

**ENERJİSA**  
Energy of Turkey



**2020**  
**SUSTAINABILITY**  
**REPORT**





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# READER GUIDE



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# ABOUT THE REPORT

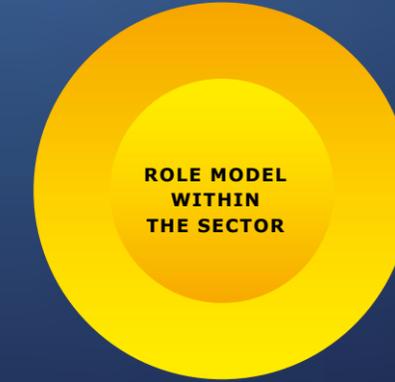
Enerjisa Enerji A.Ş. (Enerjisa Enerji)<sup>1</sup> aims to develop sector-leading practices and to conduct its operations with an exemplary approach. As a pioneer of Corporate Governance and Risk Management, Occupational Health and Safety and Environmental Management in the energy sector, we stay abreast of global trends to further improve our own Environmental, Social & Governance (ESG) performance and our goal is to lead the energy sector in this area, both in Turkey and globally. Today we operate in two main business lines: electricity distribution and retail sales. One of our top priorities is providing our customers with sustainable and innovative solutions. In this regard, Enerjisa Müşteri Çözümleri A.Ş. was established in 2017 to carry out customer solutions activities. With over 10,000 employees, we reach around 10.1 million customers in 14 provinces across three operational regions and serve a population of 21.6 million people.

The 2020 Sustainability Report ("Report") covers the period from 1 January 2020 to 31 December 2020. The Report is prepared in line with the International Framework outlined by the International Integrated Reporting Council (IIRC) and in accordance with the GRI Standards: Core option. In view of the growing importance of some specific ESG issues both for our company and stakeholders, we reviewed our material topics in 2020 and redefined their scope in order to manage our performance holistically.

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

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

## ESG STRATEGY



<sup>1</sup> Başkent Elektrik Dağıtım A.Ş. (BAŞKENT EDAŞ), Enerjisa Başkent Elektrik Perakende Satış A.Ş. (BAŞKENT EPSAŞ), İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş. (AYEDAŞ), Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş. (AEPSAŞ), Toroslar Elektrik Dağıtım A.Ş. (TOROSLAR EDAŞ), Enerjisa Toroslar Elektrik Perakende Satış A.Ş. (TOROSLAR EPSAŞ), Enerjisa Müşteri Çözümler A.Ş., Eşarj Elektrikli Araçlar Şarj Sistemleri A.Ş. (Eşarj) are the entities covered in this report.



# OUR BUSINESS IS ENERGY

Our Strength is  
Prudent Management

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# MESSAGE FROM THE CHAIRMAN

**As a company that is shaping the New Energy World, we constantly review our ESG strategy and take a dynamic approach to adapting to global and local trends.**

Dear Stakeholders,

We strive to satisfy the growing demand for electricity by focusing on people and technology so that we can create sustainable value for all our stakeholders, including our customers, business partners and shareholders. For more than a year, we have been dealing with the impact of the COVID-19 pandemic, which has affected all of humanity and drastically altered the business world. During the pandemic, we focused on maintaining the continuity of service with the responsibility of providing a public service and fulfilled our commitments to all our stakeholders despite the adverse impacts of the pandemic.

While fundamental shifts in the energy market continue as economies and energy markets rebound from the short-term effects of COVID-19, the energy transition is expected to accelerate rapidly in the coming decades. At the same time, an increase in regulations, such as the EU Taxonomy and the EU Green Deal and increasing focus of investors on Environmental, Social and Governance (ESG) issues will cause dramatic shifts in the energy industry. Today, we are witnessing how companies that effectively manage ESG risks are more capable of tackling risks. As one of these companies, we continued to provide uninterrupted

energy throughout the regions in which we operate in line with our mission and responsibility. As a company that is shaping the **New Energy World**, we constantly review our ESG strategy and take a dynamic approach to adapting to global and local trends. In particular, we view the United Nations Sustainable Development Goals as a guide we should follow.

The delivery of efficient, high-quality and sustainable services is critical for our company. In 2020, one of the most significant developments in our sector was the announcement of new regulatory period parameters for 2021-2025. As the leading company in the sector, we contributed to this process by conducting relevant activities in coordination with all sector-related stakeholders. I believe the parameters announced for the new regulatory period will encourage progress and transparency, incentivize investments and improvement in quality metrics, support the electrification of the energy systems and serve the best interests of our country.

We are committed to conducting all of our core businesses in electricity distribution and retail services with the leading practices in grid investments, high-level operational efficiency, customer satisfaction practices, R&D, innovation

and technology. With our customer centric approach, we will focus more on offering user-friendly and sustainability-oriented products, services and innovative solutions.

Each of us bears some responsibility for leaving for future generations a life-sustaining planet. We have embedded sustainability in our core strategy. As a leading company in our sector, we aim to lead the transition to a cleaner and greener energy sector. In that respect, our customer solutions is critical for us with solutions in areas such as e-mobility, distributed generation, green energy and energy efficiency. In an environment where today's global energy sector is becoming more digitalized, decentralized and decarbonized, we are transforming our operations in the same direction so as to meet the needs of our customers, stakeholders and society, not just for today but also for tomorrow.

We truly believe that a strong corporate governance is the backbone for sustaining our financial, operational and ESG performance. We continue to demonstrate the transparency, accountability and sustainability of our management with our corporate governance rating which increased to 9.46 in 2020.

I am pleased to share with you our 2020 Sustainability Report. I would like to take this opportunity to thank the management, our employees and all our stakeholders for their invaluable contributions to our goal of becoming the energy company of the future.

**Kıvanç Zaimler**  
Chairman



# MESSAGE FROM THE CEO

**In 2020, we focused on two missions: to ensure uninterrupted electricity distribution and retail services throughout the regions we operate in and to take the measures necessary for the health of our employees, suppliers and customers.**

Dear Stakeholders,

COVID-19 has dominated global discourse in 2020. It was an unprecedented and uniquely challenging year for the entire world. The outbreak revealed vulnerabilities in the global system. In 2020, we focused on two missions: to ensure uninterrupted electricity distribution and retail services throughout the regions we operate in and to take the measures necessary for the health of our employees, suppliers and customers. We made an investment of approximately TL 1.8 billion in 2020 to provide uninterrupted electricity distribution services throughout our regions. Thanks to our existing investments in technology and infrastructure, strong risk management and sound financial structure, we successfully implemented our operational strategy, continued to expand our distribution infrastructure and provided our customers the best energy service possible.

