



**ENERJİSA**  
Türkiye'nin Enerjisi  
Energy of Turkey

# **ENERJİSA ENERJİ ANONİM ŞİRKETİ**

**ACTIVITY REPORT  
FOR THE PERIOD OF  
01.01.2020 – 31.12.2020**

(Convenience translation of a report originally issued in Turkish)

**INDEPENDENT AUDITOR'S REPORT  
ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS**

**To the Shareholders of Enerjisa Enerji A.Ş.**

**1) Opinion**

We have audited the annual report of Enerjisa Enerji A.Ş. ("the Company") and its subsidiaries ("the Group") for the period of 1/1/2020-31/12/2020.

In our opinion, the consolidated financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Group are presented fairly and consistent, in all material respects, with the audited full set consolidated financial statements and the information we obtained during the audit.

**2) Basis for Opinion**

We conducted our audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and Independent Auditing Standards ("InAS") which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Group in accordance with the *Code of Ethics for Independent Auditors* ("Code of Ethics") as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**3) Our Auditor's Opinion on the Full Set Consolidated Financial Statements**

We have expressed an unqualified opinion in our auditor's report dated February 22, 2021 on the full set consolidated financial statements of the Group for the period of 1/1/2020-31/12/2020.

**4) The Responsibility of the Board of Directors on the Annual Report**

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC") and the provisions of the Communiqué II-14.1 on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") of the Capital Market Board ("CMB"), the management of the Group is responsible for the following items:

- a) Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.
- b) Preparation and fair presentation of the annual report; reflecting the operations of the Group for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the consolidated financial statements. The development of the Group and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.

**(Convenience translation of a report originally issued in Turkish)**

c) The annual report also includes the matters below:

- Subsequent events occurred after the end of the fiscal year which have significance,
- The research and development activities of the Group,
- Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.

**5) Auditor's Responsibilities for the Audit of the Annual Report**

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code and the Communiqué, on whether the consolidated financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group's audited consolidated financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with InAS and the standards on auditing as issued by the Capital Markets Board of Turkey. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the consolidated financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the consolidated financial statements.

The name of the engagement partner who supervised and concluded this audit is Erdem Tecer.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi  
A member firm of Ernst & Young Global Limited



Erdem Tecer, SMMM  
Partner

February 22, 2021  
İstanbul, Türkiye

## Chairman's Message

Dear Stakeholders,

While assessing 2020, we should naturally start with the Covid-19 pandemic, which has had a significant global impact. The utmost critical task while going through a period that changed all norms for humanity beyond our company and our sector was to adapt to the new normal defined by this period in a swift and agile manner.

Following the first two quarters, of when the pandemic and restrictions had significant impacts on the Turkish economy, the year is expected to be completed with a growth thanks to the growth trend achieved in the last two quarters. Energy sector also experienced a similar growth trend, which positively distinguished us from the western countries.

Enerjisa Enerji provides electricity distribution and retail services, one of the most critical services for the continuity of life, to approximately one fourth of Turkey. This, of course, is a great responsibility. We strived to maintain the continuity of the service and to fulfill our commitments to all our stakeholders, despite the adverse impacts of the pandemic. So, this year has been a more challenging and extraordinary year than ever.

Beyond any doubt, one of the most significant developments in our sector has been the announcement of the new regulatory period parameters for 2021-2025. As the pioneering and leading company of the sector, Enerjisa Enerji sought to contribute to the process by carrying out the relevant activities in coordination with all sector-related stakeholders. I believe the parameters announced for the new regulatory period will encourage progress and incentivize delivery of high-quality services for our company as well as our sector and I hope it will serve for the best interest of our country.

Enerjisa Enerji adopts an approach that focuses on global trends and local dynamics while shaping its strategy and practices. In line with this approach, our company will continue to carry out its core businesses in electricity distribution and retail services with the leading practices of the sector in grid investments, high-level operational efficiency, customer satisfaction practices, as well as R&D and innovation. Furthermore, I have full confidence that the company will continue leading the market in customer solutions as well, in which we have started offering innovative, technology- and sustainability-oriented products.

We place utmost importance to all aspects of sustainability in the areas of environment, society and governance and consider the issue as a minimum to fulfill the principle of "giving what we take from these lands back to these lands". In the forthcoming periods we will continue our operations in both social and technological aspects, which in essence relate to people, society and the 17 sustainable development goals of the UN.

During the period, the Board of Directors of Enerjisa Enerji fulfilled all tasks and responsibilities in line with its roles as per the legislation and procedures. The Board reviewed the company's operational and financial performance and gave necessary consultation and remarks to the senior management of the company during the six scheduled board meetings held in the fiscal year of 2020. The Board meticulously discussed all agenda items conveyed by the company management throughout this period and made decisions.

Furthermore, the committees structured under the Board of Directors regularly convened several times to discuss the items on their agendas and reviewed the activities regarding corporate governance, risk, financing and human resources. These committees issued several recommendations for the Board of Directors.

Ernst&Young, an independent auditing company carried out the required audit process and audited the financial statements related to the fiscal period that ended in December 31, 2020, and submitted an unqualified opinion. These financial statements were agreed upon and approved by the Board of Directors on February 22, 2021.

On behalf of the Board of Directors, I would like to thank the Enerjisa Enerji company management, all its committees, employees and suppliers for their commitments throughout 2020. Of course, we would also like to thank all our customers and investors who continue to trust us and wish 2021 will bring health and happiness worldwide.

**Kıvanç ZAIMLER**

Enerjisa Enerji Chairman

## 1- GENERAL INFORMATION

<b>a) Accounting period that the report relates to</b>	: 01.01.2020 – 31.12.2020
<b>b) Trade-name of the Company</b>	: ENERJİSA ENERJİ ANONİM ŞİRKETİ
<b>Trade registration number</b>	: 800865
<b>Head office contact details and website address</b>	: Barbaros Mah. Begonya Sok. Nida Kule Ataşehir Batı Sitesi No: 1 / 1 Ataşehir-İSTANBUL Phone : 0216 579 05 79 Fax : 0216 579 05 30 e-mail : <a href="mailto:enerjisa-info@enerjisa.com">enerjisa-info@enerjisa.com</a> website : <a href="http://www.enerjisa.com.tr">www.enerjisa.com.tr</a>

### c) The organization, capital and shareholding structures of the Company and related changes in the fiscal period

#### Members of the Board of Directors:

The members of the Company's Board of Directors and independent board members are as follows:

- Kivanç ZAIMLER - Chairman
- Eric René C. DEPLUET, Ph.D. - Vice Chairman
- Barış ORAN - Member
- Hakan TİMUR - Member
- Johan Magnus MOERNSTAM - Member
- Eva-Maria Verena VOLPERT, Ph.D. - Member
- Fatma Dilek YARDIM - Independent Board Member
- Mehmet SAMİ - Independent Board Member

At the 2019 Ordinary General Assembly meeting held on March 23, 2020; it was decided to approve the appointment of Hakan TİMUR in lieu of Cenk ALPER, who resigned from being the member of the Board of the Company until the Ordinary General Assembly for 2021 where the results of 2020 activities will be reviewed.

In the meeting held by the Company's Board of Directors, the Board of Directors decided to accept Mr. Manfred Michael PAASCH's resignation from his position and to appoint Mr. Johan Magnus MOERNSTAM as a member of the Board of Directors of Enerjisa Enerji A.Ş. as of 1 August 2020.

**Shareholding Structure of the Company:**

Shareholder Name	Share / Voting Right			
	31.12.2019		31.12.2020	
	(TL)	(%)	(TL)	(%)
Hacı Ömer Sabancı Holding A.Ş.	472,427,587.56	40.0	472,427,587.56	40.0
DD Turkey Holdings S.A.R.L.	472,427,587.56	40.0	472,427,587.56	40.0
Other (Public)	236,213,792.00	20.0	236,213,792.00	20.0
<b>TOTAL</b>	<b>1,181,068,967.12</b>	<b>100.0</b>	<b>1,181,068,967.12</b>	<b>100.0</b>

**Changes that occurred in the Company capital during the Period:**

Not available.

**d) Remarks on privileged shares and voting rights of such shares, if any:** Not available.

**e) Information on the management body, senior officers and number of employees:**

As of 31 December 2020 the organization of senior management is as below:

- Murat Pınar, CEO
- Dr. Michael Moser, CFO

The Group has 10,415 employees as of 31.12.2020.

**f) Rights and benefits granted to employees:**

The rights and benefits provided by the Company to the personnel are specified in the Human Resources Policy published on the website.

<https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-rights-policy>

**g) Information on the transactions executed by the members of the management body with the company on their own behalf or on behalf of others within the framework of the permission granted by the general assembly of the company as well as their activities under the scope of prohibition of competition, if any:**

The Chairman and the members of the Board of Directors may not execute any transaction with the Company on their own behalf or for or on account of others, personally or indirectly, without the prior permission of the General Assembly. During the period of 01.01.2020 – 31.12.2020, the members of the Board of Directors neither executed any transaction with the Company, nor been involved in any attempts that can compete with the Company in its fields of operation.

## 2- FINANCIAL RIGHTS GRANTED TO THE MEMBERS OF THE MANAGEMENT BODY AND THE SENIOR-LEVEL EXECUTIVE OFFICERS

Key management includes Chairman and members of the Board of Directors, General Manager, Heads of Units and Directors. The compensation paid or payable to key management for employee services is shown below in thousands of Turkish Lira:

	1 January - 31 December 2020	1 January - 31 December 2019
Short-term employee benefits	32,565	27,924
Long-term employee benefits	441	856
	<u>33,006</u>	<u>28,780</u>

## 3- RESEARCH AND DEVELOPMENT ACTIVITIES

In 2020, around 12 million TL was spent for the projects supported by EU Framework Programs, TÜBİTAK and EMRA R&D funds.

## 4- COMPANY'S OPERATIONS AND RELATED MAJOR DEVELOPMENTS

### a) Information on the main developments during the related fiscal period:

International credit rating agency Fitch Ratings has affirmed the National Long-Term Ratings of Enerjisa Enerji A.Ş. and its subsidiary, Başkent Elektrik Dağıtım A.Ş. at 'AA (tur)' with Stable Outlooks on 17 January 2020.

The Company held its Ordinary General Assembly for 2019 on March 23, 2020. The minutes of the meeting were announced to the public on the website and at the Public Disclosure Platform (PDP). According to the decision taken at the meeting:

Pursuant to a review of the Consolidated Financial Statements for the year 2019 prepared in accordance with the Turkish Financial Reporting Standards, it was resolved to propose to the General Assembly to distribute profit as follows from TL 1,033,622,000.00 Consolidated Net Profit incurred between 01.01.2019 - 31.12.2019;

- Payment of Gross TL 708,641,380.27 dividend in cash (Gross 60%, net 51%) to the shareholders who are representing the TL 1,181,068,967.12 capital,
- To reserve the remaining amount as extraordinary reserves,
- It was resolved to propose the General Assembly to distribute the cash dividend, beginning from 1 April 2020.

Dividends derived from the Group's distributable earnings at 2019 have been distributed within April.

The Competition Board decided to conduct an examination for electricity distribution and electricity retail sales companies in Istanbul Anatolian Side, Ankara and Toroslars electricity distribution regions, whether the Article 6 of the Law on the Protection of the Competition was breached, in December 28, 2016. Following the examination, the Competition Board decided to impose an administrative fine with the decision dated 08.08.2018 and 18-27/461-224, in the amount of TL 143,061,738.12 to İstanbul Anadolu

Yakası Elektrik Dağıtım A.Ş., Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş., Enerjisa Başkent Elektrik Perakende Satış A.Ş. and Enerjisa Toroslar Elektrik Perakende Satış A.Ş.. A 25% discount was applied to the relevant fine and the fine was reflected as a one-time expense in the amount of TL 107,296,303.59 under 2018 annual financial results, while the underlying net income was not affected.

A cancellation lawsuit was filed against the decision of the Competition Board by the relevant companies on April 5, 2019. The judgment process of the first degree court is concluded. With the decision of 13th Ankara Administrative Court dated 16.07.2020 and numbered E.2019/1970 K.2020/1319, E.2019/1956 K.2020/1317 and E.2019/1969 K.2020/1318, the lawsuits filed by Enerjisa Başkent Elektrik Perakende Satış A.Ş., Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş. and Enerjisa Toroslar Elektrik Perakende Satış A.Ş. have been rejected. The decisions were delivered on 6 October 2020. The request of appeal has been made against the decisions of the Court of First Instance as of November 5, 2020.

However, with the decision of the same court dated 16.07.2020 and numbered E.2019/660 K.2020/1315, the lawsuit filed by İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş. was accepted. The decision was received on October 6, 2020. The Competition Authority has appealed against the decision within 30 days from the notification of the decision.

In accordance with the article 28 of the Administrative Jurisdiction Procedures Law, an application was made to the relevant tax office on October 8, 2020 for the refund of TL 7.973.040.71 paid at 25% discount on March 7, 2019. The amount was refunded on November 6, 2020.

At the 2019 Ordinary General Assembly meeting held on March 23, 2020, the amendment in the Remuneration Policy for the Board of Directors and Executives of the Company has been accepted.

