included in the restated scope of investments.

<sup>7</sup> Green Energy Sales (green energy certificate and electricity bundle sales) included in restated scope.

## ANNEX VIII: CORPORATE GOVERNANCE INDICATORS

	2019	2020	2021
Political contributions (TL million)	0	0	0
Confirmed incidents of anti-bribery and corruption	19	14	27
The number of definitive convictions the company was subject to in relation to breach of employee rights	47	36	21
The number of definitive convictions the company is subject to in relation to health and safety measures	5	4	4

## ANNEX IX: OPERATIONAL INDICATORS

### Quality Metrics

	2019	2020	2021	
<b>Enabling high-quality electricity supply through guaranteeing voltage quality and continuity of supply</b>	<b>System Average Interruption Duration Index (SAIDI) (hours)</b>			
	AYEDAS	12.5	8.8	11.9
	Başkent	36.8	30.3	40.3
	Toroslar	62.2	64.2	64.5
	<b>System Average Interruption Frequency Index (SAIFI) (number)</b>			
	AYEDAS	10.6	7.4	8.6
	Başkent	23.3	19.0	20.2
	Toroslar	27.1	33.5	28.5
	<b>Customer Average Interruption Duration Index (CAIDI) (SAIDI/SAIFI)</b>			
	AYEDAS	1.18	1.19	1.39
Başkent	1.58	1.59	1.99	
Toroslar	2.30	1.92	2.26	
<b>Investing in technologies balancing generation and consumption</b>	Installed capacity of licensed and non-licensed renewables directly connected to grid (MW)			
	1,621	1,848	2,093	

### Digitalization

	2019	2020	2020 restated	2021
<b>Digitalization of the grid</b>	Number of meters covered by AMRS	76,597	79,658	80,261
	Number of sensors on SCADA system	678,316	716,608	808,702

### Customer Satisfaction

<b>Customer Satisfaction (consolidated)</b>	2019	2020	2021
CSAT (over 5)	3.98	4.08	4.17
NPS (-100 to +100)	-4	+5	+12

## ANNEX X: MANAGEMENT SYSTEMS STANDARDS

Management Systems Standards	Coverage Rate	Calculation Methodology
ISO 9001 Quality Management System	99%	Employee
ISO 45001 Occupational Health and Safety Management System	100%	Location
ISO 14001 Environmental Management System	100%	Location
ISO 10002 Customer Satisfaction Management System	100%	Location
ISO22301 Business Continuity Management Systems	11%	Employee
ISO 27001 Information Security Management System	100%	IT infrastructure

## ANNEX XI: TCFD DISCLOSURE

Core Elements	Area	Recommendations	Relevant Report Section (page)
<b>Governance</b>	Disclose the organization's governance around climate-related risks and opportunities.	a Describe the board's oversight of climate-related risks and opportunities.	Sustainability Management, 26
		b Describe management's role in assessing and managing climate-related risks and opportunities.	Sustainability Management, 26
<b>Strategy</b>	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Trends and Impacts on our Business, 23-25
		b Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Trends and Impacts on our Business, 23-25
		c Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Impact for Planet, 74
<b>Risk Management</b>	Disclose how the organization identifies, assesses, and manages climate-related risks.	a Describe the organization's processes for identifying and assessing climate-related risks.	Risk Management, 88
		b Describe the organization's processes for managing climate-related risks.	Risk Management, 88
		c Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Risk Management, 86-88
<b>Metrics and Targets</b>	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.	Impact for Planet, 74 Environmental Performance Indicators, 109
		b Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Emissions, 75-76 Environmental Performance Indicators, 109
		c Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	ESG Targets, 22 Impact for Planet, 74 Environmental Performance Indicators, 109

## ANNEX XII: UNGC & UN WEPS DISCLOSURES

Area	Principles	Relevant Report Section - Subsection
<b>Human Rights</b>	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Business for Impact - Responsible Supply Chain
	Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	Impact for Society - Talent Management
<b>Labour</b>	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Business for Impact - Responsible Supply Chain
	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.	Impact for Society - Talent Management
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	
<b>Environment</b>	Principle 7: Businesses should support a precautionary approach to environmental challenges.	Business for Impact - Responsible Supply Chain & Sustainable Products and Services & Innovation
	Principle 8: Business should undertake initiatives to promote greater environmental responsibility.	
	Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies.	Impact for Planet
<b>Anti-Corruption</b>	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Foundations - Corporate Governance