Another important development in 2020 was the announcement of the fourth regulatory period parameters. We played an active role in tariff discussions and we are happy to see the new framework of the regulation, which incentivizes delivery of high-quality services and encourages transparency and efficiency.

Customers are at the center of our business model. We measure real-time customer satisfaction at 45

customer contact points. Thanks to the initiatives we have undertaken, our customer satisfaction scores further improved, increasing from 3.90 in 2018 to 4.08 in 2020.

Whilst trying to improve performance in our sector, we continue to respond to customer needs by closely monitoring the new energy mega trends. We are aware that the **New Energy World** is based on concepts that include distributed generation, efficiency, renewable energy, green energy certification, solar power plant installation services and e-mobility. In this context, we consolidated our corporate end-to-end customer solutions which aim to improve efficiency and reduce carbon emissions under the roof of "The Energy of My Business". The Energy of My Business product family is a significant indicator of our pioneering approach in this area.

We are aware of the critical role electrification of transportation plays in combatting climate change. Thus, we aim to play an active role in the transformation of the electric vehicle ecosystem through Eşarj, our electric vehicle charging solutions provider. In 2020, Eşarj extended its partnerships as an e-mobility business-solution partner to new brands. Additionally, Eşarj collaborated with various brands from supermarket operators to gas stations to install charging stations. Beginning in the second half of 2020, Eşarj's public stations started operating solely on renewable energy, a first among

charging operators. With this development, Eşarj aims to support the reduction of carbon emissions.

We believe in the power of multi-stakeholder initiatives to drive the process of change. Since 2019, we are among the signatories of the United Nations Global Compact (UN Global Compact) and the United Nations Women's Empowerment Principles (WEPIs). In addition, we manage the "Equal Opportunities in the Electricity Distribution Sector" project in collaboration the Gender Equality Program Coordination Office of the European Bank for Reconstruction and Development (EBRD). With this project that supports gender equality, we aim to encourage female employment in technical and managerial positions.

I also would like to emphasize that it is crucial to include the entrepreneurial ecosystem in the process. In addition to the strengths of corporate structures, we should benefit from the agile and entrepreneurial characteristics of this ecosystem. This will make us a more dynamic organization. Here at Enerjisa Enerji, we are supporting the ecosystem via our corporate entrepreneurship platforms Nar and İvme.

In the upcoming period, we will continue conduct our activities in line with our principles to provide efficient, high-quality and sustainable services. I would like to sincerely thank all our shareholders,

business partners, customers and of course, our employees for their support.

**Murat Pınar**  
CEO



# MESSAGE FROM THE CFO

## We develop our long-term strategies with a sustainable and holistic approach and integrate ESG factors into our strategy.

Dear Stakeholders,

We all have been through a very challenging year due to the COVID-19 pandemic and the global economic downturn that followed. These unprecedented times once more showed us the importance of sound and resilient institutions and corporate bodies, whether public or private. Our timely and prescient measures, sound risk management systems and agile organizational structure allowed us to further improve both our financial and overall ESG performance, despite the challenges we had to face throughout the year.

While staying focused on our core commitments in 2020, we invested TL 1.8 billion into our power distribution grids, which is 26% higher than in 2019. With the measures we took and strategies we adopted in 2020, we further strengthened our balance sheet. This will enable the continuity of our investments to secure uninterrupted energy for our consumers and facilitate their lives.

We truly believe that the success of any company cannot be limited to its financial performance. Sustainably managed companies are in a better position to satisfy customer needs, use resources more effectively, are more flexible when it comes to

adapting to mega trends, all of which makes them more successful in the long-term. We believe an ESG driven business model is the only way forward for a clean, fair and sustainable society.

We place the utmost importance on both stakeholders' opinions and mega trends in our sector when it comes to determining areas where shared values could be created in environmental, social and corporate governance areas. In this respect, we work to develop our ESG strategy by closely following both local and global trends, regulations and ESG index assessment criteria. We develop our long-term strategies with a sustainable and holistic approach and integrate ESG factors into our strategy. Each year, in order to work on the most important issues of the evolving ESG agenda, we go through the materiality matrix topics and update them. In 2020, we revised our materiality analysis in view of the ESG agenda at the executive level and reassessed the relevance of the topics to our business. Climate change and energy efficiency are now among our top priorities, especially in view of the critical role the sector plays in the transition to a low carbon world.

In 2020, we have taken important steps, such as publishing our new Human Rights Policy and

a revised Code of Conduct to fulfil our goal of becoming best-in-class in corporate governance, while taking actions to further develop our Enterprise Risk Management processes. In the beginning of 2021, we declared our commitment to comply with Transparency International's principles to demonstrate our commitment to adhere to the highest ethical standards.

We are taking steps to lead the sector into the **New Energy World**, which is customer-centric, sustainable, distributed and low carbon. We are fully aware of our responsibility in transitioning energy to a low carbon future and are working to reduce our carbon footprint by purchasing green energy, increasing energy efficiency and providing solutions to our customers to help them reduce their carbon emissions. In this respect, our customer solutions business is critical for us. Our goal is to take our customer solutions business to the next level by focusing especially on e-mobility and distributed generation in order to support a low carbon and sustainable future.

I am excited to share with you our 2020 Sustainability Report, where we transparently disclose our organization's performance in financial, environmental, social and corporate governance.

I would like to take this occasion to thank our investors, customers and all other stakeholders for their invaluable support and my colleagues for their unwavering commitment.

**Dr. Michael Moser**  
CFO





# OUR BUSINESS IS ENERGY

Our Strength is Our Vision



## Company Profile

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# ENERJİSA AT A GLANCE

## KEY FINANCIAL INDICATORS

Operational earnings growth

**22%**



Leverage  
(net financial debt/  
operational earnings)