The fully owned subsidiary Enerjisa Müşteri Çözümleri A.Ş. (Enerjisa Customer Solutions), was granted a 30-year natural gas wholesale license by EMRA with the License No: DTS/7505-5/42772-486 and dated 09.10.2020.

**The legislative changes specific to the electricity sector in the year 2020 are summarized below:**

**The Period in which fourth Regulatory Period to be implemented:** With the Board Decision dated 25.07.2019 and numbered 8750, it has been determined that the fourth regulatory period in which the parameters based on the income / tariff regulations of distribution and incumbent retail companies operating in the electricity market will be valid between the dates 01.01.2021 (included) – 31.12.2025 (included).

Accordingly, in 2020 Energy Market Regulatory Authority (EMRA) announced the tariff parameters for the fourth regulatory period (2021-2025) for the electricity distribution and incumbent retail companies.

**For Enerjisa Enerji electricity distribution companies (İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş., Başkent Elektrik Dağıtım A.Ş., Toroslar Elektrik Dağıtım A.Ş.), the highlights of key parameters determined based on 487.38 CPI (Oct 2020) are as follows:**

- **WACC:** Weighted Average Cost of Capital (WACC) calculation methodology on Regulated Asset Base (RAB) is kept unchanged. As previously disclosed, **pretax real WACC** is set at 13.11%



(2016-2017:12.66%, 2018-2020:14.60%). Mid-year adjusted pretax real WACC is 12.30% (2016-2017:11.91%, 2018-2020: 13.61%).

- **Initial Allowed Capex** (for Enerjisa Enerji distribution companies):

	3rd period	3rd period	4th period	Inc. vs 3rd period
TL million	CPI (267.2)	CPI (487.38)	CPI (487.38)	CPI (487.38)
Initial Capex allowance	4,319	7,879	13,549	72%
Additional Capex allowance	1,869	3,410	n.m.	n.m.
<b>Actual allowed Capex</b>	<b>6,189</b>	<b>11,289</b>	<b>13,549</b>	<b>20%</b>

- In the fourth regulatory period, total initial allowed Capex for 2021-2025 is set at TL 13,549 million based on 487.38 CPI (Oct 2020).
- The initial allowed Capex in the third regulatory period (2016-2020) was TL 4,319 million based on 267.2 base CPI (Oct 2015), which corresponds to TL 7,879 million based on 487.38 CPI (Oct 2020).
- The actual allowed Capex (initial allowed Capex plus additional allowance granted by EMRA) in the third regulatory period was TL 6,189 million based on 267.2 CPI (Oct 2015), which corresponds to TL 11,289 million based on 487.38 CPI (Oct 2020).
- **CAPEX Reimbursement** period will remain unchanged at 10 years.
- **2020 Closing Balance of Statutory Regulated Asset Base** is TL 9,875 million based on 487.38 CPI (Oct 2020) according to the calculations of the Company.
- **Regulated OPEX** (for Enerjisa Enerji distribution companies):

	3rd period	3rd period	4th period	Inc. vs 3rd period
TL million	CPI (267.2)	CPI (487.38)	CPI (487.38)	CPI (487.38)
Initial Controllable OPEX allowance	4,420	8,062	8,698	8%
Scheduled Maintenance OPEX	n.m	n.m	2,450	n.m.
<b>Total</b>	<b>4,420</b>	<b>8,062</b>	<b>11,148</b>	<b>38%</b>

- Total regulated controllable OPEX (fixed and variable OPEX) for 5 years is set at TL 8,698 million (third regulatory period initial allowance (2016-2020): TL 4,420 million based on 267.2 CPI (Oct 2015), which corresponds to 8,063 million TL based on 487.38 CPI (Oct 2020)).
- Scheduled maintenance OPEX is included in total OPEX allowance as a new category. The scheduled maintenance OPEX allowance is set at TL 2,450 million for the five year period based on 487.38 CPI (this category was not available in the third regulatory period).
- **Theft Usage Accrual (Detection and Collection):** 55% of detected and invoiced theft usage accrual will be retained by distribution companies as incremental income (2017-2020: 55%). In addition, 50% of actual theft usage collection after legal proceedings will be retained by electricity distribution companies in regions where T&L rate is lower than Turkey average (all Enerjisa distribution regions) as additional income (75% across all regions in the third regulatory period).
- **Theft and Lost Target Threshold Rate:** For the first cluster of electricity distribution companies, theft and loss target threshold rate is set as 7.5% (8% in the third regulatory period). For the first cluster, theft and loss target threshold rate has 50% weight in theft and loss targets. İstanbul

Anadolu Yakası Elektrik Dağıtım A.Ş. and Başkent Elektrik Dağıtım A.Ş. are included in the first cluster. For the second cluster, theft and loss target setting mechanism has been maintained. Toroslar Elektrik Dağıtım A.Ş. is included in the second cluster.

- **Quality Parameters (Quality Factor and General Quality Indicator):**
  1. **Quality Parameter Calculation Base:** Uncontrollable OPEX is excluded from revenue requirement for calculating base of revenue for quality factor (included in the third regulatory period) calculation. Meanwhile, the new scheduled maintenance OPEX category is included in the base.
  2. **Quality Parameter Ceiling (Quality Factor and General Quality Indicator):** Compared to previous bonus mechanism based on performance, a bonus/malus mechanism has been introduced. Under the quality factor and general quality indicator headings, total quality parameter bonus ceiling is set as 6% of regulated revenue requirement for 2021 and 7% of regulated revenue requirement for 2022-2025 (5% for 2018-2020). Penalty ceiling is set at minus 2.05% for 2021 and minus 2.8% for 2022-2025 (0% in the third regulatory period).
    - **Quality Factor:** Under this category, continuity of supply, technical quality, customer satisfaction and health and safety performances are covered. With the mechanism, the bonus ceiling is set as 4% of regulated revenue ceiling for 2021 and 5% of the ceiling for 2022-2025. Penalty ceiling is set at minus 2.05% for 2021 and minus 2.8% for 2022-2025.
    - **General Quality Indicator (In-house Sourcing Incentive):** With this new category, there will be an incentive for companies if the share of in-house sourcing is above 50%. The maximum incentive is set at 1% of revenue requirement for each year, while bonus amount will depend on in-house sourcing share. All Enerjisa distribution companies have above 50% in-house sourcing share.
    - **General Quality Indicator (Incentive for Publicly Listed Companies):** Under this heading, for both electricity distribution companies and incumbent retail companies, a new general quality indicator has been introduced. Accordingly, those companies directly listed on Borsa İstanbul will be eligible for 1.0% of their revenue requirement as an incentive. If their parent companies (direct shareholders) are listed on Borsa İstanbul, there will be 0.3% incentive on the revenue requirement in each year.
- **Other Income (Retention):** 50% of case, court, advocacy, enforcement and conciliation income will be retained by distribution companies as additional income (100% in the third regulatory period). 50% of revenue items such as renting distribution network items will be retained by distribution companies as additional income (75% in the third regulatory period).
- **Other Income ((t) Correction Mechanism):** During the fourth regulatory period, there will be a change in deduction mechanism of other income not be retained by distribution companies (theft accrual, advertisement/rent income, court income, etc) from revenue requirement based on predetermined ratios discussed above. In the fourth regulatory period, the amount will be deducted from revenue requirement for that particular year (t) based on a forecast (actual amount was deducted at year (t+2) in the third regulatory period). This change will have cash flow effect on IFRS Financial Statements.

The highlights of key parameters for Enerjisa Enerji 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.) in the fourth regulatory period are as follows:

- Compared to gross margin implementation on energy procurement costs in the third regulatory period (2016-2020), in the fourth regulatory period EMRA has started **net margin** implementation on energy procurement costs while keeping profit margin application principles unchanged. The net margin in fourth regulatory period is set at 2.38% (2016-2020: 2.38%).
- **Regulated OPEX:** For Enerjisa incumbent retail companies, total regulated OPEX for the 5 years is set at TL 1,860 million (third regulatory period: TL 894 million based on 267.2 CPI (Oct 2015), which corresponds to TL 1,631 million based on 487.38 CPI (Oct 2020)).
- **Management and Support Service Procurement Expenses:** From the same holding or group of companies are included in regulated OPEX requirement (not included in the third regulatory period).
- **Quality Parameters (Quality Factor and General Quality Indicator):**
  1. **Quality Parameter Calculation Base:** Uncontrollable OPEX (pass through) is excluded from revenue requirement for calculating base of quality parameters (included in the third regulatory period).
  2. **Quality Parameter Ceiling (Quality Factor and General Quality Indicator):** Compared to previous bonus mechanism based on performance, a bonus/malus mechanism has been introduced. Under the quality factor and general quality indicator headings, total quality parameter bonus ceiling is set at 2.23% (1% in the third regulatory period under the general quality indicator heading) and penalty ceiling is set at minus 1.23% (0% in the third regulatory period).
    - **Quality Factor:** Under this heading, customer satisfaction and call center performances are covered. Bonus ceiling is set at 1.23% and penalty ceiling is set at minus 1.23%.
    - **General Quality Indicator (Incentive for Publicly Listed Companies):** For both electricity distribution companies and incumbent retail companies, a new general quality indicator has been introduced. Accordingly, those companies directly listed on Borsa İstanbul will be eligible for 1.0% of their revenue requirement as an incentive. If their parent companies (direct shareholders) are listed on Borsa İstanbul, there will be 0.3% incentive on the revenue requirement in each year.
- **Other Income (Retention):** 50% of case, court, advocacy, enforcement and conciliation income will be retained by incumbent retail companies (100% in the third regulatory period).
- **Retail Margin Calculation Base** will continue to include feed-in-tariff (FIT) costs.
- **Collection Risk:** The collection risk mechanism related to doubtful receivables will remain the same with its current practice.
- **Letter of Guarantee Commission Expenses:** These commission expenses that were covered through 2.38% profit margin will now be covered from the tariff as pass through within the readjustment component.
- **Market Clearance Price (PTF (1+X)) Mechanism:** 2.38% profit margin will be applied to PTF (1+X) mechanism used to cover the financing costs related to energy procurement (no profit margin was applied in the third regulatory period).

**Procedures and Principles on Determination of Electricity Market Distribution System Investments:** The Procedures and Principles published in the Official Gazette dated 28 October 2020 and numbered 31288 and entered into force on January 1, 2021. The investment characteristics are determined as a) network investments, b) legally required investments, c) network operating system investments, d) R&D projects dissemination investments, e) other expenditures classified as CAPEX. The characteristic of R&D project dissemination investments was added for the first time.

In accordance with the Procedures and Principles, the investment plan notification forms based on the investment plan for the 2021-2025 fourth regulatory period were approved.

**Quality Regulation on Distribution and Retail Sales Activities in the Electricity Market:** The Regulation, which was published in the Official Gazette dated December 29, 2020 and entered into force as of January 1, 2021, determines the principles and procedures to be followed by distribution companies, incumbent retail companies and users regarding continuity of supply, commercial and technical quality of electrical energy. Statements showing the performance of distribution companies in accordance with the standards specified in the Regulation will be transparently submitted to EMRA through the Electricity Distribution Data Warehouse and Reporting System (EDVARS). Incumbent retail companies will submit their quality report to EMRA in written and electronic form within the scope of the regulation. A new regulation regarding deduction of 1.2 (one point two) times of the unpaid indemnity from the Company's retail sales revenue income cap has been introduced. If the indemnity amounts are paid, the paid amount will be taken into consideration during revenue correction calculation.

**Procedures and Principles on Call Center Service Quality Standards of Electricity Distribution Companies and Authorized Supply Companies:** With the Procedures and Principles that entered into force on 01.01.2021, the satisfaction rate (% MO) to be measured as a result of the survey questions to be asked to the consumers was determined as a new performance parameter. In accordance with the Procedures and Principles, the Call Center Indicator Performance Score will be calculated taking into account i) accessibility level, ii) service level, iii) response rate, iv) satisfaction rate indicators.

**The Law Amending the Electricity Market Law and Other Laws No. 7257 and Dated 25.11.2020:** The Omnibus Law was published and entered into force on 2 December 2020. It has been determined that the national tariff will be implemented until the end of 2025, the President has the right to extend this period up to 5 years, and the general lighting consumption receivables will continue to be collected from the budget to be included in the budget of the Ministry of Energy and Natural Resources until the end of 2025.

**Procedures and Principles on Supporting Research, Development and Innovation Activities of Electricity and Natural Gas Distribution Companies:** The regulation, which entered into force after being published in the Official Gazette dated 04 April 2020 and numbered 31089, regulates the procedures and principles for supporting and incentivizing R&D activities aimed at bringing distribution systems to the level of international quality standards, developing technology for system operation, producing information, making innovations, increasing the domestic content ratio, increasing efficiency and service quality, and reducing service costs and losses.

**The Eligible Customer Limit for the Year 2021:** The eligible consumer limit for the year 2021 has been determined as 1,200 kWh. This limit was 1,400 kWh in 2020.

**Procedures and Principles Regarding Tariff Implementation of Distribution License Holder Legal Persons and Incumbent Retail Sales Companies:** With the target to support renewable energy resources, a new tariff implementation named green tariff has been introduced with EMRA's 23.07.2020 dated and 9467 numbered Board Decision.