Principle	Relevant Report Section - Subsection
Principle 1: Establish high-level corporate leadership for gender equality.	Impact for Society - 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	

## ANNEX XIII: AWARDS



### IDC Turkey CIO Awards

- **İKON application**  
Future of Work - Golden award in the category of Employee Experience
- **Transferring the Data Storage Service to Private Cloud project**  
Bronze award in the category of IT Cost Efficiency
- **RPA Transformation project**  
Bronze award in the category of Future of Work & Human Machine Collaboration



### Capital Magazine

- **The Most Admired Companies of the Business World Research**  
"The Most Admired Company" in the Energy Sector for 12<sup>th</sup> time in a row



### Brand Finance

- **The Most Valuable Brands in Turkey**  
Sector Leader (overall rank: 30)



### E.ON International Digital Maturity Assessment

- Digital Champion



### 4<sup>th</sup> Energy and Natural Resources Summit,

- **"I Protect My Energy"**  
"Social Benefit" Award



### Stevie Awards for Great Employers

- Turkish Company with the Highest Number of Awards - 17 Awards
- **Young Energy - Young Talent Development Program**  
Best Talent Management Program (Gold)  
Best Innovative Talent Management Program (Gold)
  - **KOZA**  
Learning Program with Best Outcomes - (Gold)  
Best Sales Training (Gold)
  - **Mobile Training Centre - Support Project for Professional Training**  
Success in Workforce Development and Learning (Gold)  
Best Training Program (Gold)
  - **Enter Recruitment and Talent Development Program**  
Best Innovative Talent Acquisition Program (Gold)  
Best Young Talent Acquisition Strategy (Silver)
  - **Enerjisa Digital Recruitment Process**  
Success in Recruitment (Gold)  
Best Talent Acquisition Process (Gold)
  - **Project X Data Based Organizational Model and Workforce Planning Project**  
Best Human Resources Reporting (Gold)  
Use of Data Analytics in Human Resources (Silver)
  - **GATE Specialist Development Program**  
Best Competency and Skills Development (Silver)  
Best Co Educational Learning (Bronze)
  - **Leap Digital & Step Digital- Digital Excellence Executive Development Program**  
Best Senior Executive Development Program (Bronze)
  - **Welcome to Enerjisa Platform-Digital Orientation Process**  
Best Employee Onboarding Process (Bronze)
  - **You Choose Flexible Benefits**  
Best Fringe Benefits Program Design and Management (Bronze)



### Brandon Hall 2021 Human Capital Management Excellence Awards

- 4 Golden, 6 Silver and 7 Bronze; a total of 17 awards
- **Young Energy, Young Talent Development Program**  
Best Innovative Talent Management (Gold)  
Talent Management Strategy (Best Advance) - (Silver)  
Best Innovative Learning & Development Program (Bronze)
  - **Leap Digital & Step Digital- Digital Excellence Executive Development Program**  
Best Team Development - (Silver)  
Competency and Skills Development (Best Advance) (Bronze)  
Executive Development (Best Advance) (Bronze)
  - **Enter Recruitment and Talent Development Program**  
Extended Enterprise Learning Program (Gold)  
Succession and Career Management (Silver)  
Best Innovative and Original Talent Acquisition Program (Silver)
  - **Enerjisa Digital Recruitment Process**  
Talent Acquisition Process (Best Advance) (Silver)  
Technology Application in Talent Management (Best Advance) (Bronze)
  - **Project X Data Based Organizational Model and Workforce Planning Project**  
HR Data Analytics (Best Advance) (Gold)  
Workforce Planning and Management (Best Advance) (Gold)  
Best HR Strategy and Measurement Approach (Silver)
  - **KOZA**  
Best Innovative and Original Sales Training Program (Bronze)  
Best Team Development Program for Retail Teams (Bronze)  
Best Training and Performance Program for Retail Teams (Bronze)