**1.7x**



Underlying net income growth

**60%**



Dividend payment  
TL 0.96 per share

**60%\***



\*Dividend payout ratio based on Underlying Net Income

## KEY OPERATIONAL INDICATORS

**10,415**

Employees



**32%**

White-Collar



**68%**

Blue-Collar

### DISTRIBUTION



**TL 9.4 billion**  
RAB (Regulated  
Asset Base)



**236,064 km**  
Distribution  
network length



**11.4 million**  
Network  
connections



**TL 1.8 billion**  
Infrastructure  
investments (2020)

### RETAIL



**34.0 TWh**  
Sales volume  
(2020)



**10.1 million**  
Retail customers

### CUSTOMER SOLUTIONS



**186**  
Public  
charging  
locations



**320**  
Charging plugs

GRI 102-45

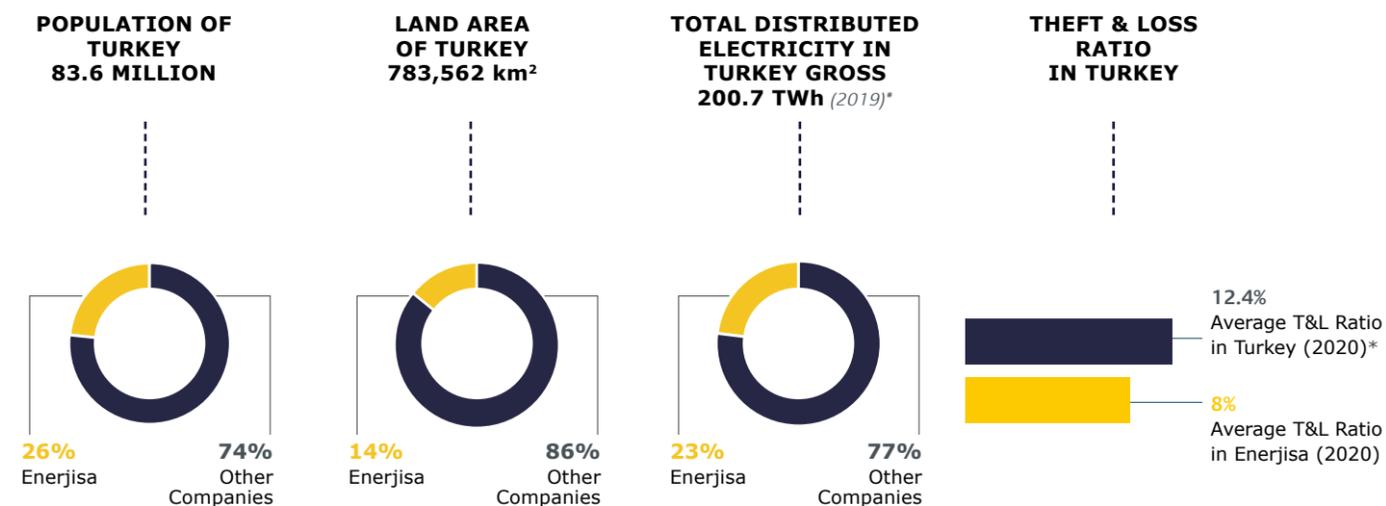
## ABOUT ENERJİSA

We are the leading electricity distribution and retail sales company in Turkey. With more than 10,000 employees, we serve a population of 21.6 million people and have 10.1 million customers in 14 provinces across 3 distribution regions. Since 1996, we have been one of the leading players in Turkey's emerging electricity market thanks to our grid investments, innovative and differentiated applications and our efficiency and sustainability-focused business model.

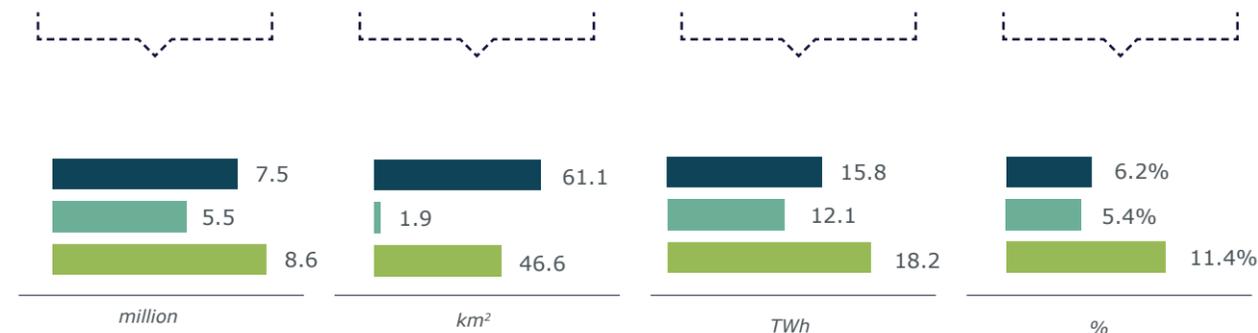
Following the successful public offering in 2018, we focused on Corporate Sustainability in order to develop a strategic and holistic approach to economic, environmental and social factors that will create long-term value. We have been included in the FTSE All-World Index since June 2018 and in the MSCI Global Small Cap Index since November 2018. Since 2019, we have been listed in the BIST Sustainability Index, which includes companies trading on Borsa İstanbul with the best corporate sustainability performance. We received a Corporate Governance Rating Score of 9.46 out of 10 in 2020 and retained our place on the BIST Corporate Governance Index as one of the companies with the highest corporate governance rating.