**b) Information on the operational developments during the related fiscal period:**

**Operational Earnings** (EBITDA + Capex reimbursements excluding one-off items) of Enerjisa Enerji A.Ş. increased by TL 1 billion (+22%) from TL 4,609 million in 2019 to TL 5,609 million in 2020.

Distribution business unit's operational earnings accounted for 85% of Enerjisa Enerji's operational earnings in 2020. The main differences in the operational earnings of the Distribution business unit in 2020 compared to 2019 are mainly due to:

- **Financial Income:** Financial income increased by TL 111 million reaching TL 2,070 million.
- **CAPEX Reimbursements:** TL 284 million increase in Capex reimbursements from TL 1,058 million in 2019 to TL 1,342 million in 2020 mainly due to higher RAB.
- **Efficiency & Quality Earnings:** Total Efficiency & Quality earnings increased by TL 39 million in 2020 compared to last year. The main factor behind the increase was higher Capex outperformance and Quality earnings, while Theft&Loss related performance was lower with lower field activities amid Covid-19.
- **Other Item:** Other item was TL 193 million (2019: minus TL 20 million) partly due to gains related to hedging of Capex expenses and lower net operational financing expense with decrease in payables and interest rates.

The contribution of the Retail business unit in operational earnings increased by 3ppt yoy to 15% in 2020, driven mainly by the increase in gross profit of the free market segment. The free market segment gross profit increased by TL 385 million from TL 97 million in 2019 to TL 482 million in 2020, due to higher volumes in free market at profitable segments achieved by effective portfolio management of Enerjisa. The regulated market gross profit increased by TL 81 million to TL 738 million during the same period.

Liberalised segment sales increased by 117% from 3.8 TWh in 2019 to 8.1 TWh in 2020. Meanwhile, regulated segment sales decreased by 20% from 32.4 TWh in 12M2019, to 25.9 TWh in 2020. The main driver behind the performance of these segments is the switch of corporate and SME customers from the regulated segment to the liberalised segment due to favourable tariff structure.

Enerjisa Enerji A.Ş. **Underlying Net Income** increased by TL 703 million from TL 1,175 million in 2019 to TL 1,878 million in 2020. Below operational earnings, the main effects were as follows:

- TL 401 million lower net loan interest expenses driven by lower weighted average loan financing cost.
- TL 33 million higher bond interest expense and TL 48 million higher deposit valuation expenses both due to higher CPI change.(Past year:+8.6% vs. this year +11.9%)
- TL 116 million higher other financial expenses driven by lower interest income related to revenue cap regulation and lower price equalization income.
- TL 147 million increase in taxes due to higher operational earnings.

The average cost of financing from loans decreased from 18.1% in 2019 to 11.9% in 2020, whilst in the same period the average cost of bond financing increased from 12.9% to 16.2%. Economic Net debt (including non-financial net debt, including lease liabilities and customer deposits) increased from TL 10.6 billion in 2019 year-end to TL 11.3 billion in 2020 year-end.

Net Financial Debt/Operational Earnings declined from 1.9x in December 2019 to 1.7x in December 2020 due to increase in Operational Earnings in 2020.

The Company exceeded its latest guidance disclosed on 03 November 2020 for “Underlying Net Income” and “Free Cash Flow After Interest and Tax” thanks to strong operational performance. Meanwhile, RAB was lower mainly due to third tariff period related retrospective adjustments and impacts of intense lockdown due to Covid-19 affecting field operations especially in Q42020.

2021 year end guidance is; double digit yoy growth in “Operational Earnings” compared to 2020, “Underlying Net Income” at least at TL 1.9 billion, “RAB” at least at TL 10.9 billion and “Free Cash Flow After Interest and Tax” at least at TL 1.7 billion level.

**c) Information on the investments made by the Company during the related fiscal period:**

As of December 31, 2020, Enerjisa Enerji with 11.4 million distribution connection points and with approximately 10.1 million customers is the leading downstream electricity company. The activities conducted by the Company, i.e. the umbrella company housing under its structure the operational companies such as İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş., Başkent Elektrik Dağıtım A.Ş., Toroslar Elektrik Dağıtım A.Ş., Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş., Enerjisa Başkent Elektrik Perakende Satış A.Ş., Enerjisa Toroslar Elektrik Perakende Satış A.Ş., Enerjisa Müşteri Çözümleri A.Ş. and E-şarj Elektrikli Araçlar Şarj Sistemleri A.Ş.. The Company does not make any direct investment, but participate in the operational companies under its structure.

**d) Information on the internal control system and internal audit activities of the Company and the related opinion of the management body:**

**Audit Committee:**

Internal audit activities related with the efficiency of the internal control system of the Company are planned and conducted by the Internal Audit Department. The audit results are shared with Enerjisa Enerji A.Ş. Audit Committee composed of independent BoD members only and the Company management and the planned actions are monitored.

Activities of the Internal Audit Department are regularly reported to the Audit Committee. In this scope, four Audit Committee meetings was held in 2020. 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, information about performed ethics investigation activities and significant considerations about other activities.

Audit Committee Charter can be viewed from the below link.

<https://www.enerjisainvestorrelations.com/en/corporate-governance/committee-charters/audit-committee-charter>

The dates of the Audit Committee are as follows:

Meeting Date	Members Participation	In-Depth Review Topic
05.02.2020	Fatma Dilek Yardım Mehmet Sami	Briefing on audit and examination activities Presenting financial tables Presenting the results of audit report
13.04.2020	Fatma Dilek Yardım Mehmet Sami	Briefing on audit and examination activities Presenting financial tables
16.07.2020	Fatma Dilek Yardım Mehmet Sami	Briefing on audit and examination activities Presenting financial tables
21.10.2020	Fatma Dilek Yardım Mehmet Sami	Briefing on audit and examination activities Presenting financial tables

Audit Committee members are as follows;

Name Surname	Duty	Duty in the Board
Fatma Dilek Yardım	Chairperson	Independent Board Member
Mehmet Sami	Member	Independent Board Member

#### **Internal Audit:**

Enerjisa Enerji Internal Audit Department directly reports to the Audit Committee, which is a sub-committee of the Enerjisa Board of Directors per the necessity of independence and objectivity principles. The purpose of internal audit is to provide an opinion to the Board of Directors about the compliance of the Company and its subsidiaries' activities with laws, other applicable legislation, internal strategies, policies and procedures and the effectiveness and adequacy of internal controls. With these efforts and structuring, it is aimed to take preventive measures, protect the Company assets, improve business processes and provide added value for the entity by way of giving opinions and suggestions to increase operational efficiency. In accordance with this objective, internal audit activities are conducted in the frame defined through approved audit committee and internal audit charters.

The risk assessment results of the Company are updated every year and the risk-based annual internal audit plan is submitted to the approval of the Audit Committee and the Board of Directors after obtaining the comments of the management. Each year, the audits within the scope of the approved audit plan are performed in accordance with international audit standards and COSO (Committee of Sponsoring Organizations of the Treadway Commission) requirements. This confirmation is certified through the independent quality assurance assessment performed in 2018.

Internal Audit is responsible from the evaluation and examination processes of ethics notifications related to the 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 upon the requests of the executive management.

#### **e) Information on the Company's direct or indirect participations/subsidiaries and the share ratios:**

The direct participation shares held by the Company are as follows:

	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group (%)		Principal activity
		31 December 2020	31 December 2019	
Başkent Elektrik Dağıtım A.Ş.	Ankara	100	100	Electricity distribution services
Enerjisa Başkent Elektrik Perakende Satış A.Ş.	Ankara	100	100	Electricity retail services
İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş.	İstanbul	100	100	Electricity distribution services
Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.	İstanbul	100	100	Electricity retail services
Toroslar Elektrik Dağıtım A.Ş.	Adana	100	100	Electricity distribution services
Enerjisa Toroslar Elektrik Perakende Satış A.Ş.	Adana	100	100	Electricity retail services
Enerjisa Müşteri Çözümleri A.Ş.	İstanbul	100	100	Customer solutions and distributed generation services
E-şarj Elektrikli Araçlar Şarj Sistemleri A.Ş.	İstanbul	80	80	Electric vehicles and charging stations equipment services

**f) Information on the own shares of the company acquired:**

The company does not own any shares in the related period.

**g) Information on private audit conducted in the fiscal period:**

The consolidated financial reports of the Company for the period of 01.01.2020 – 31.12.2020 prepared in accordance with IFRS was audited by independent auditors.

**h) Information on legal actions filed against the Company which might adversely affect the financial situation and operations of the Company and their possible consequences:**

There are no cases filed against the Company within the period of 01.01.2020 – 31.12.2020, which may adversely affect the financial situation and operations of the Company.

Enerjisa Enerji strives to comply with legislation and laws on environmental, social and corporate governance issues. There are no cases regarding environmental, social and governance matters filed against the Company within the period of 01.01.2020 – 31.12.2020.

**i) Information on the administrative or judicial sanctions imposed on the Company and the members of its management body for practices in breach of the provisions of applicable legislation:**

There is no judicial or administrative sanction imposed on the Company and the members of the Board of Directors for practices contrary to applicable laws and regulations.

**j) Information and evaluation on whether the goals set in the previous periods were achieved, and whether the decisions of the general assembly were implemented, and if not, the related reasons for failure to achieve such goals or to implement such decisions:**

The Company has achieved its budgetary targets for the period of 01.01.2020 – 31.12.2020.



**k) If any extraordinary general assembly meeting has been held during the year, information on such extraordinary general assembly meeting including the date of the meeting, the decisions taken in such meeting and the related activities:**

None.

**l) Information on the Company's donations and aids and its expenditures made on social responsibility projects during the year:**

The Company has made donations and aids at the amount of TL 18,382,350 within the period of 01.01.2020 – 31.12.2020.

**m) If a company operating under a group of companies; legal actions taken with the parent company, or any subsidiary of the parent company in favour of the parent company or any subsidiary thereof upon the instructions of the parent company and all the other measures taken or avoided in favour of the parent company or any subsidiary thereof in the previous fiscal year:**

There are no legal actions that we have taken with Hacı Ömer Sabancı Holding A.Ş., DD Turkey Holdings S.A.R.L. or any subsidiary thereof or in favour of them or any of their subsidiaries upon their instructions; and there are no actions taken or avoided in favour of Hacı Ömer Sabancı Holding A.Ş., DD Turkey Holdings S.A.R.L. or any of their subsidiaries.

**n) The company's sources of finance and the nature and value of the capital markets instruments issued, if any:**

Enerjisa Enerji A.Ş. creates new financing sources mainly through loans in Turkish Lira.

Additionally, the Group has a total of TL 1,002,000,000 bonds (issued amount) in circulation as of 31 December, 2020.

**o) Events that occurred after the Balance Sheet Date:**

Applicable starting from 1 January 2021, EMRA has announced that single-time retail sales tariff reflected to the end user according to customer groups in National Tariff has been increased between 1.3% - 3.4% and distribution tariff has been increased by 16.0%. In the final tariff reflected to the end user has been increased by 6.0%.

The international credit rating agency Fitch Ratings has upgraded the national long-term ratings of Enerjisa Enerji A.S. and its subsidiary, Baskent Elektrik Dağıtım A.S., from 'AA(tur)' to 'AA+(tur)'. The outlooks on both ratings are stable.

**p) Other issues not included in the financial statements, but useful to know for interested parties:**

None.

**q) If a company operating under a group of companies; information about whether a counter action was provided appropriate for each legal action and whether the measure taken or avoided caused the company to suffer a loss; and if the company suffered a loss, whether it was compensated or not according to the situation and conditions known by them at the time when**

**the legal action or the measure mentioned in the subparagraph (i) was performed or taken or avoided:**

To the best of the Company's knowledge of current conditions, the legal actions taken by the Company with the controlling companies or any of their subsidiaries or in favour of the controlling companies or any of their subsidiaries upon the instructions of the controlling companies and all the other measures taken or avoided in favour of the controlling companies or any of their subsidiaries in the fiscal period of 01.01.2020 – 31.12.2020 were evaluated in the form of a report under the scope of all transactions performed between the Company and the controlling company and its affiliated companies during the Fiscal Period of 01 January 2020 – 31 December 2020, which were conducted in full conformity with the honest and fair accounting principles according to the conditions well known to us. The Company did not suffer any loss resulting from any transaction executed under known conditions in connection with the Fiscal Period of 01.01.2020 – 31.12.2020.

## **5- FINANCIAL SITUATION**

**a) Management body's analysis and assessment of the financial position and operational results, the extent of realization of planned activities, and the company's position against defined strategic goals:**

The Company's financial results for the period of 01.01.2020 – 31.12.2020 are provided in the enclosed Balance Sheet and Income Statement.

**b) Company's sales, productivity, income generation capacity, profitability and debt to equity ratio within the year in comparison with the previous years, and information on any other issues that might suggest the company's operational results and future expectations:**

The Company's gross profit as of 31 December 2020 is TL 5,639,372,000. The Company's net debt / (net debt+equity) ratio has been recorded as 57% in the period of 01.01.2020 – 31.12.2020.

There is no revenue risk predicted for the Company.