### 2021 World Finance Awards

- "Best Corporate Governance in Turkey"



### Mercomm ARC Awards

- **2020 Annual Report**  
Golden award- Non Traditional Annual Reports



### International Stevie Awards

- **2020 Annual Report**  
Bronze Stevie - "Best Annual Report - Publicly-Held Corporations" category



### LACP Vision Awards

- **2020 Annual Report**  
Gold - "Special Regional Success"  
Silver - "Honor on a Country Basis"



### Business Life

- **Murat Pinar**  
"50 Most Effective CEOs in Turkey" list



### Baykuş Awards

- **Customer Satisfaction**  
Silver Memnun Baykuş (Satisfied Owl) award



### Finance Monthly

- **Dr. Michael Moser**  
"The Most Successful CFO in Turkey"



### 12<sup>th</sup> Golden Collar Awards

- **"Yakıtım Güneş" (My Fuel is Solar) Project**  
(TEMSA+ENERJİSA joint project)  
Golden Award in the category of Sustainability



### IDC CIO Awards

- **E-ternal Project**  
Golden award in the category of Initiative of the Future

# ANNEX XIV: GRI CONTENT INDEX

GRI STANDARD NUMBER	DISCLOSURES	PAGE NUMBER/DIRECT REFERENCE
<b>GRI 101: FOUNDATION 2016</b>		
<b>GRI 102: GENERAL DISCLOSURES 2016</b>		
	<b>ORGANIZATIONAL PROFILE</b>	
<b>GRI 102: GENERAL DISCLOSURES 2016</b>	102-1	3
	102-2	9-12
	102-3	119
	102-4	11
	102-5	12
	102-6	11
	102-7	10, 12
	102-8	59, 110
	102-9	45-46
	102-10	There has not been any change in the shareholder structure.
	102-11	86-88
	102-12	108
	102-13	108
	<b>STRATEGY</b>	
	102-14	5-7
	<b>ETHICS AND INTEGRITY</b>	
	102-16	84-86
	<b>GOVERNANCE</b>	
	102-18	28
	<b>STAKEHOLDER ENGAGEMENT</b>	
	102-40	90
	102-41	91, 110
	102-42	90
	102-43	108
	102-44	90-91
	<b>REPORTING PRACTICE</b>	
	102-45	11-12
	102-46	29-33
	102-47	29-33
	102-48	105
	102-49	29-33
	102-50	3
	102-51	01.01.2021 - 31.12.2021 2021 Sustainability Report
	102-52	Annually
	102-53	3
	102-54	3
	102-55	117-118
	102-56	97-99

GRI STANDARD NUMBER	DISCLOSURES	PAGE NUMBER/DIRECT REFERENCE
<b>GRI 200: ECONOMIC STANDARD SERIES</b>		
	<b>ECONOMIC PERFORMANCE</b>	
<b>GRI 103: MANAGEMENT APPROACH 2016</b>	103-1	9-12
	103-2	9-12
	103-3	9-12
<b>GRI 201: ECONOMIC PERFORMANCE 2016</b>	201-1	9-12
	201-2	75, 76, 88
	201-4	2021 Annual Report <a href="https://www.enerjisainvestorrelations.com/Media/Default/pdf/FR/Enerjisa_Annual_Report_2021.pdf">https://www.enerjisainvestorrelations.com/Media/Default/pdf/FR/Enerjisa_Annual_Report_2021.pdf</a>
<b>GRI 300: ENVIRONMENTAL STANDARD SERIES</b>		
	<b>ENERGY</b>	
<b>GRI 103: MANAGEMENT APPROACH 2016</b>	103-1	74, 77
	103-2	74, 77
	103-3	74, 77
<b>GRI 302: ENERGY 2016</b>	302-1	109
	302-3	109
	302-4	20, 46, 77
	<b>WATER AND EFFLUENTS</b>	
<b>GRI 103: MANAGEMENT APPROACH 2016</b>	103-1	80
	103-2	80
	103-3	80
<b>GRI 303: WATER AND EFFLUENTS 2018</b>	303-1	80
	303-2	80
	303-3	109
	303-4	109
	<b>BIODIVERSITY</b>	
<b>GRI 103: MANAGEMENT APPROACH 2016</b>	103-1	78
	103-2	78
	103-3	78
<b>GRI 304: BIODIVERSITY 2016</b>	304-2	78