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

## DISTRIBUTION COMPANIES IN NUMBERS

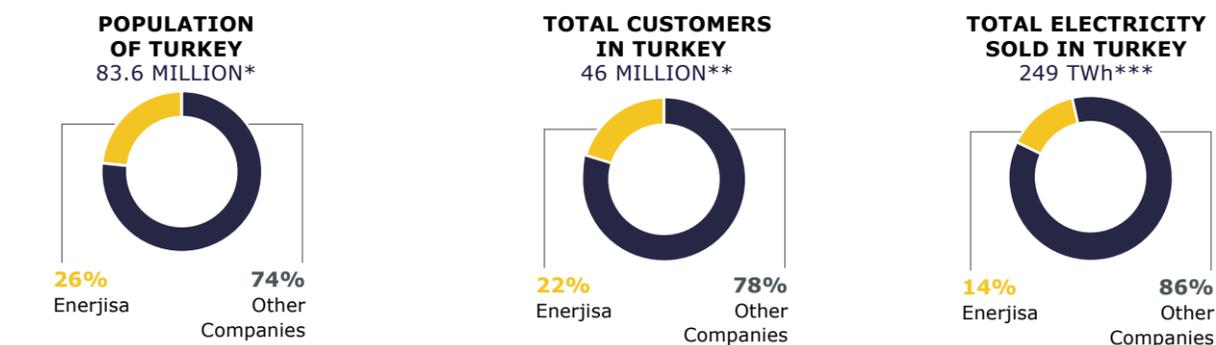


\*EMRA



Başkent AYEDAŞ Toroslar

## RETAIL COMPANIES IN NUMBERS

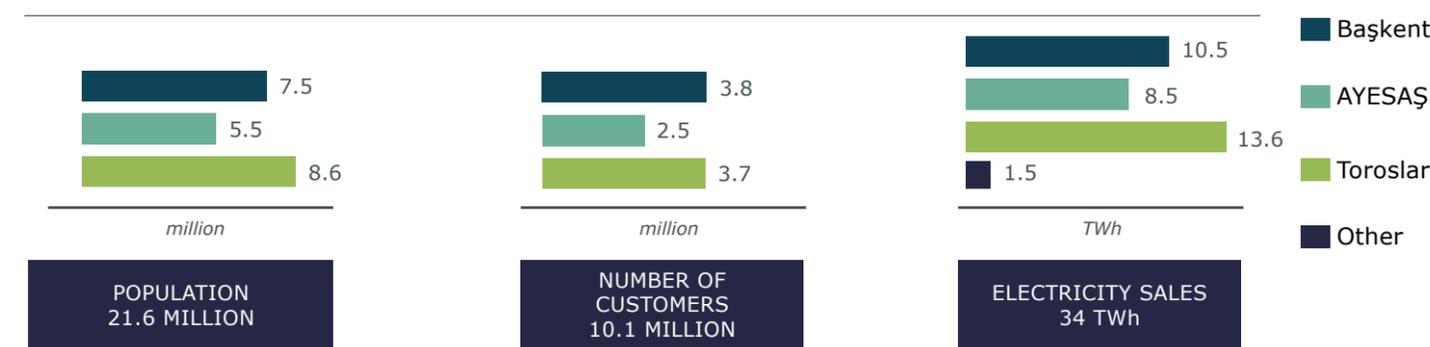


\*TÜİK

\*\*EMRA December sectoral report

\*\*\*TEİAŞ

## ENERJİSA



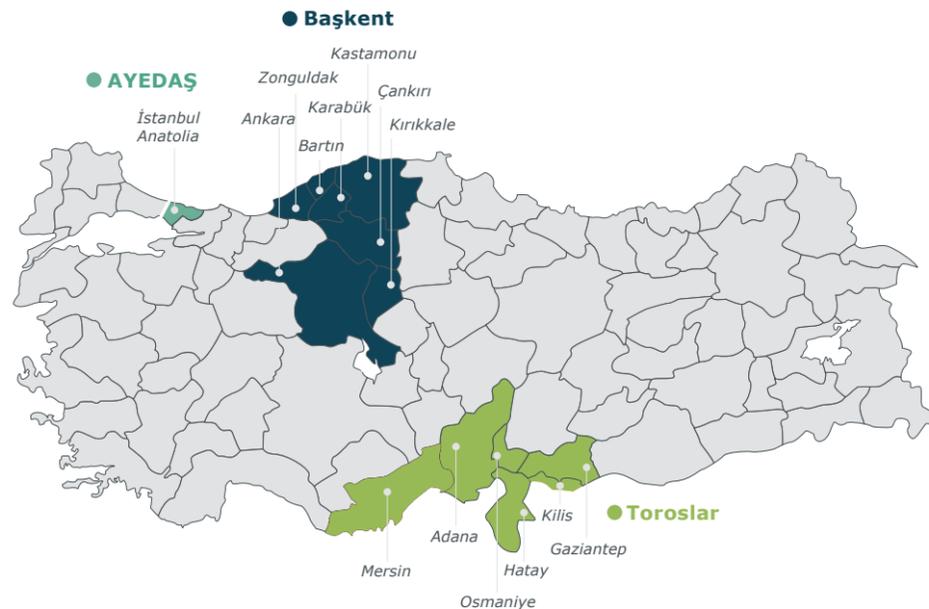
## SALES VOLUME BY REGION (TWh)



# ENERJİSA'S BUSINESS MODEL

Universal access to affordable and reliable electricity is a basic human need. Economic growth and urbanization, the effects of digital transformation in all areas, electrification trends and its young and dynamic population create a significant potential for growth in electricity demand in Turkey. We aim to meet the needs arising from this rapid growth in electricity demand with an approach that focuses on people and technology and play an active role in the transition towards clean energy in order to create sustainable value for all of our stakeholders including our customers, business partners and shareholders.

We are Turkey's largest electricity distribution and retail sales company in a regulated sector. As of 31 December 2020, we had 11.4 million distribution network connections accounting for approximately 25% of all the distribution network connections in Turkey and 10.1 million customers in 14 provinces across three different distribution regions, representing approximately 22% market share in terms of number of customers. We operate in the capital city Ankara, the Asian side of İstanbul, which is the largest city in Turkey and in major industrial and commercial cities with high population density, such as Adana, Gaziantep and Mersin.



## POPULATION\*

● Başkent	7.5 million
● AYEDAŞ	5.5 million
● Toroslar	8.6 million

\*TÜİK

**Başkent Elektrik Dağıtım A.Ş.** (Başkent EDAŞ) and **Enerjisa Başkent Elektrik Perakende Satış A.Ş.** (Başkent EPSAŞ), operating in the Başkent Region, which covers the provinces of Ankara, Zonguldak, Kastamonu, Kırıkkale, Karabük, Bartın and Çankırı.

**İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş.** (AYEDAŞ) and **Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.** (AYESAŞ), operating in the AYEDAŞ Region, which covers districts on the Asian side of İstanbul.

**Toroslar Elektrik Dağıtım A.Ş.** (Toroslar EDAŞ) and **Enerjisa Toroslar Elektrik Perakende Satış A.Ş.** (Toroslar EPSAŞ), operating in the Toroslar Region, which covers the provinces of Adana, Gaziantep, Mersin, Hatay, Osmaniye and Kilis.

## DISTRIBUTION

Our electricity distribution operations are managed by **Başkent EDAŞ**, **AYEDAŞ** and **Toroslar EDAŞ**. Each of the regional distribution network operators are responsible for operating the distribution network in their own regions, performing necessary maintenance and repairs and making environment, security, renewal and expansion investments, maintaining and reading electricity meters, preparing demand projections and investment plans, monitoring electricity theft and loss rates, supplying electricity to cover technical and commercial losses, and taking the necessary technical and operational measures to reduce theft and loss rates and to ensure the lighting of public areas.

## RETAIL

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

## CUSTOMER SOLUTIONS

**Enerjisa Müşteri Çözümleri A.Ş.** was established in 2017 to carry out customer solutions activities. The security of the energy supply and maintaining an uninterrupted supply of electricity is at the top of the sustainability agenda and we make investments to achieve these goals. In addition to our core business areas of electricity distribution and retail sales, we lead the sector in distributed energy, energy efficiency and e-mobility solutions. We closely follow opportunities in innovative business areas such as electric vehicle charging stations, electricity storage systems, smart home technologies and systems that help consumers produce their own electricity.