**c) Determination about whether the Company's capital has remained without reserve or whether it has run into debt and the management body's evaluations related thereof:**

The Company is not in a deep-in-debt (technical bankruptcy) situation according to the evaluations made pursuant to Article 376 of the Turkish Commercial Code.

**d) Measures planned to improve the financial structure of the Company, if any:**

Since the Company's financial and capital structures are strong, there are no measures planned to be taken to improve the financial structure of the Company.

## **6- AMENDMENTS TO ARTICLES OF ASSOCIATION MADE IN THE PERIOD AND THE RELATED REASONS**

None.

## **7- RISKS AND THE EVALUATION OF THE MANAGEMENT BODY**

### **a) Board of Directors Meetings**

In 2020, the Company's Board of Directors convened 6 times in total to evaluate strategic matters concerning the Company. The overall attendance rate of Board meetings was 98%.

### **b) Risk Management Framework of Enerjisa**

Enerjisa Enerji's Risk Management Framework aims to define all risks and opportunities, which may cause a deviation from financial, operational and strategic plans and enables to assess, classify and mitigate these risks through various methodologies. The ultimate goal of the framework is to provide transparency to management functions and influence decision making processes via regular reporting.

All risks and opportunities are identified through a detailed assessment process. For each risk and opportunity best, base and worst cases are simulated with their probability of occurrence. Correlations are considered during consolidation of risk and opportunity impacts. For the risks that are not easy to quantify but have potential to negatively impact the Company's strategical and operational activities, are prioritised according to their impact levels and realisation expectations and are followed up as Qualitative Risks. These assessments form the basis of the Risks and Opportunities Report, which is presented to top management as well as to the Enerjisa Early Risk Detection Committee.

### **c) Key Risks and Opportunities**

Due to the nature of the electricity distribution and retail business, Enerjisa Enerji is exposed to various risks and opportunities throughout the value chain. Based on their sources, risks and opportunities are classified in five categories and monitored accordingly.

#### **i. Regulatory Risks and Opportunities**

The electricity distribution and retail businesses are regulated businesses under the supervision of EMRA and are governed by the Electricity Market Law and relevant secondary regulations. For regulated customers Enerjisa applies the National Tariff which is determined by EMRA. The National Tariff is composed of tariffs which will be applied to transmission and distribution line users.

In the fourth tariff implementation period, which will be valid between 01.01.2021 and 31.12.2025, revenue and / or price cap for regulated activities, as in the third tariff implementation period covering the period between 01.01.2016 and 31.12.2020 will be determined by EMRA and will be reflected to the end consumer through the National Tariff mechanism by taking into consideration all costs and services for the execution of the relevant activity.

As the majority of Enerjisa Enerji's revenue is generated from the electricity distribution operations and retail sales to regulated customers, which are both subject to regulated tariffs set by EMRA, any change on these tariff components and/or calculation methodologies mean a significant deviation from Enerjisa Enerji's plans.

Additionally, the regulations issued by EMRA, among other matters, impose organizational and operational restrictions on, and requirements with respect to the electricity distribution and retail sales operations. These requirements and restrictions are audited by regulatory authorities (mainly by EMRA)

and any non-compliance detected upon these audits may have an adverse effect on Enerjisa Enerji's financial and operational plans.

Enerjisa Enerji conducts regular and constructive studies with industry participants and regulatory bodies in order to manage regulatory risks and opportunities. In addition, it conducts rational and fact-based negotiations with other market participants and regulatory institutions through systematic projects and transparent reporting. As a result of interviews and in-house studies, it undertakes studies and initiatives that will positively contribute to all sector stakeholders, including consumers, and legislative regulations in order to support the sustainability of the sector.

ii. Market Risks and Opportunities

Enerjisa Enerji is subject to financial market risks relating to interest rate fluctuations due to the financial borrowings as well as foreign exchange rate fluctuations due to Feed-in-Tariff regulation.

Enerjisa Enerji is also subject to commodity market risks related to OTC price and volume fluctuations due to the sourcing strategy for retail sales business and other commodity price fluctuations due to the raw material procurements (transaction are in local currency, but highly correlated with related commodity prices) for the distribution business.

Enerjisa Enerji uses systematic approaches to forecast market parameters such as price, inflation, interest and fx rates, demand, etc. Existing and expected exposures are monitored regularly and through hedging operations the risk exposure is kept at an optimum level. Hedging strategies, their effectiveness and further plans are discussed regularly in the Finance Committee and Commodity Risk Committee.

iii. Credit Risks and Opportunities

Enerjisa Retail companies are exposed to counterparty credit risk with respect to the collection of invoices for regulated and liberalized customers.

Enerjisa Distribution companies are exposed to credit risk mainly due to companies engaged in retail electricity sales (system usage receivables) and the collection of invoices for illegal and unlawful electricity consumption through the distribution system of related regions.

Enerjisa Enerji manages credit risks by requiring security deposits from regulated customers and letters of guarantee or other form of securities from liberalised customers to secure present and future invoices. Timely invoicing, efficient receivable management and credit scoring of large customers enables Enerjisa Enerji to mitigate credit risk as much as possible.

For the mitigation of financial counterparty credit risks, apart from reporting and monitoring activities, Enerjisa is exclusively engaging with counterparties that have a rating of no more than 2 notches below the Turkish sovereign rating. Moreover, diversification of banks in the portfolio of financial hedging instruments as well as cash deposits is ensured.

iv. Liquidity Risk

Enerjisa Enerji is exposed to liquidity risk due to the ongoing funding needs which arise from distribution network investments. While Enerjisa expects that these funding needs can be covered by external debt capital providers, market situations may arise in which conventional sources of liquidity are limited.

Enerjisa Enerji manages liquidity risk by actively seeking to extent average tenors of the loan portfolio as well as to develop alternative sources of debt capital (e.g. corporate bonds). Furthermore, Enerjisa Enerji regularly forecasts short and mid-term funding needs in order to anticipate liquidity needs in time to prepare and act accordingly.

v. Operational Risks

Enerjisa Enerji defines operational risks as risk of loss due to the failure of people, processes, equipment and systems within business processes and operations from internal or external events.

For all types of operational risks, relevant procedures and policies are structured and published in Enerjisa Enerji's quality systems. Committees are assigned to review all event occurrences and to monitor existing mitigation actions.

**d) Enerjisa Enerji Risk Monitoring Procedure**

All risks and opportunities are identified through a detailed assessment process. For each risk and opportunity best, base and worst cases are simulated with their probability of occurrences. Correlations are considered during consolidation of risk and opportunity impacts. For the risks that are not easy to quantify but have potential to negatively impact the Company's strategical and operational activities, are prioritised according to their impact levels and realisation expectations and are followed up as Qualitative Risks. These assessments form the basis of the Risks and Opportunities report, which is presented to top management as well as to the Enerjisa Early Risk Detection Committee.

**e) Enerjisa Enerji Early Risk Detection Committee**

The Board delegates the monitoring of risks to the Early Risk Detection Committee. Members to the Committee are selected Board Bembers (including two independent members) and the Committee is chaired by an independent Board member. Aside from receiving regular Risks and Opportunities Report, each meeting agenda includes an in-depth review of a prioritized topic. The Early Risk Detection Committee reports directly to the Enerjisa Enerji Board.

Early Risk Detection Committee is responsible to advise Board regarding risk and opportunity definitions which threat Company's existence and strategies, relevant mitigation actions, early detections and precautions. Following Board review, agreed actions are monitored by the Enerjisa Enerji CFO and Early Risk Detection Committee.

Early Risk Detection Committee Charter can be viewed from the below link.

<https://www.enerjisainvestorrelations.com/en/corporate-governance/committee-charters/early-risk-detection-committee-charter>

The meetings of the Committee are organized at least four times (once every three months around quarter closings) per year. The Early Risk Detection Committee had five meetings and two report circulations in 2020. Meeting and report circulation dates, members participation and in-depth review topics have been the following:

Meeting Date	Members Participation / Report Recipients	In-Depth Review Topic
6 February 2020	Dilek Yardım Mehmet Sami Hakan Timur Eric Depluet	Crisis Management and Emergency Response Plans
12 March 2020 (Report Circulation)	Dilek Yardım Mehmet Sami Hakan Timur Eric Depluet	Covid-19 Scenarios and Financial Impacts
21 April 2020	Dilek Yardım Mehmet Sami Eric Depluet	Business Continuity Management and Covid-19 Implementations, Enerjisa Insurance Universe
15 June 2020 (Report Circulation)	Dilek Yardım Mehmet Sami Hakan Timur Eric Depluet	H1 Qualitative Risk Report, IT Control Environment, June Risk Management Highlights
16 July 2020	Dilek Yardım Mehmet Sami Eric Depluet	BCM Highlights, IT Control Environment
20 October 2020	Dilek Yardım Mehmet Sami Eric Depluet	Budget 2021 Risk and Opportunities Report, Q&A on 2020 Achievements and 2021 Plans
11 December 2020	Dilek Yardım Mehmet Sami Eric Depluet	H2 Qualitative Risk Report, BCM Highlights

#### f) Enerjisa Corporate Governance Committee

Following the IPO in February 2018, the Corporate Governance Committee has been enacted at the General Assembly Meeting held on March 29, 2018. Members of the Committee are selected Board members, as well as the Enerjisa Enerji CFO and Committee is chaired by an independent Board member.

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

- To ensure the compliance of the corporate governance principles of the Company with the Corporate Governance Principles as determined by the Board and other internationally accepted corporate governance principles and best practices,
- To make advices in order for implementation of such principles,
- To follow-up compliance of the Company with such principles.

This Committee also performs the governance related duties of the Nomination Committee and the Remuneration Committee within the Company.

Corporate Governance Committee Charter can be viewed from the below link.

<https://www.enerjisainvestorrelations.com/en/corporate-governance/committee-charters/corporate-governance-committee-charter>

The meetings of the Committee are organized at least four times (once every three months around quarter closings) per year. The Corporate Governance Committee had four meetings in 2020. Meeting and report circulation dates and in-depth review topics have been the following:

Meeting Date	Members Participation	In-Depth Review Topic
5 February 2020	Mehmet Sami Michael Moser Manfred Paasch Hakan Timur	Corporate Communications, Human Resources and Investor Relations Presentations Future of the Committee ESG Reporting
7 April 2020	Mehmet Sami Michael Moser Manfred Paasch Hakan Timur	Corporate Communications, Human Resources and Investor Relations Presentations Post Covid-19 Governance Measures
16 July 2020	Mehmet Sami Michael Moser Manfred Paasch Hakan Timur	Corporate Communications, Human Resources and Investor Relations Presentations Rethinking Investor Reach a) ESG Investing Landscape b) Shifting Cash Equity Ownership in Turkey
13 November 2020	Mehmet Sami Johan Mörnsta Hakan Timur	Corporate Communications, Human Resources and Investor Relations Presentations Regulation Update Sustainability / ESG Update

#### **8- DUTIES OF THE MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVES CONDUCTED OUT OF THE COMPANY AND DECLARATIONS ON INDEPENDENCE OF BOARD MEMBERS**

Duties of the members of the Board of Directors and Executives conducted out of the Company is reported at the Public Disclosure Platform under the “Company Management” section.

<https://www.kap.org.tr/en/sirket-bilgileri/genel/4028e4a1422d98690142bceaa31957cf>

The declarations on independence of Independent Board members can be accessed from the 2017 Annual General Assembly information document.

## **9- APPENDICES**

Consolidated Financial Statements  
Corporate Governance Compliance Report  
Corporate Governance Information Form  
Sustainability Principles Compliance Report

Best regards,

**Report date: 22.02.2021**

Murat Pinar,  
CEO

Dr. Michael Sven Moser,  
CFO



## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.  
Currencies other than TL are also expressed in thousands unless otherwise indicated.)

	Audited / current period 31 December 2020	Audited - Restated / prior period 31 December 2019	Audited - Restated / prior period 1 January 2019
<b>ASSETS</b>			
<b>Current Assets</b>	<b>6,852,870</b>	<b>5,781,800</b>	<b>5,872,184</b>
Cash and Cash Equivalents	588,571	469,786	562,352
Financial Investments	126,108	-	-
Financial Assets	2,348,112	1,098,550	791,117
Trade Receivables	2,943,668	3,009,455	3,512,389
<i>Due from Related Parties</i>	17,796	17,679	130,832
<i>Due from Third Parties</i>	2,925,872	2,991,776	3,381,557
Other Receivables	588,922	1,022,446	458,449
<i>Due from Third Parties</i>	588,922	1,022,446	458,449
Derivative Financial Instruments	36,066	7,829	313,028
Inventory	169,539	131,953	147,956
Prepaid Expenses	44,112	41,474	71,355
Assets Related with Current Taxes	14	60	8,565
Other Current Assets	7,758	247	6,973
<b>Non-Current Assets</b>	<b>17,822,635</b>	<b>17,613,658</b>	<b>16,720,626</b>
Other Receivables	933,739	737,736	983,545
<i>Due from Third Parties</i>	933,739	737,736	983,545
Derivative Financial Instruments	63	960	-
Financial Assets	9,121,848	9,445,286	8,503,518
Right of Use Assets	140,771	145,483	-
Property, Plant and Equipment	902,255	483,543	358,781
Intangible Assets	6,357,036	6,548,405	6,745,195
<i>Goodwill</i>	1,977,127	1,977,127	1,977,127
<i>Other Intangible Assets</i>	4,379,909	4,571,278	4,768,068
Prepaid Expenses	4,507	1,642	2,575
Deferred Tax Assets	362,026	244,040	2,847
Other Non-Current Assets	390	6,563	124,165
<b>TOTAL ASSETS</b>	<b>24,675,505</b>	<b>23,395,458</b>	<b>22,592,810</b>

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.  
Currencies other than TL are also expressed in thousands unless otherwise indicated.)