# ANNEX XIV: GRI CONTENT INDEX

GRI STANDARD NUMBER	DISCLOSURES	PAGE NUMBER/DIRECT REFERENCE
	<b>EMISSIONS</b>	
<b>GRI 103: MANAGEMENT APPROACH 2016</b>	103-1	74-76
	103-2	74-76
	103-3	74-76
<b>GRI 305: EMISSIONS 2016</b>	305-1	109
	305-2	109
	305-3	109
	305-4	109
	305-5	20, 46, 75
	<b>WASTE</b>	
<b>GRI 103: MANAGEMENT APPROACH 2016</b>	103-1	79
	103-2	79
	103-3	79
<b>GRI 306: WASTE 2020</b>	306-1	79
	306-2	79
	306-3	79
	<b>ENVIRONMENTAL COMPLIANCE</b>	
<b>GRI 103: MANAGEMENT APPROACH 2016</b>	103-1	74
	103-2	74
	103-3	74
<b>GRI 307: ENVIRONMENTAL COMPLIANCE 2016</b>	307-1	74
<b>GRI 400: SOCIAL STANDARD SERIES</b>		
	<b>EMPLOYMENT</b>	
<b>GRI 103: MANAGEMENT APPROACH 2016</b>	103-1	59
	103-2	59
	103-3	59
<b>GRI 401: EMPLOYMENT 2016</b>	401-1	60, 111
	401-2	60, 111
	401-3	111
	<b>LABOR/MANAGEMENT RELATIONS</b>	
<b>GRI 103: MANAGEMENT APPROACH 2016</b>	103-1	59
	103-2	59
	103-3	59
<b>GRI 402: LABOR/MANAGEMENT RELATIONS 2016</b>	402-1	Minimum notice periods regarding operational changes are considered.

GRI STANDARD NUMBER	DISCLOSURES	PAGE NUMBER/DIRECT REFERENCE
	<b>OCCUPATIONAL HEALTH AND SAFETY</b>	
<b>GRI 103: MANAGEMENT APPROACH 2016</b>	103-1	67
	103-2	67
	103-3	67
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018</b>	403-1	67
	403-2	67-68
	403-3	67-69
	403-4	67-69
	403-5	68
	403-6	69
	403-7	68-69
	403-9	69, 110
	403-10	69, 110
		<b>TRAINING AND EDUCATION</b>
<b>GRI 103: MANAGEMENT APPROACH 2016</b>	103-1	59
	103-2	59
	103-3	59
<b>GRI 404: TRAINING AND EDUCATION 2016</b>	404-1	19, 59
	404-2	61-64
	404-3	61-64
	<b>DIVERSITY AND EQUAL OPPORTUNITY</b>	
<b>GRI 103: MANAGEMENT APPROACH 2016</b>	103-1	65
	103-2	65
	103-3	65
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016</b>	405-1	65-66, 110
	<b>NON-DISCRIMINATION</b>	
<b>GRI 103: MANAGEMENT APPROACH 2016</b>	103-1	65
	103-2	65
	103-3	65
<b>GRI 406: NON-DISCRIMINATION 2016</b>	406-1	65-66, 110
	<b>CUSTOMER PRIVACY</b>	
<b>GRI 103: MANAGEMENT APPROACH 2016</b>	103-1	55-57
	103-2	57
	103-3	57
<b>GRI 418: CUSTOMER PRIVACY 2016</b>	418-1	57



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800865

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**PAID IN CAPITAL**  
TL 1,181,068,967.12

**REGISTERED PAID IN CAPITAL**  
TL 4,000,000,000.00

**TRADE REGISTRY DATE**  
21/12/2011

**MERSIS NO**  
0335042909900015