Our focus is providing our customers with sustainable and innovative solutions. In this regard, end-to-end solutions aimed at increasing the energy efficiency of corporate customers and reducing their carbon emissions were restructured under the roof of **Energy of My Business** in October 2020. This portfolio includes many environmentally friendly and sustainable energy solutions, ranging from solar power plant installation services, energy efficiency applications, cogeneration and trigeneration applications to electric vehicle charging station management and green energy certification.

# ENERJİSA'S BUSINESS MODEL

## E-MOBILITY: EŞARJ

Enerjisa Müşteri Çözümleri A.Ş. acquired 80% of the shares of **Eşarj Elektrikli Araçlar Şarj Sistemleri A.Ş.** (Eşarj) in 2018, to become its controlling shareholder. In addition to our leadership in distribution and sales in the electricity sector, we aim to play an innovative and pioneering role in the electric vehicle ecosystem and play an active role in the transformation of the industry.

As of the end of 2020, Eşarj had 320 charging plugs at 186 public locations, 109 of which are fast-charging plugs. Our goal is to accelerate the transition to ultrafast charging in the coming period.



## DISTRIBUTED GENERATION AND OTHER CUSTOMER SOLUTIONS

Distributed generation refers to a variety of technologies that generate and store electricity at or relatively close to the point of consumption. We provide solar power plant installation services (distributed generation) and energy efficiency applications including waste heat recovery, heating, ventilation and air conditioning (HVAC), pressurized systems, electric motors and lighting solutions using the energy performance contract (EPC/ESCO) model. We also provide Cogeneration (CHP) and Trigeneration (CCHP) and Green Energy solutions.



Besides our initiatives in our main areas of activity, one of the most significant steps taken this year was restructuring of our end-to-end solution portfolio aiming to increase energy efficiency and to reduce carbon emissions of our corporate customers under the roof of the “Energy of My Business” brand.

# EQUITY STORY

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

We focus on customer needs while striving to provide the highest quality service possible. We aim to grow profitably and add value to our shareholders by expanding our high-quality grid in our distribution regions and extending the reach of our retail operations to the whole country. As a public service company and the market leader in our sector, we are aware of our special responsibility towards the public and we strive to be a role model.

Operating in a dynamic industry that is being transformed by global mega trends (digitalization, decarbonization, deregulation, decentralization and urbanization), we prepare for future developments with a clear vision and prioritize value-adding opportunities with our employees and innovation culture. We prepare for these fundamental changes by helping to shape regulations and exploring new business opportunities. We lead the sector in the New Energy World by focusing on sustainable energy solutions. We develop our long-term strategies with a sustainable and holistic approach and integrate the Environmental, Social and Governance (ESG) factors to our strategy and put it at the heart of our equity story.

Our Equity Story is focused on creating shared value based on the following 4 main pillars: Growth, Focus, Discipline and Sustainability.

Please see more on the New Energy World at

[Trends and Impacts on Our Business](#)

## GROWTH

We aim to sustain our strong growth and the value we create for our shareholders. We continue to invest in the distribution regions to both increase the quality standards of the grid and to expand it. While pursuing organic growth opportunities the electricity distribution sector provides, we continue to respond to customer needs by closely monitoring new mega trends in energy. We respond to these mega trends by offering environmentally friendly sustainable energy solutions under the umbrella of the "Energy of My Business", including solar power plant installation services, energy efficiency applications, electric vehicle charging station management and green energy certification.

## FOCUS

We are the leading electricity company in Turkey in electricity distribution, retail sales and customer solutions. We offer a predictable and reliable revenue model for our shareholders by focusing on our main business lines in accordance with a regulatory framework.

## EQUITY STORY

## DISCIPLINE

We closely monitor macroeconomic developments and global trends. By focusing on creating value for all stakeholders and achieving sustainable financial performance through efficient operations, we manage market, liquidity, credit, operational and regulation risks effectively to maintain our strong balance sheet structure.

## SUSTAINABILITY

Sustainability is an integral part of our business model and an immanent driver of our corporate strategy. We integrate sustainability into all our processes and comply with global principles when it comes to environmental and social issues while investing in social awareness of these same issues. While managing the environmental impacts of our activities, we also offer our customers leading energy solutions in tackling climate change.

# VISION & MISSION

## BRAND VALUE

### “We are one of the most recognized and trusted brands in Turkey”

We are one of the most recognized and trusted brands in Turkey thanks to our investments, brand communication programs and customer-oriented and innovative product offerings. The strength of our brand is also supported by the strong image of our shareholders, E.ON, one of the leading electricity service providers in Europe and Sabancı Holding, Turkey’s leading business conglomerate.

We have outlined a long-term strategy with the goal of being a reliable and innovative brand with the highest brand recognition and a strong image in the market as we care for our customers and create value for them.

We have a reputation as one of the most admired and reputable companies in the energy sector and have been deemed worthy of awards in this area by numerous institutions.

## OUR PURPOSE

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

## VISION

Everyone can live in a sustainable energy world.

## MISSION

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

### DIVERSITY AND INCLUSION

Diversity and inclusion are essential elements of our values. We create environments to facilitate the participation of all our stakeholders, encourage them, value different ideas and generate the highest benefit with multiple collaborations.

### COURAGE

We express our ideas freely, take risks and we are not afraid to make mistakes. We use initiative to take responsibility and action.

### SINCERITY

We put love, respect and trust at the center of all our stakeholder relations and we appear as we are and act as we appear.

### CONTINUOUS DEVELOPMENT

We question ourselves and our work with a positive curiosity and a genuine excitement about innovation. To ensure excellence, we always learn from our past experiences, develop in light of our future vision and pioneer change.

## VALUES

### PASSION

We approach everything we do with enthusiasm, excitement and perseverance; we move to energize our entire environment.

# FINANCIAL PERFORMANCE

Profitable and sustainable growth is one of our top priorities and part of our contribution to sustainable economic development in Turkey. We support the local economy by providing employment to over 10,000 people across the 14 provinces in which we operate.

The year 2020 witnessed an unprecedented series of event for the entire world due to the COVID-19 pandemic. During this time, our main goal has been to provide the highest possible value to all our stakeholders and to sustain our distribution and sales services without interruption. In spite of the many challenges, we completed the year with notable financial achievements.

In 2020, we continued our strong performance with high earnings growth. Consolidated operational earnings (EBITDA + Capex reimbursements, excluding exceptional items) increased by 22% from TL 4,609 million in 2019 to TL 5,609 million in 2020. The increase in Underlying Net Income was 60% compared to last year.