	Audited / current period 31 December 2020	Audited - Restated / prior period 31 December 2019	Audited - Restated / prior period 1 January 2019
<b>LIABILITIES</b>			
<b>Current Liabilities</b>	<b>8,287,610</b>	<b>9,234,695</b>	<b>8,705,257</b>
Short-Term Financial Liabilities	1,098,798	676,281	998,170
Short-Term Portion of Long Term Financial Liabilities	1,573,117	3,015,735	2,435,639
Other Financial Liabilities	68,743	51,184	44,302
Trade Payables	1,914,357	2,611,620	2,480,917
<i>Due to Related Parties</i>	129,599	96,906	94,217
<i>Due to Third Parties</i>	1,784,758	2,514,714	2,386,700
Payables for Employee Benefits	57,939	52,358	43,217
Other Payables	2,579,077	2,078,343	1,917,252
<i>Due to Third Parties</i>	2,579,077	2,078,343	1,917,252
Derivative Financial Instruments	140,060	66,655	3,582
Deferred Income	6,964	8,284	74,752
Income Tax Liability	173,075	79,733	52,416
Short-Term Provisions	345,547	289,026	364,105
<i>Provisions for Employment Benefits</i>	46,423	41,190	28,779
<i>Other Short-Term Provisions</i>	299,124	247,836	335,326
Other Short-Term Liabilities	329,933	305,476	290,905
<b>Non-Current Liabilities</b>	<b>9,234,589</b>	<b>7,326,260</b>	<b>7,588,638</b>
Long-Term Financial Liabilities	7,090,385	5,378,462	5,765,047
Other Financial Liabilities	340,383	302,714	321,720
Derivative Financial Instruments	1,619	-	7,722
Deferred Income	211,044	-	-
Long-Term Provisions	224,179	167,216	115,366
<i>Provisions for Employment Benefits</i>	224,179	167,216	115,366
Deferred Tax Liabilities	1,366,979	1,477,868	1,378,783
<b>TOTAL LIABILITIES</b>	<b>17,522,199</b>	<b>16,560,955</b>	<b>16,293,895</b>

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.  
Currencies other than TL are also expressed in thousands unless otherwise indicated.)

	Audited / current period 31 December 2020	Audited - Restated / prior period 31 December 2019	Audited - Restated / prior period 1 January 2019
<b>LIABILITIES</b>			
<b>Equity</b>	<b>7,153,306</b>	<b>6,834,503</b>	<b>6,298,915</b>
Registered Share Capital	1,181,069	1,181,069	1,181,069
Adjustments to Share Capital	2,416,412	2,626,532	2,784,755
<b>Total Share Capital</b>	<b>3,597,481</b>	<b>3,807,601</b>	<b>3,965,824</b>
Other Funds	4,340	4,340	4,340
Accumulated Other Comprehensive Expenses not to be Reclassified to Profit or Loss in Subsequent Periods	(3,464)	(3,464)	(3,464)
<i>Accumulated Loss on Remeasurement of Defined Benefit Plans</i>	<i>(3,464)</i>	<i>(3,464)</i>	<i>(3,464)</i>
Accumulated Other Comprehensive Income / (Expense) to be Reclassified to Profit or Loss in Subsequent Periods	(62,487)	(2,248)	23,359
<i>Hedge Reserves</i>	<i>(62,487)</i>	<i>(2,248)</i>	<i>23,359</i>
Restricted Profit Reserves	485,378	251,545	216,612
Retained Earnings	2,044,375	1,743,107	1,344,547
Profit for the Period	1,087,683	1,033,622	747,697
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>24,675,505</b>	<b>23,395,458</b>	<b>22,592,810</b>

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.

Currencies other than TL are also expressed in thousands unless otherwise indicated.)

	Audited / current period 1 January - 31 December 2020	Audited / prior period 1 January - 31 December 2019
Revenue	21,757,203	19,453,085
Cost of Sales (-)	(16,117,831)	(14,108,614)
<b>GROSS PROFIT</b>	<b>5,639,372</b>	<b>5,344,471</b>
General Administrative Expenses (-)	(2,543,194)	(2,170,485)
Other Income from Operating Activities	646,102	552,300
Other Expenses from Operating Activities (-)	(1,004,435)	(662,080)
<b>OPERATING PROFIT BEFORE FINANCE INCOME / (EXPENSE)</b>	<b>2,737,845</b>	<b>3,064,206</b>
Finance Income	64,091	170,627
Finance Expense (-)	(1,389,230)	(1,843,477)
<b>PROFIT BEFORE TAX</b>	<b>1,412,706</b>	<b>1,391,356</b>
<b>Tax Expense</b>	<b>(325,023)</b>	<b>(357,734)</b>
Current Tax Expense (-)	(537,986)	(492,099)
Deferred Tax Income	212,963	134,365
<b>PROFIT FOR THE PERIOD</b>	<b>1,087,683</b>	<b>1,033,622</b>
<b>OTHER COMPREHENSIVE INCOME AND EXPENSE</b>		
<b>Other Comprehensive Income / (Expense) to be Reclassified to Profit or Loss in Subsequent Periods</b>	<b>(60,239)</b>	<b>(25,607)</b>
<i>Losses on Hedges</i>	<i>(76,151)</i>	<i>(33,350)</i>
<i>Income Tax Relating to Other Comprehensive Income</i>	<i>15,912</i>	<i>7,743</i>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>1,027,444</b>	<b>1,008,015</b>
<b>Earnings per share</b>		
Earnings per share (kr)	0.92	0.88

## CORPORATE GOVERNANCE COMPLIANCE REPORT

Enerjisa Enerji has adopted the principle of complying with the 4 main principles of corporate governance based on Transparency, Fairness, Responsibility and Accountability. Enerjisa Enerji forms its management approach by centering these principles and improves its corporate governance practices every year by taking the best practices in the world as a guide. Enerjisa Enerji is included in the BIST Corporate Governance Index since 2019.

The Corporate Governance Compliance Report and Corporate Governance Information Form for 2020, prepared in accordance with the Capital Markets Board's Decision No. 2/49 dated 10.01.2019 and approved by the Board of Directors, are below.

Company Compliance Status						Explanation
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS	Yes	Partial	No	Exempted	Not Applicable	
1.1.2- Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.	X					
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.		X				Physical attendance was limited due to COVID-19, but the auditors, Chairman of the Board, CEO and the relevant managers physically attended.
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.		X				The amount of donations is disclosed. However, details of the recipients are not disclosed due to the low amount of donations.
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.			X			As defined in the Articles of Association Annual General Assembly meeting is held open to shareholders but close to press and public. AGM documents are submitted to all stakeholders via related KAP announcements and company website.
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have shares that carry privileged voting rights.	X					

1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	There are no companies in which Enerjisa has cross-ownerships.
<b>1.5. MINORITY RIGHTS</b>						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			Minority rights are determined in accordance with the relevant legislation, and there is no specific provision for the extension of minority rights in the Articles of Association. At the same time, attention is paid to the use of minority rights within the scope of TTK and CMB regulations.
<b>1.6. DIVIDEND RIGHT</b>						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.					X	This was not stated as Enerjisa distributed dividend.
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
<b>1.7. TRANSFER OF SHARES</b>						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
<b>2.1. CORPORATE WEBSITE</b>						
2.1.1. - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
<b>2.2. ANNUAL REPORT</b>						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
<b>3.1. CORPORATION'S POLICY ON STAKEHOLDERS</b>						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bonafides principles.	X					

3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
<b>3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT</b>						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	X					
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
<b>3.3. HUMAN RESOURCES POLICY</b>						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X					
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					
<b>3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS</b>						
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					

3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
<b>3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY</b>						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
<b>4.1. ROLE OF THE BOARD OF DIRECTORS</b>						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
<b>4.2. ACTIVITIES OF THE BOARD OF DIRECTORS</b>						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7-The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					
<b>4.3. STRUCTURE OF THE BOARD OF DIRECTORS</b>						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.		X				Although there is no written policy, the existing practice meets the %25 criteria. For this purpose, study to develop a policy is being carried out.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
<b>4.4. BOARD MEETING PROCEDURES</b>						
4.4.1-Each board member attended the majority of the board meetings in person.	X					



4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	X					
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X				Board Members' assignments in different companies are limited on the basis of creating conflict of interest. There are no such incidents with Board Members.
<b>4.5. BOARD COMMITTEES</b>						
4.5.5 - Board members serve in only one of the Board's committees.			X			Due to Energisa shareholder structure and the requirement for committee chairs to be selected among independent Board members in accordance with the Corporate Governance Principles, board members take part in more than one committee, taking into account the number of committees to be formed. In any case, it is ensured that the committees comply with the legal authority and responsibilities.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	No external consultancy service is used for Board Committees.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
<b>4.6. FINANCIAL RIGHTS</b>						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	X					
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.		X				In disclosure of the remuneration and benefits provided to the members of the Board of Directors and senior executives, the principle of

						<p>balance is targeted between the benefits of these persons that must be protected in terms of the Personal Data Protection Law and the transparency requirement of the shareholders and stakeholders in accordance with the Corporate Governance Communiqué. Accordingly, the information is disclosed in terms of separate line items for Board of Directors and senior executives. Remuneration Policy is written and disclosed via Annual General Assembly Meeting to stakeholders. In addition, the remuneration for the Board of Directors is approved at the General Assembly.</p>
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## CORPORATE GOVERNANCE INFORMATION FORM

<b>1. SHAREHOLDERS</b>									
<b>1.1. Facilitating the Exercise of Shareholders Rights</b>									
The number of investor meetings (conference, seminar/etc.) organised by the company during the year						In 2020, due to pandemic Enerjisa participated to 3 online conferences and 2 online roadshows and in total had 55 meetings with existing and potential investors.			
<b>1.2. Right to Obtain and Examine Information</b>									
The number of special audit request(s)						0			
The number of special audit requests that were accepted at the General Shareholders' Meeting						0			
<b>1.3. General Assembly</b>									
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)						<a href="https://www.kap.org.tr/en/Bildirim/823308">https://www.kap.org.tr/en/Bildirim/823308</a>			
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time						Provided			
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9						Such transactions do not exist			
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)						No transactions in the scope of Article 9			
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)						No transactions in the scope of Article 10			
The name of the section on the corporate website that demonstrates the donation policy of the company						<a href="https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/donation-grants-policy">https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/donation-grants-policy</a>			
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved						<a href="https://www.kap.org.tr/en/Bildirim/671488">https://www.kap.org.tr/en/Bildirim/671488</a>			
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting						N/A			
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any						<a href="https://www.kap.org.tr/en/Bildirim/831560">https://www.kap.org.tr/en/Bildirim/831560</a>			
<b>1.4. Voting Rights</b>									
Whether the shares of the company have differential voting rights						No			
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.						N/A			
The percentage of ownership of the largest shareholder						40%			
<b>1.5. Minority Rights</b>									
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association						No			
If yes, specify the relevant provision of the articles of association.						N/A			
<b>1.6. Dividend Right</b>									
The name of the section on the corporate website that describes the dividend distribution policy						Under Corporate Governance Policies tab in IR web site ( <a href="https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/dividend-policy">https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/dividend-policy</a> )			
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.						Not proposed			
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends						Not proposed			
<b>General Assembly Meetings</b>									
General Meeting Date	The number of information requests received by the company regarding the	Shareholder participation rate to the General Sharehol	% of shares directly present at the GSM	% of shares represented by proxy	Specify the name of the page of the corporate website that contains the General	Specify the name of the page of the corporate website that contains all	The number of the relevant item or paragraph of General Shareholders' Meeting	The number of declarations by insiders received	The link to the related PDP general shareholder meeting notification