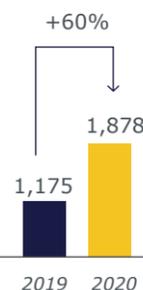
During the Ordinary General Assembly Meeting on 30 March 2021, the Board of Directors' proposal of TL 0.96 gross dividend per share was approved and the dividend distribution was completed in April. This corresponds to a payout ratio of 60% of the Underlying Net Income of TL 1,878 million for the 2020 fiscal year. Based on the 2020 year-end closing stock price of Enerjisa, the dividend yield is 7.7%.

## FINANCIAL INDICATORS

### OPERATIONAL EARNINGS (TL million)



### UNDERLYING NET INCOME (TL million)



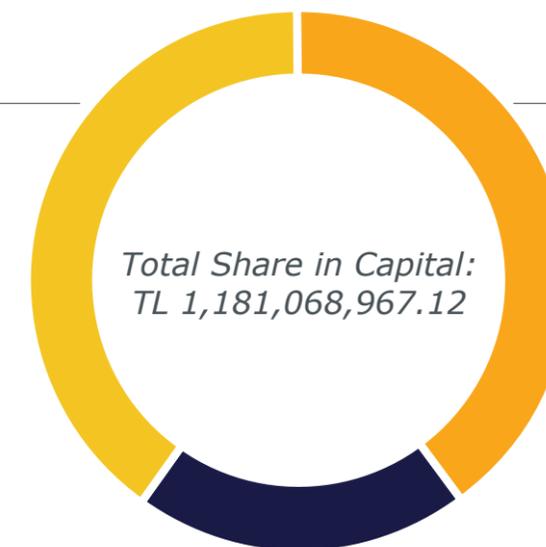
### LEVERAGE (net financial debt/operational earnings)



# SHAREHOLDER STRUCTURE

Our two main shareholder are E.ON, which operates in the global energy market and Sabancı Holding, Turkey's leading business conglomerate. This provides a successful essence of energy business knowledge and local presence. 20% of our shares are listed on the Borsa İstanbul Stock Exchange since February 2018.

**40%**  
DD Turkey  
Holdings S.A.R.L  
**Share in Capital:**  
TL 472,427,587.56  
**Voting Right: 40.00%**



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

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



# OUR BUSINESS IS ENERGY

Our Strength is Our  
Sustainability Focus

## ESG Strategy

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# ESG MILESTONES

## 2018

- February 2018: IPO of Enerjisa Enerji
- Acquisition of the majority of the shares in Eşarj
- Inclusion in the **FTSE All-World Index**
- Inclusion in the **MSCI Global Small Cap Index**

## 2019

- **United Nations Women's Empowerment Principles (WEPs)** signatory
- Establishment of **Sustainability Committee and Working Groups** and issue of the 1<sup>st</sup> Sustainability Report
- UN Global Compact signatory and inclusion of Enerjisa Enerji shares in **BIST Sustainability Index**
- First Corporate Governance Rating and inclusion in the **BIST Corporate Governance Index**
- 1<sup>st</sup> **Stakeholder Engagement Plan issued**

## 2020

- Development of Sustainability Strategy & Roadmap
- Update of "**Code of Conduct**"
- Establishment of "**Internal Control System**"
- Restructuring of the Sustainability Committee as **ESG Committee**
- Issuance of **Human Rights Policy Statement**
- Corporate Governance Rating Score of 9.46 out of 10
- **Turkish Ethics and Reputation Society (TEID)** membership
- Preparation of customized "Stakeholder Engagement and Cultural Heritage Management Plans" for each distribution company, along with a "Social Management and Monitoring Plan"

# 2020 ESG PERFORMANCE HIGHLIGHTS

## RELIABLE PUBLIC SERVICE

### UNINTERRUPTED AND ACCESSIBLE ENERGY



10.1 million customers in 3 distribution regions and 14 provinces served with the aim to provide uninterrupted energy.

“Business Continuity Management System” managed in accordance with ISO 22301:2019.



**TL 1.8 billion** grid investments

Efficiency and Quality earnings increased by 4% to **TL 941 million.**

**1,706** customers used the “Hasta Var” program which enables uninterrupted electricity for machine dependent patients.



### CUSTOMER CENTRICITY

ISO 10002 Customer Satisfaction Management System Standard and Customer Satisfaction Policy in place.



Mass segment CSAT score increased from 3.98 to **4.17** (out of 5)

**23 million** calls through distribution call centers and **6 million** calls through retail call centers processed.



More than 50,000 customer satisfaction surveys conducted monthly at 45 touch points.



NPS score increased from -4 to **+5**

1,865 employees received **622 hours** of PDLP training.

The use of digital channels in retail business increased from 2% in Dec-19 to **17%** in Dec-20.



### STAKEHOLDER MANAGEMENT



Customized “Stakeholder Engagement and Cultural Heritage Management Plans” for each distribution company, along with a “Social Management and Monitoring Plan” issued in 2020.

“Local Governments Communication Plan” updated every year.



Active engagement and collaboration with NGOs and social responsibility initiatives.



Active communication with stakeholders regarding COVID-19 developments.

Social Management and Monitoring Committee formed under distribution companies.