	clarification of the agenda of the General Shareholders' Meeting	ders' Meeting			Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	questions asked in the general assembly meeting and all responses to them	minutes in relation to related party transactions	by the board of directors	
23.03.2020	0	91%	0.0000086%	91%	Corporate Governance section under the Investor Relations website	<a href="https://www.enerjisainvestorrelations.com/Media/Default/pdf/genel_kurul/2019_Olagan_Genel_Kurul_Toplanti_Tutanagi.pdf">https://www.enerjisainvestorrelations.com/Media/Default/pdf/genel_kurul/2019_Olagan_Genel_Kurul_Toplanti_Tutanagi.pdf</a>	N/A		<a href="https://www.kap.org.tr/en/Bildirim/823308">https://www.kap.org.tr/en/Bildirim/823308</a>
2.DISCLOSURE AND TRANSPARENCY									
2.1. Corporate Website									
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.						Under Corporate Governance section in IR web site			
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.						<a href="https://www.enerjisainvestorrelations.com/en/corporate/shareholder-structure">https://www.enerjisainvestorrelations.com/en/corporate/shareholder-structure</a>			
List of languages for which the website is available						Turkish and English			
2.2. Annual Report									
The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.									
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members						2020 Annual Report - Duties of the Members of the Board of Directors and Executives Conducted Out of the Company and Declarations on Independence of Board Members			
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure						2020 Annual Report - Risks and Evaluation of the Management Body			
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings						2020 Annual Report - Risks and Evaluation of the Management Body			
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation						2020 Annual Report - Information on the Main Developments During the Related Fiscal Period and Events That Occurred After the Balance Sheet Date			
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof						2020 Annual Report - Information on Legal Actions Filed Against the Company Which Might Adversely Affect the Financial Situation and Operations of the Company and Their Possible Consequences			
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest						There is no conflict of interests			
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%						There is no such cross-ownership			
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate						2020 Annual Report - Information on the Company's Donations and Aids and Its Expenditures Made on Social Responsibility Projects During the Year			

social responsibility in respect of the corporate activities that arises social and environmental results	
<b>3. STAKEHOLDERS</b>	
<b>3.1. Corporation's Policy on Stakeholders</b>	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	<a href="https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/anti-bribery-anti-corruption-policy/Compensation-Policy">https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/anti-bribery-anti-corruption-policy/Compensation-Policy</a>
The number of definitive convictions the company was subject to in relation to breach of employee rights	36
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Head of Internal Audit
The contact detail of the company alert mechanism	<a href="https://www.enerjisa.com.tr/en/about-enerjisa/company-profile/working-principles">https://www.enerjisa.com.tr/en/about-enerjisa/company-profile/working-principles</a>
<b>3.2. Supporting the Participation of the Stakeholders in the Corporation's Management</b>	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	<a href="https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-resources-policy">https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-resources-policy</a>
Corporate bodies where employees are actually represented	<a href="https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-resources-policy">https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-resources-policy</a>
<b>3.3. Human Resources Policy</b>	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	<a href="https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-resources-policy">https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-resources-policy</a> <a href="https://www.enerjisainvestorrelations.com/en/corporate-governance/committee-charters/corporate-governance-committee-charter">https://www.enerjisainvestorrelations.com/en/corporate-governance/committee-charters/corporate-governance-committee-charter</a>
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	<a href="https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-resources-policy">https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-resources-policy</a>
Whether the company provides an employee stock ownership programme	There isn't an employee stock ownership programme
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	<a href="https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-resources-policy">https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-resources-policy</a>
The number of definitive convictions the company is subject to in relation to health and safety measures	4
<b>3.5. Ethical Rules and Social Responsibility</b>	
The name of the section on the corporate website that demonstrates the code of ethics	<a href="https://www.enerjisainvestorrelations.com/en/corporate-governance/code-of-ethics">https://www.enerjisainvestorrelations.com/en/corporate-governance/code-of-ethics</a>
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a>
Any measures combating any kind of corruption including embezzlement and bribery	<a href="https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/anti-bribery-anti-corruption-policy">https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/anti-bribery-anti-corruption-policy</a>
<b>4. BOARD OF DIRECTORS - I</b>	
<b>4.2. Activity of the Board of Directors</b>	
Date of the last board evaluation conducted	17.12.2020
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Chairman: Kivanç Zaimler Vice Chairman: Eric Rene C. Depluet
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	18 process audit reports and 70 ethics investigations
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	2020 Annual Report - Information on the Internal Control System and Internal Audit Activities of the Company and the Related Opinion of the Management Body
Name of the Chairman	Kivanç Zaimler
Name of the CEO	Murat Pinar

If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles				Not combined			
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital				<a href="https://www.kap.org.tr/tr/Bildirim/844693">https://www.kap.org.tr/tr/Bildirim/844693</a>			
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors				No written diversity policy, but application is in line with the relevant term			
The number and ratio of female directors within the Board of Directors				2 - 25%			
Composition of Board of Directors							
Name, Surname of Board Member	Whether Executive Director or Not	Whether Independent Director or Not	The First Election Date to Board	Link to PDP Notification that Includes the Independency Declaration	Whether Independent Director Considered By the Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy the Independence or Not	Whether the Director Has At Least 5 Years' Experience On Audit, Accounting and/or Finance or Not
KIVANÇ ZAIMLER	Executive	Not independent director	1.07.2018		Not considered	No	No
ERIC RENÉ C.DEPLUET	Executive	Not independent director	15.06.2018		Not considered	No	Yes
JOHAN MAGNUS MOERNSTAM	Non-executive	Not independent director	1.08.2020		Not considered	No	Yes
EVA-MARIA VERENA VOLPERT	Non-executive	Not independent director	29.03.2018		Not considered	No	Yes
BARIŞ ORAN	Non-executive	Not independent director	29.03.2018		Not considered	No	Yes
HAKAN TİMUR	Non-executive	Not independent director	28.08.2019		Not considered	No	No
MEHMET SAMİ	Non-executive	Independent director	29.03.2018	<a href="https://www.kap.org.tr/en/Bildirim/671488">https://www.kap.org.tr/en/Bildirim/671488</a>	Not considered	No	Yes
FATMA DİLEK YARDIM	Non-executive	Independent director	28.03.2018	<a href="https://www.kap.org.tr/en/Bildirim/671488">https://www.kap.org.tr/en/Bildirim/671488</a>	Not considered	No	Yes
4. BOARD OF DIRECTORS-II							
4.4. Meeting Procedures of the Board of Directors							
Number of physical board meetings in the reporting period (meetings in person)				1 physical meeting, 5 online meetings due to COVID-19			
Director average attendance rate at board meetings				98%			
Whether the board uses an electronic portal to support its work or not				No			
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter				7			
The name of the section on the corporate website that demonstrates information about the board charter				Article 10 - Articles of Association ( <a href="https://www.enerjisainvestorrelations.com/en/corporate/articles-of-association">https://www.enerjisainvestorrelations.com/en/corporate/articles-of-association</a> )			
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors				N/A			

4.5. Board Committees				
Page numbers or section names of the annual report where information about the board committees are presented		2020 Annual Report - Risks and Evaluation of the Management Body		
Link(s) to the PDP announcement(s) with the board committee charters		Under Committee Charter tab in Investor Relations website		
Composition of Board Committees-I				
Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Audit Committee		Fatma Dilek Yardım	Yes	Board member
Audit Committee		Mehmet Sami	No	Board member
Committee of Early Detection of Risk		Fatma Dilek Yardım	Yes	Board member
Committee of Early Detection of Risk		Mehmet Sami	No	Board member
Committee of Early Detection of Risk		Hakan Timur	No	Board member
Committee of Early Detection of Risk		Eric Rene C. Depluet	No	Board member
Corporate Governance Committee		Mehmet Sami	Yes	Board member
Corporate Governance Committee		Michael Moser	No	Not board member
Corporate Governance Committee		Magnus Johan Moernstam	No	Board member
Corporate Governance Committee		Hakan Timur	No	Board member
4. BOARD OF DIRECTORS-III				
4.5. Board Committees-II				
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)		2020 Annual Report - Risks and Evaluation of the Management Body ( <a href="https://www.enerjisainvestorrelations.com/en/corporate-governance/committee-charters/audit-committee-charter">https://www.enerjisainvestorrelations.com/en/corporate-governance/committee-charters/audit-committee-charter</a> )		
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)		2020 Annual Report - Risks and Evaluation of the Management Body ( <a href="https://www.enerjisainvestorrelations.com/en/corporate-governance/committee-charters/corporate-governance-committee-charter">https://www.enerjisainvestorrelations.com/en/corporate-governance/committee-charters/corporate-governance-committee-charter</a> )		
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)		2020 Annual Report - Risks and Evaluation of the Management Body ( <a href="https://www.enerjisainvestorrelations.com/en/corporate-governance/committee-charters/corporate-governance-committee-charter">https://www.enerjisainvestorrelations.com/en/corporate-governance/committee-charters/corporate-governance-committee-charter</a> )		
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)		2020 Annual Report - Risks and Evaluation of the Management Body ( <a href="https://www.enerjisainvestorrelations.com/en/corporate-governance/committee-charters/early-risk-detection-committee-charter">https://www.enerjisainvestorrelations.com/en/corporate-governance/committee-charters/early-risk-detection-committee-charter</a> )		
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)		2020 Annual Report - Risks and Evaluation of the Management Body ( <a href="https://www.enerjisainvestorrelations.com/en/corporate-governance/committee-charters/corporate-governance-committee-charter">https://www.enerjisainvestorrelations.com/en/corporate-governance/committee-charters/corporate-governance-committee-charter</a> )		

4.6. Financial Rights					
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)		2020 Annual Report - Company's Operations and Related Major Developments			
Specify the section of website where remuneration policy for executive and non-executive directors are presented.		Under Corporate Governance Policies tab in the IR website ( <a href="https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/remuneration-policy">https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/remuneration-policy</a> )			
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)		2020 Annual Report - Financial Rights Granted to the Members of the Management Body and the Senior-Level Executive Officers			
Composition of Board Committees-II					
Names Of The Board Committees	Name of committees defined as "Other" in the first column	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number Of Reports On Its Activities Submitted To The Board
Audit Committee		100%	100%	4	4
Committee of Early Detection of Risk		100%	50%	5	7
Corporate Governance Committee		75%	25%	4	4



## SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

The Sustainability Principles Compliance Report, which shows the compliance with the Sustainability Principles Compliance Framework prepared in line with the amendment dated 02.10.2020 made by the Capital Markets Board in the Corporate Governance Communiqué, was accepted by the decision of Enerjisa Enerji A.Ş. Board of Directors.

Enerjisa Enerji has achieved high compliance as a result of the studies conducted in this area. In addition, Enerjisa Enerji plans to continue its efforts to improve its compliance with these principles in 2021, taking into account the interests of all stakeholders, especially shareholders.

Enerjisa Enerji's compliance with Sustainability Principles in 2020 is summarized in the table below:

		Policy Name and Code	Policy Description	Compliance Status*	Description	Link(s)
1	A. General	A1.Strategy, Policy and Goals	The Board of Directors identifies ESG priority issues, risks and opportunities and develops ESG policies accordingly. In terms of the effective implementation of these policies, Company internal guidelines, business procedures etc. can be prepared. The Board of Directors approves resolutions on these policies and announces to public.	Partial Compliance	There is an ESG Committee conducted under the co-chairmanship of the CEO and CFO and includes the managers of the relevant business units. The committee meets regularly and evaluates ESG priority issues, risks and opportunities. Within this framework, it determines its short, medium and long term strategies and action plans, makes the necessary revisions in its current policies, and creates new policies and procedures. Policies are published on the website. Additionally, ESG issues are discussed in the Corporate Governance Committee and Early Detection of Risk Committee set under the Board of Directors and the Board of Directors is informed. Enerjisa Enerji targets to expand the scope of the policies approved by the Board of Directors.	<a href="https://www.enerjisainvestorrelations.com/policies">https://www.enerjisainvestorrelations.com/policies</a> <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a> <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a> <a href="https://www.enerjisainvestorrelations.com/committees">https://www.enerjisainvestorrelations.com/committees</a>
2		A1.Strategy, Policy and Goals	Determines the Company Strategy appropriate to the ESG policies, risks and opportunities. Determines the short and long-term goals in line with the partnership strategy and ESG policies, and announces to public.	Partial Compliance	Enerjisa Enerji adapts with a perspective of sustainability in all its core business areas and adapts its corporate strategy to this. In addition, whilst positioning itself in the energy world of the future, it makes short and long-term plans to lead in the ESG area. The studies conducted by the ESG Committee to publicly announce the short and long term numerical Key Performance Indicators targets are ongoing.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a> <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a> <a href="https://www.enerjisainvestorrelations.com/committees">https://www.enerjisainvestorrelations.com/committees</a>
3		A2.Implementation/Monitoring	Determines the committees/units responsible for the implementation of ESG policies and makes them public. The responsible committee/unit reports the activities carried out within the scope of the policies to the Board of Directors at least once a year and in any case within the maximum periods that is determined for the public disclosure of the annual	Partial Compliance	There is an ESG Committee under the co-chairmanship of the CEO and CFO, including the managers of the relevant business units. The committee meets regularly and evaluates ESG priority issues, risks and opportunities. Within this framework, it determines its short, medium and long term strategies and action plans, determines the necessary revisions in its current policies and enables the creation of new policies and procedures. Policies are published on the website. Additionally, ESG issues	<a href="https://www.enerjisainvestorrelations.com/policies">https://www.enerjisainvestorrelations.com/policies</a> <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a> <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a> <a href="https://www.enerjisainvestorrelations.com/committees">https://www.enerjisainvestorrelations.com/committees</a>

			reports in the relevant regulations of the Capital Markets Board. Prepares action plans in line with the short- and long-term goals determined and makes them public.		are discussed in the Corporate Governance Committee and Early Detection of Risk Committee set under the Board of Directors and the Board of Directors is informed on the key items. Studies continue to increase the number of relevant policies. Additionally, the studies conducted by the ESG Committee to publicly announce the short and long term numerical Key Performance Indicators targets are ongoing.	
4		A2.Implementation/ Monitoring	Identifies ESG Key Performance Indicators (KPIs) and discloses them comparatively on an annual basis. In the presence of verifiable data, provides KPIs with local and international sector benchmarks.	Partial Compliance	ESG performance indicators covering the last three years retrospectively, are explained in Sustainability and/or Annual Reports. International sector comparisons are made; however, this issue is not specifically addressed in the reports.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a>  <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a>
5		A2.Implementation/ Monitoring	Discloses the innovation activities taken to improve the sustainability performance for business processes or products and services.	Full Compliance	Enerjisa Enerji explains the innovation activities taken to improve sustainability performance for business processes or products and services in its Annual and/or Sustainability Reports.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a>  <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a>
6		A3. Reporting	Reports its sustainability performance, goals and actions at least once a year and makes this information public. It reports the information on sustainability activities within the scope of the annual report.	Partial Compliance	Enerjisa Enerji discloses its sustainability performance and actions to the public once a year in its Sustainability Report. The Sustainability section in the Annual Report also includes sustainability activities. Additionally, the studies conducted by the ESG Committee to publicly announce the short and long term numerical Key Performance Indicators targets are ongoing.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a>  <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a>  <a href="https://www.enerjisainvestorrelations.com/committees">https://www.enerjisainvestorrelations.com/committees</a>
7		A3. Reporting	It is essential to share information that is important for stakeholders in understanding the position, performance and development of the Company, in a direct and concise manner. Can explain detailed information and data on the corporate website separately, and prepare separate reports that directly meet the needs of different stakeholders.	Full Compliance	Enerjisa Enerji shares presentations and reports in a precise manner to meet the needs of stakeholders and provide direct access to important information through the Investor Relations website.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/earnings-presentations">https://www.enerjisainvestorrelations.com/en/reports-presentations/earnings-presentations</a>  <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/regulation-update">https://www.enerjisainvestorrelations.com/en/reports-presentations/regulation-update</a>  <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a>  <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a>
8		A3. Reporting	Takes utmost care in terms of transparency and reliability. Objectively explains all developments regarding the priority issues in disclosures and reports within the framework of a balanced approach.	Full Compliance	Enerjisa Enerji objectively details all developments regarding the priority issues in disclosures and reports them within the framework of a balanced approach.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a>  <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a>

9		A3. Reporting	Identifies the activities that are related to the UN's Sustainable Development Goals for 2030.	Full Compliance	Enerjisa Enerji links its activities with the UN Sustainable Development Goals for 2030 in its Sustainability Report.	<a href="https://www.enerjisainvesto.rrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvesto.rrelations.com/en/reports-presentations/annual-reports-menu</a>  <a href="https://www.enerjisainvesto.rrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvesto.rrelations.com/en/reports-presentations/sustainability-reports-menu</a>
10		A3. Reporting	Issues a statement concerning lawsuits filed and/or ruled against itself on environmental, social and corporate governance issues.	Full Compliance	Necessary disclosure on this issue are made in the Annual Report.	<a href="https://www.enerjisainvesto.rrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvesto.rrelations.com/en/reports-presentations/annual-reports-menu</a>
11		A4. Verification	If verified by independent third parties (independent sustainability assurance providers), discloses its sustainability performance measurements to the public and targets to increase the scope of verification processes.	Partial Compliance	Sustainability performance measurements are disclosed to the public in the Annual and / or Sustainability Report. A verification study has not yet been made by third parties, studies are carried out actively in this regard.	<a href="https://www.enerjisainvesto.rrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvesto.rrelations.com/en/reports-presentations/annual-reports-menu</a>  <a href="https://www.enerjisainvesto.rrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvesto.rrelations.com/en/reports-presentations/sustainability-reports-menu</a>
12	B. Environment	Principles on Environment	Explains its policies and practices, action plans, environmental management systems (known as the ISO 14001 standard) and programs in the field of environmental management.	Full Compliance	Enerjisa Enerji details its policies and practices, action plans, environmental management systems (ISO 14001 standard) and programs in the field of environmental management section on its website.	<a href="https://www.enerjisainvesto.rrelations.com/policies">https://www.enerjisainvesto.rrelations.com/policies</a>  <a href="https://www.enerjisainvesto.rrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvesto.rrelations.com/en/reports-presentations/annual-reports-menu</a>  <a href="https://www.enerjisainvesto.rrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvesto.rrelations.com/en/reports-presentations/sustainability-reports-menu</a>
13		Principles on Environment	Complies with environmental laws and other relevant regulations and discloses them.	Full Compliance	Enerjisa Enerji determines, documents and periodically monitors the compliance obligations arising from the Environmental Law and all related regulations at the ISO 14001 planning phase.	<a href="https://www.enerjisainvesto.rrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvesto.rrelations.com/en/reports-presentations/annual-reports-menu</a>
14		Principles on Environment	Explains limits like boundaries, reporting periods, reporting dates, data collection processes, and the reporting criteria of the environmental report to be included in the report and prepared within the scope of the Sustainability Principles.	Full Compliance	These issues are addressed in the Annual and / or Sustainability Reports.	<a href="https://www.enerjisainvesto.rrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvesto.rrelations.com/en/reports-presentations/annual-reports-menu</a>  <a href="https://www.enerjisainvesto.rrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvesto.rrelations.com/en/reports-presentations/sustainability-reports-menu</a>
15		Principles on Environment	Identifies the most senior officer, the relevant committees and their duties in the Company on the issue of environment and climate change.	Full Compliance	Enerjisa Enerji discloses its ESG Committee members on its website.	<a href="https://www.enerjisainvesto.rrelations.com/committees">https://www.enerjisainvesto.rrelations.com/committees</a>

16	Principles on Environment	Discloses its incentives for managing environmental issues, including the delivery of goals.	Partial Compliance	Studies continue by the ESG Committee to disclosure the short and long term Key Performance Indicators targets. With the completion of these studies, the incentives offered / to be offered to the management will also be shared with the public.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a> <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a> <a href="https://www.enerjisainvestorrelations.com/committees">https://www.enerjisainvestorrelations.com/committees</a>
17	Principles on Environment	Discloses how environmental problems are integrated into business goals and strategies.	Full Compliance	Enerjisa Enerji aims to develop a strategic and holistic approach related to economic, environmental and social factors and create long-term value by focusing on sustainability. Work in this area are explained with detail in the Sustainability Reports.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a>
18	Principles on Environment	Discloses the sustainability performance for business processes or products and services, and the activities required to improve this performance.	Full Compliance	Enerjisa Enerji's performance and improvement activities on this issue are included in the Annual and/or Sustainability Report.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a> <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a>
19	Principles on Environment	Discloses how it manages environmental issues throughout the Company value chain, and how it integrates suppliers and customers into its strategies, even outside of its direct operations.	Full Compliance	Enerjisa Enerji expects its suppliers to comply with highest ESG standards and to have processes in place to achieve this. In this context, it asks its suppliers to sign the Enerjisa Supplier Code of Conduct and Compliance Statement and to comply with both the Enerjisa Enerji Anti-Bribery and Anti-Corruption Policy and the OHS and Environmental Policies.	<a href="https://www.enerjisainvestorrelations.com/policies">https://www.enerjisainvestorrelations.com/policies</a> <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a>
20	Principles on Environment	Discloses whether it engages in policy-making processes on environmental issues (sectoral, regional, national and international); its membership in the environmental associations, related organizations and non-governmental organizations; the collaborations it has made; the duties it has undertaken; and the activities it supports.	Full Compliance	Collaborations with associations, collaborations involving Board members and senior management are announced.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a> <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a> <a href="https://www.enerjisa.com.tr/en/about-enerjisa/media-center/press-releases">https://www.enerjisa.com.tr/en/about-enerjisa/media-center/press-releases</a>
21	Principles on Environment	Reports comparable information on environmental impacts periodically in the light of environmental indicators (Greenhouse gas emissions [Scope-1 {Direct}, Scope-2 {Energy indirect}, Scope-3 {Other indirect}], air quality, energy management, water and wastewater management, waste management, and biodiversity impacts).	Full Compliance	Enerjisa Enerji includes these indicators in its Annual and/or Sustainability Reports.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a> <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a>

22	Principles on Environment	Explains in detail the standard, protocol, methodology, and base year details used to collect and calculate its data.	Full Compliance	References, such as the calculation of greenhouse gas emissions according to the GHG Protocol with reference to the IPCC AR5 report, are included in the Sustainability Reports.	<a href="https://www.enerjisainvesto.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvesto.com/en/reports-presentations/annual-reports-menu</a>  <a href="https://www.enerjisainvesto.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvesto.com/en/reports-presentations/sustainability-reports-menu</a>
23	Principles on Environment	Reports the development of environmental indicators (increase or decrease) for the reporting year in comparison to previous years.	Full Compliance	Enerjisa Enerji includes these indicators in its Annual and/or Sustainability Reports.	<a href="https://www.enerjisainvesto.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvesto.com/en/reports-presentations/annual-reports-menu</a>  <a href="https://www.enerjisainvesto.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvesto.com/en/reports-presentations/sustainability-reports-menu</a>
24	Principles on Environment	Sets short and long-term goals to reduce its environmental impact and discloses these goals. These goals should be Science Based in accordance with recommendations from the United Nations Conference of the Parties on Climate Change. In case of progress made in the reporting year towards previously established goals, provides information on the subject.	Partial Compliance	Enerjisa Enerji is aware of its role in combating climate change and aims to reduce the direct and indirect impact of energy throughout its entire journey. It offers end-to-end solutions to increase energy efficiency and reduce carbon emissions under the "The Energy of My Business" framework. Studies continue to determine the targets in the fight against climate change and to explain its actions in greater detail.	<a href="https://www.enerjisainvesto.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvesto.com/en/reports-presentations/annual-reports-menu</a>  <a href="https://www.enerjisainvesto.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvesto.com/en/reports-presentations/sustainability-reports-menu</a>
25	Principles on Environment	Discloses its strategy and actions to combat the climate crisis.	Partial Compliance	Enerjisa Enerji is aware of its role in combating climate change and aims to reduce the direct and indirect impact of energy throughout its entire journey. It offers end-to-end solutions to increase energy efficiency and reduce carbon emissions under the "The Energy of My Business" framework. Studies continue to determine the targets in the fight against climate change and to explain its actions in greater detail.	<a href="https://www.enerjisainvesto.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvesto.com/en/reports-presentations/annual-reports-menu</a>  <a href="https://www.enerjisainvesto.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvesto.com/en/reports-presentations/sustainability-reports-menu</a>
26	Principles on Environment	Discloses the program or procedures it has undertaken to prevent or minimize the potential negative impact of its products and/or services. Discloses also the actions undertaken to reduce greenhouse gas emissions of third parties.	Full Compliance	Enerjisa Enerji offers its customers carbon reduction and renewable energy certificates in its product portfolio. In addition, it offers end-to-end solutions to increase energy efficiency and reduce carbon emissions under the "The Energy of My Business" framework.	<a href="https://www.enerjisainvesto.com/en/policies">https://www.enerjisainvesto.com/en/policies</a>  <a href="https://www.enerjisainvesto.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvesto.com/en/reports-presentations/annual-reports-menu</a>  <a href="https://www.enerjisainvesto.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvesto.com/en/reports-presentations/sustainability-reports-menu</a>
27	Principles on Environment	Discloses the actions taken to reduce its environmental impact, the total number of projects and initiatives carried out and the environmental benefits/gains and cost savings these activities provide.	Partial Compliance	Enerjisa Enerji takes many actions to reduce its environmental impacts. In order to reduce environmental impacts in its activities, it conducts optimization studies on issues such as resource use and energy consumption, offers its customers products that reduce environmental impacts and develops projects within this scope. In addition, with R&D and Innovation units, to reduce environmental impacts; develops products, processes and services. Details of all these are provided in the Annual and / or Sustainability	<a href="https://www.enerjisainvesto.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvesto.com/en/reports-presentations/annual-reports-menu</a>  <a href="https://www.enerjisainvesto.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvesto.com/en/reports-presentations/sustainability-reports-menu</a>