# 2020 ESG PERFORMANCE HIGHLIGHTS

## ROLE MODEL WITHIN THE SECTOR

CORPORATE GOVERNANCE		OHS		ENVIRONMENTAL IMPACT	
 Corporate Governance Rating Score of <b>9.46</b> out of 10.	 <b>"Code of Conduct"</b> updated.	 ISO 45001:2018 Occupational Health and Safety Management System in place.	 <b>"Coronavirus Crisis Committee"</b> formed in response to the COVID-19 pandemic to ensure continuity of business and take necessary measures.	<b>Climate Change:</b> Expanded and enhanced reporting scope to provide transparency for stakeholders and better track performance.	
<b>"Internal Control System"</b> established and digital environment setup is completed for holistic management of process, risk, business continuity management and internal controls.	 <b>"Human Rights Policy"</b> issued.	The number of critical accidents increased by 17% but the <b>Total Recordable Incident Frequency (TRIF)</b> decreased by 4% and Total Recordable Incident Frequency excluding slip, trip and fall accidents dropped by 10%.		 Hybrid and electrical vehicles constitute 8% of the administrative pool fleet	 Direct electricity consumption supplied by <b>%100</b> green energy.
SUPPLY CHAIN					
<b>100% local</b> supplies utilized for the distribution business.					
Support for suppliers and business partners with training and supplier financing programs.	<b>4,519 employees</b> received Code of Conduct training of <b>2,260 hours</b> .				
Supply chain management in compliance with the Enerjisa Code of Conduct, Supplier Compliance Statement, Human Rights Policy, Anti-Bribery and Anti-Corruption Policy and OHS and Environmental Policies.	<b>Turkish Ethics and Reputation Society (TEID) membership</b>	 <b>15,000</b> field inspections carried out for contractors within the scope of OHS.			
		<b>"Personal Occupational Health and Safety Consultancy Program"</b> for managers launched.	<b>TL 53.6 million</b> spent on OHS investments.		
				BIODIVERSITY	
				<b>"Biodiversity Conservation Action Plan"</b> prepared for 3 distribution regions.	<b>WASTE MANAGEMENT</b>
				Since 2019, planted 5,500 tree saplings as part of the <b>Daphne Project</b> aiming to prevent fire losses and protect the sustainability of environment.	<b>Recycled</b> 3,880 tons of hazardous and 8,727 tons of non-hazardous waste.
		CORPORATE SOCIAL RESPONSIBILITY		WATER MANAGEMENT	
		As part of the "I am Protecting the Energy of the World" project, which aims to raise awareness of energy efficiency, <b>300,000 students</b> from 650 schools have been trained since 2010. The digital application had approximately <b>6 million interactions</b> in 2020.		<b>TL 18.4 million</b> donations.	<b>3% annual reduction</b> in water consumption

# 2020 ESG PERFORMANCE HIGHLIGHTS

## SHAPING THE NEW ENERGY WORLD

### TALENT MANAGEMENT



Human Resources and Human Rights Policies set norms for **equal opportunities and no discrimination.**

Leadership, talent management and personal development programs available for all levels.

**13 hours** training per employee.



The employee satisfaction score increased from 71% in 2018 to **80%** in 2020, while the employee engagement rate increased from 55% to **70%**.

### DIVERSITY

**Equal Opportunities** in the Electricity Distribution Sector project in collaboration with the Gender Equality Program Coordination Office of the EBRD launched.



Focus to increasing women employment

The ratio of women in managerial positions **28%**

The ratio of women in white collar **33%**

### INNOVATE FOR FUTURE ENERGY

**TL 6.7 million** spent on sustainability focused R&D and innovation investments.



Venture Capital Fund Investment through Revo Capital Fund II.

“İvme Entrepreneurship Acceleration Program” launched bringing start-ups into Enerjisa Distribution Companies. **10 start-ups** were supported.



E-ternal digitalization program initiated.



“NAR Corporate Entrepreneurship and Innovation Program” in its 6<sup>th</sup> term received **160 ideas** and **15** of these have been accepted for acceleration.

Collaboration with technology start-ups, companies, technology development zones and universities to promote open innovation.



### CUSTOMER SOLUTIONS



End-to-end solutions for corporate customers which aim to improve efficiency and reduce carbon emission consolidated under the roof of “**The Energy of My Business**”.

**Distributed Generation Solutions: 9MWp SPP capacity**

**Eşarj** operating a charging station network of 320 charging plugs at **186** public locations including 109 fast plugs.

**Green Energy Solutions:** In 2020, Enerjisa sold 44,000 MWh of **renewable energy certificates.**

**Signed first PPA** for direct procurement of renewable energy.

**Eşarj** started procurement of energy from **only renewable sources.**



**Energy Efficiency Solutions** for customers: **6,400 light fixtures** replaced with LED, enabled a reduction in energy consumption of more than **1,600 MWh** and elimination of at least **870 metric tons of CO<sub>2</sub>** emissions annually.

**CHP and CCHP Solutions: 3.8 MWe** installed capacity, expected to eliminate **30,000 metric tons of CO<sub>2</sub>** emissions within the next decade.



# 2021 TARGETS



TARGET AREA	INDICATOR	2020 ACTUAL	2021 TARGET
Direct CO <sub>2</sub> Emissions	Share of renewable electricity in direct electricity used	100%	100%
	Number of hybrid/electrical vehicles	8% of the administrative pool fleet	13% of the administrative pool fleet in 2021, target to increase by 5pp year over year until 2025
CO <sub>2</sub> Emissions of Customers	Renewable PPA volume for electricity sold in liberalized market	0	100 GWh
	Solar power capacity installed for customers (cumulative)	9 MWp	18 MWp
Waste Management	Zero waste compliance	Compliance actions commenced to set up the Zero Waste System in compliance with the Zero Waste Regulation in all locations, buildings and facilities	Zero waste system certification for Toroslar, AYEDAŞ and Başkent headquarters (distribution) with long term target of certification of all locations (distribution and retail)
Health, Safety and Environment	Critical accidents	34	Zero Accident Journey: Ambition to have zero fatalities and major injuries
	Realization of Safety Improvement Plan (SIP)	112%	100%
	Please see Role Model Within the Sector section ↗ Severe environmental incidents	0	0
Compliance	Trainings	4,519 employees received online Code of Conduct training of 2,260 hours	Conduct Human Rights trainings for all white-collar employees, 100% completion Conduct New Code of Conduct trainings for all white-collar employees, 100% completion
	Policies	Code of Conduct updated	Update of Donation and Grants Policy and Anti-Bribery and Anti-Corruption Policy (explicit prohibition of political donations, explicit inclusion of no detriment policy for employees refusing to pay bribe)
	Human rights	Human Rights Policy issued	No human rights violation in direct operations
	Systems	Internal Control System established and digital environment setup completed for holistic management of process, risk, Business Continuity Management and internal controls	Complete ISO 37301 compliance management certification process Integration of all risk management and internal control measures to the digital system, including business continuity scenarios
Diversity and Inclusion	Ratio of women appointment in managerial appointments	20%	Increase the ratio at least by 10pp compared to 2020 level
	Diversity of workforce	Please see women employment statistics at Talent Management Section ↗	Complete Equal Opportunities in Electricity Sector project to increase female employment in technical and managerial positions, and to set clear and measurable goals for equal opportunity
E-mobility	Number of electric vehicles charging stations (Public)	186	340
	Indirect emissions	Started procurement of energy from only renewable sources in July 2020	100% procurement from renewable sources

# TRENDS AND IMPACTS ON OUR BUSINESS

Global energy demand declined by 4% in 2020 due to COVID-19 and energy-related CO<sub>2</sub> emissions declined by 5.8%. According to the International Energy Agency (IEA), the COVID-19 pandemic has caused more disruption to the energy sector than any other event in recent history.<sup>2</sup>