					Reports. Benefit-cost analysis is performed in projects, and carries on works are ongoing to report financial gains and effects.	
28		Principles on Environment	Reports its total energy consumption data (excluding raw materials) and discloses the energy consumption as Scope-1 and Scope-2.	Full Compliance	Enerjisa Enerji discloses its electricity consumption data as Scope-1 and Scope-2 in its Annual and/or Sustainability Reports.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a> <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a>
29		Principles on Environment	Provides information on the electricity, heat, steam and cooling generated and consumed during the reporting year.	Full Compliance	Enerjisa Enerji discloses its electricity consumption data in its Annual and/or Sustainability Report. Electricity production, heat, steam and cooling are not within the scope of Enerjisa Enerji's operations.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a> <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a>
30		Principles on Environment	Carries studies to increase the use of renewable energy and transition to zero- or low-carbon electricity, and discloses these studies.	Full Compliance	Enerjisa Enerji gives importance to providing its customers with sustainable and innovative solutions. In this context, end-to-end solutions aimed at increasing the energy efficiency of corporate customers and reducing their carbon emissions were restructured under "The Energy of My Business" road in October 2020. This portfolio includes many environmentally friendly and sustainable energy solutions, ranging from solar power plants installation services, energy efficiency applications, cogeneration /trigeneration applications and electric vehicle charging station management to green energy certifications. Enerjisa Enerji also works to reduce carbon emissions and increase energy efficiency in its own consumption. Data related to these issues is disclosed in the Annual and/or Sustainability Reports.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a> <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a>
31		Principles on Environment	Reports its renewable energy production and consumption data.	Full Compliance	Information on renewable energy supply is disclosed in the Annual and/or Sustainability Reports. Enerjisa Enerji is not involved directly in production activities.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a> <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a>
32		Principles on Environment	Carries out energy efficiency projects and reports the energy consumption and emission reduction rates delivered via these studies.	Full Compliance	Enerjisa Enerji gives importance to providing its customers with sustainable and innovative solutions. In this context, end-to-end solutions aimed at increasing the energy efficiency of corporate customers and reducing their carbon emissions were restructured under "The Energy of My Business" road in October 2020. This portfolio includes many environmentally friendly and sustainable energy solutions, ranging from solar power plant installation services, energy efficiency applications,	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a> <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a>

					cogeneration/trigeneration applications, and electric vehicle charging station management to green energy certifications. Enerjisa Enerji also works to reduce carbon emissions and increase energy efficiency in its own consumption. Data related to these issues is disclosed in the Annual and/or Sustainability Reports. In addition, it continues work to increase the scope of its disclosures.	
33		Principles on Environment	Reports the amount of water used, recycled and discharged from underground or above-ground; sources and procedures for water withdrawal (total water withdrawal by source, water resources affected by water withdrawal, percentage and total volume of recycled and reused water etc).	Not Applicable	Enerjisa Enerji does have water discharge and industrial water consumption. Municipal water consumption data is included in the Annual and/or Sustainability Reports.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a> <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a>
34		Principles on Environment	Discloses which operations or activities are included in various carbon pricing systems (European Union Emission Trading Scheme, cap & trade or carbon tax). Discloses data on the carbon credit accumulated or purchased during the reporting period. Discloses the carbon pricing details, if applicable, within the company.	Partial Compliance	Enerjisa Enerji developed carbon reduction and renewable energy certificates as a product in 2019 and offers them to its customers as a solution. Recent information on these issues will be shared in the 2020 Annual and Sustainability Reports.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a> <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a>
35		Principles on Environment	Discloses all mandatory and voluntary platforms upon which it presents its environmental information.	Full Compliance	Enerjisa Enerji makes its CDP disclosure in publicly accessible format.	<a href="https://www.cdp.net/en">https://www.cdp.net/en</a>
36	C. Social	C1.Human Rights and Employee Rights	Develops a Corporate Human Rights and Employee Rights Policy with commitment for complete compliance to the Universal Declaration of Human Rights; the ILO Conventions Turkey is a party to; and the legal framework and legislation regulating human rights and working life in Turkey. Discloses the relevant policy and the roles and responsibilities for its implementation to the public.	Full Compliance	Enerjisa Enerji's Human Rights and Human Resources Policies address these issues.	<a href="https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-resources-policy">https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-resources-policy</a> <a href="https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-rights-policy">https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-rights-policy</a>
37		C1.Human Rights and Employee Rights	Provides equal opportunity in recruitment processes. Addressing also the supply and value chain impact, incorporates fair workforce, the improvement of labor standards, female employment and inclusion issues (such as discrimination based on sex, gender, religious	Full Compliance	Enerjisa Enerji explains its approach to equal opportunities and discrimination in its Human Rights Policy.	<a href="https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-rights-policy">https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-rights-policy</a>

			belief, language, race, ethnic origin, age, disability, refugee status, and so on) in its policies.			
38		C1.Human Rights and Employee Rights	Discloses the measures taken along the value chain for the protection of groups vulnerable to particular economic, environmental, social factors (low-income groups, women etc) or minority rights/equal of opportunity.	Full Compliance	Enerjisa Enerji explains its approach to equal opportunities and discrimination in its Human Rights Policy.	<a href="https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-rights-policy">https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-rights-policy</a>
39		C1.Human Rights and Employee Rights	Reports developments on corrective practices regarding discrimination, inequality, human rights violations, forced labor. Discloses the procedures against the use of child labor.	Full Compliance	Enerjisa Enerji includes its procedures on these issues in its Human Rights Policy.	<a href="https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-rights-policy">https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-rights-policy</a>
40		C1.Human Rights and Employee Rights	Describes policies regarding investment in employees (training, development policies), compensation, fringe benefits, the right to unionize, work/life balance solutions and talent management. Determines the dispute resolution processes by creating mechanisms for employee complaints and disputes. Regularly explains the activities carried out to ensure employee satisfaction.	Full Compliance	Enerjisa Enerji publishes its policies and practices concerning employee rights and skill development on the company's website, and in Annual and Sustainability Reports.	<a href="https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-resources-policy">https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-resources-policy</a> <a href="https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/anti-bribery-anti-corruption-policy/Compensation-Policy">https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/anti-bribery-anti-corruption-policy/Compensation-Policy</a> <a href="https://www.enerjisainvestorrelations.com/en/corporate-governance/code-of-ethics">https://www.enerjisainvestorrelations.com/en/corporate-governance/code-of-ethics</a> <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a> <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a>
41		C1.Human Rights and Employee Rights	Develops occupational health and safety policies and makes them public. Discloses the precautions and accident statistics taken to prevent work accidents and protect health.	Full Compliance	Proactively managing OHS risks is a priority for Enerjisa Enerji at the senior management level. Details concerning the Occupational Health and Safety policy are available on the website. The measures taken and accident statistics are included in the Annual and/or Sustainability Reports.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a> <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a> <a href="https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/health-and-safety-policy">https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/health-and-safety-policy</a>



42	C1.Human Rights and Employee Rights	Develops personal data protection and data security policies and makes them public.	Full Compliance	Enerjisa Enerji discloses its Data Security Policy on its website.	<a href="https://www.enerjisainvestorrelations.com/policies">https://www.enerjisainvestorrelations.com/policies</a>
43	C1.Human Rights and Employee Rights	Develops an ethics policy (encompassing work, work ethics, orientation period, advertising and marketing ethics, open disclosure and so on) and makes it public.	Full Compliance	Enerjisa Enerji has a Code of Conduct, which has been shared with all stakeholders both internally and on the website.	<a href="https://www.enerjisainvestorrelations.com/en/corporate-governance/code-of-ethics">https://www.enerjisainvestorrelations.com/en/corporate-governance/code-of-ethics</a>
44	C1.Human Rights and Employee Rights	Explains its work within the scope of social investment, social responsibility, financial inclusion and access to financing.	Full Compliance	Enerjisa Enerji provides information on this subject in its Annual and/or Sustainability Reports.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a> <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a>
45	C1.Human Rights and Employee Rights	Organizes informative meetings and training programs for employees on ESG policies and practices.	Full Compliance	Enerjisa Enerji provides training on Occupational Health and Safety and Environment, Ethics, Risk Management, Customer Satisfaction within the scope of ESG. Details are provided in the Annual and/or Sustainability Reports.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a> <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a>
46	C2. Stakeholders International Standards and Initiatives	Conducts its activities in the field of sustainability by taking into account the needs and priorities of all stakeholders (employees, customers, suppliers and service providers, public institutions, shareholders, community and non-governmental organizations etc.).	Full Compliance	Stakeholders' views were considered within the scope of the materiality analysis. The Corporate Stakeholder Participation Plan, prepared under the EBRD loan agreement, can be accessed on the website. Details concerning stakeholder communication are included in the Annual Report and/or Sustainability Reports.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a> <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a> <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/corporate-stakeholder-engagement">https://www.enerjisainvestorrelations.com/en/reports-presentations/corporate-stakeholder-engagement</a>
47	C2. Stakeholders International Standards and Initiatives	Develops a customer satisfaction policy regarding the management and resolution of customer complaints and makes the policy public.	Full Compliance	Customer Satisfaction is a primary focus of Enerjisa Enerji's corporate strategy. Additionally, the Customer Satisfaction Policy is published on the website.	<a href="https://www.enerjisainvestorrelations.com/policies">https://www.enerjisainvestorrelations.com/policies</a>
48	C2. Stakeholders International Standards and Initiatives	Communicates with stakeholders continuously and transparently. Also discloses information on with which stakeholders the company engages; the purpose, specifics and frequency of the communications; and the developments in sustainability activities.	Full Compliance	Stakeholders' views were considered within the scope of the materiality analysis. The Corporate Stakeholder Participation Plan, prepared under the EBRD loan agreement, can be accessed on the website. Details on stakeholder communication are included in the Annual Report and/or Sustainability Reports.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a> <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a> <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/corporate-stakeholder-engagement">https://www.enerjisainvestorrelations.com/en/reports-presentations/corporate-stakeholder-engagement</a>
49	C2. Stakeholders International Standards and Initiatives	It discloses the international reporting standards it has adopted (the Carbon Disclosure Project [CDP], the Global Reporting Initiative [GRI], the International Integrated Reporting	Full Compliance	Enerjisa Enerji details its reporting standards (GRI) in its Sustainability Report.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a>

			Council [IIRC], the Sustainability Accounting Standards Board [SASB], the Climate-Related Financial Disclosures Task Force [TCFD], and so on) to the public.			
50		C2. Stakeholders International Standards and Initiatives	Discloses to the public the international organization or principles (the Equator Principles, the United Nations Environment Program Finance Initiative [UNEP-FI], the United Nations Global Principles [UNGC], the United Nations Principles for Responsible Investment [UNPRI] etc.) of which it is a signatory or member and the international principles (such as the International Capital Markets Association [ICMA] Green/Sustainable Bond Principles) it has adopted.	Full Compliance	Enerjisa Enerji is a signatory of the UN Global Compact, the UN Women's Empowerment Principles (WEPs) and IPG Business Plastics Initiative. This information is included in the Sustainability and/or Annual Reports.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a>  <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a>
51		C2. Stakeholders International Standards and Initiatives	Makes concrete efforts to be included in the Borsa Istanbul Sustainability Index and international sustainability indices (the Dow Jones Sustainability Index, FTSE4Good, MSCI ESG Indices, and so on).	Full Compliance	Enerjisa Enerji is included in the Borsa Istanbul Sustainability Index since 2019, and continues to follow the standards and requirements of international indices to ensure compliance.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a>
52	D. Corporate Governance	D. Corporate Governance Principles	Makes maximum effort to comply with all Corporate Governance Principles as well as the mandatory Corporate Governance principles within the scope of the Capital Markets Board Communiqué on Corporate Governance (II-17.1).	Full Compliance	Enerjisa Enerji is rated by the Independent Rating Institution within the scope of Corporate Governance and has been included in the Borsa Istanbul Corporate Governance Index since 2019.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a>  <a href="https://www.enerjisainvestorrelations.com/en/corporate-governance/corporate-governance-compliance-report/corporate-governance-credit-rating-report">https://www.enerjisainvestorrelations.com/en/corporate-governance/corporate-governance-compliance-report/corporate-governance-credit-rating-report</a>
53		D. Corporate Governance Principles	Carefully considers the sustainability issue, the environmental impact of its activities and the principles in this regard when determining its corporate governance strategy.	Full Compliance	Enerjisa Enerji has integrated environmental impact analysis into its corporate management strategy with its vision of becoming the leading energy company of the future. This approach is included in the Annual and Sustainability Reports.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a>  <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a>
54		D. Corporate Governance Principles	Takes the necessary measures to comply with the principles concerning stakeholders as stated in the Corporate Governance Principles and to strengthen the communication with the stakeholders. Considers the opinions of its stakeholders when determining measures and strategies in the field of sustainability.	Full Compliance	Stakeholders' views were considered within the scope of the materiality analysis. The Corporate Stakeholder Participation Plan, prepared under the EBRD loan agreement, can be accessed on the website.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a>  <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/corporate-stakeholder-engagement">https://www.enerjisainvestorrelations.com/en/reports-presentations/corporate-stakeholder-engagement</a>

55		D. Corporate Governance Principles	Works to raise awareness on the issue of sustainability and its importance through social responsibility projects, awareness activities and training.	Full Compliance	Enerjisa Enerji discloses this information in its Annual, Sustainability Reports and website	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a> <a href="https://www.enerjisa.com.tr/en/enerjisa/about/social-responsibility">https://www.enerjisa.com.tr/en/enerjisa/about/social-responsibility</a>
56		D. Corporate Governance Principles	Endeavors to become a member of international standards and initiatives on sustainability and to contribute to studies.	Full Compliance	Enerjisa Enerji discloses this information in its Annual, Sustainability Reports and website.	<a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu</a> <a href="https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu">https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu</a>
57		D. Corporate Governance Principles	Discloses policies and programs that aim to combat bribery and corruption, and the principle of tax honesty.	Full Compliance	Enerjisa Enerji discloses the policies and programs on anti-bribery and anti-corruption and tax honesty.	<a href="https://www.enerjisainvestorrelations.com/en/corporate-governance/code-of-ethics">https://www.enerjisainvestorrelations.com/en/corporate-governance/code-of-ethics</a>