Meanwhile, despite the disruptions in overall sector, renewables grew rapidly in 2020. The transformation in the electricity sector continues with widespread adoption of renewables and the development of new technologies. Solar power is now the cheapest form of new energy in most parts of the world and proved its resilience during pandemic. Renewable installed capacity's share of total global power generation capacity increased from 25.1% in 2011 to 36.6% in 2020.<sup>3</sup> With rising GDP, a decline in the cost of renewables, initiatives to reduce emissions and the emergence of electrification of transport and heating as a critical factor in reducing emissions, global electricity demand is expected to demonstrate strong growth in the near future.<sup>4</sup>

Turkey is also undergoing a successful energy transition. While the share of power plants using renewable resources in installed capacity was around 33% in 2005, this share increased to 51%<sup>5</sup> in 2020. Renewable Energy Resources Support Mechanism (YEKDEM) played a significant role in that increase. Turkey currently ranks 12<sup>th</sup> in the world and 5<sup>th</sup> in Europe in terms of its capacity of renewable capacity. As a percentage of total capacity, renewables in Turkey at the end of 2020

were far above the world average of 36.6% and slightly exceeded the average of European Union member states (49.3%).<sup>6</sup>

In Turkey, 2020 was a critical year for renewables as the new incentive mechanism for renewable generation facilities was announced. For renewables commissioned after June 30, 2021, the incentives are set in TL and the support is reduced, reflecting the decline in investment costs of renewables.

## SUSTAINABILITY FOCUS IN THE CHANGING WORLD OF ENERGY

While fundamental shifts in the energy market continue as economies and energy markets rebound from the short-term effects of COVID-19, the energy transition is expected to accelerate rapidly in the coming years. At the same time, progress in technology, an increase in regulations such as EU Taxonomy, EU Green Deal, etc., changing customer behavior and investors questioning environmental, social and governance issues is causing significant shifts in the energy industry.<sup>7</sup>

With respect to energy transition, clean energy is playing a fundamental role in the ultimate goal of reaching net-zero by 2050, in line with the Paris agenda. Currently, more than 110 countries, including the US and China, have pledged to be net-zero with commitments emphasizing clean energy. Meanwhile, energy sector is responsible for most of the global emissions, which requires

a transformation in the sector. Energy efficiency combined with clean energy is crucial to decarbonize the energy industry. The EU Green Deal aims to continue this path across all sectors and transform our energy system into one that is sustainable, affordable and secure.<sup>8</sup>

The importance of electricity networks becomes more pronounced in delivering faster energy transition. Flexibility and grids are biggest enablers of clean and secure electricity as they support electricity transformations around the world by helping integrate the rapid growth of intermittent renewables. Smart grids have a vital role to play in supporting the penetration of renewable energy generation. While the share of investments to digitalize grids is rising, it is critical to ensure the resiliency of smart grids against cybersecurity threats. Over the next ten years, about one-fifth of electricity grids worldwide need to be replaced. Flexibility will be essential to reduce power sector emissions down towards zero and grids will play an essential role in making that a reality.<sup>9</sup>

While the world's power markets are evolving to be more decentralized and decarbonized thanks to digitalization, consumers are increasingly looking to engage with companies that offer products and services with purpose. Purpose can drive operations towards outcomes that customers value, creating deeper connection and opportunities for new products and services. Repositioning from energy provider to solutions and services provider with disruptive innovation will play a transformational role in energy distribution and retail business.<sup>10</sup>

<sup>7</sup> Clean energy, European Green Deal, European Commission, 2019

<sup>8</sup> Clean energy, European Green Deal, European Commission, 2019

<sup>9</sup> Electricity security in tomorrow's power systems, IEA, 2020

<sup>10</sup> Unlocking growth in energy retail, Deloitte, 2020

## THE NEW ENERGY WORLD

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

The customers are the **centre** in the energy system; not the end point in the distribution network. **Customers** can produce energy themselves **decentrally**, **share** within their communities or **store** it for their own future needs through advanced battery solutions. With the developed grid infrastructure of the new energy world, customers can also opt to sell back the energy by into the grid and thus be in control of their own energy costs.

The New Energy World will **change the way we interact with energy**, not only on an individual basis, but also as we use energy in and between our homes as well as our city landscape. Energy will be flexibly managed and interlinked with our **appliances, cars and storage units** to digitally optimize our use and energy loads.

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

In its essence, the new energy world is the new **energy landscape** emerging that provides us with **cleaner, smarter**, more **sustainable** and **digital** way of living and dealing with our energy needs, wherever and whenever it is needed.

# TRENDS AND IMPACTS ON OUR BUSINESS

## MEGA TRENDS AND OUR RESPONSE

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

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

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

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

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

**Deregulation** Deregulation supports competition and entrepreneurship. We are observing deregulation particularly in the electricity retail sales markets. Deregulation enables cheaper products with higher quality and highlights the importance of the services, as well as customer expectations. Deregulation is also critical for decentralization and fast adoption of new technologies.

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

**Decentralization** Decentralization enables production and/or storage of electricity with at or near where it is used. Intermittent nature of renewable energy production heightens the need for storage systems. Grid infrastructures should be improved to reflect this new means of energy production.

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

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

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

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

Key Areas Related to the Trends and Enerjisa's Response

# ESG MANAGEMENT

We believe that sustainably managed companies better address the customer needs, use resources more effectively, are more flexible to adopt to mega trends and are more successful in the long-term. Moreover, as more capital is being allocated to investment strategies incorporating ESG factors and as investors are increasingly engaging with companies on sustainability related topics, the importance of non-financial disclosures is growing.

We see sustainability as an important aspect of our equity story and a critical tool for effective strategic management. As we integrate sustainability in our processes, we work to increase our compliance with global environmental, social and governance norms and standards, and we keep investing to raise social awareness for ESG issues. As a pioneer in Corporate Governance and Risk Management, Occupational Health and Safety and Environmental Management areas in the energy sector, we stay abreast of global trends to further improve our ESG performance, and we aim to lead the energy sector in this area, both in Turkey and the world.

## ESG STRATEGY

We believe that in order to successfully manage future challenges, our sustainability strategy needs to be fully integrated into the business strategy. For us, this means that all of our sustainability efforts are channeled towards achieving our strategic business targets while ensuring that all of our business initiatives are in line with our sustainability efforts. In 2020, we developed our sustainability strategy which incorporates all key areas of ESG performance and reporting including international standards, the requirements of global indices and investor expectations. We also considered internationally recognized best practices and our peers' performances. With participation from all related business units, we further discussed the strategy and set our ESG key performance indicators (KPIs).

At the core of the sustainability strategy, we placed the equity story of the Company and we grouped our strategic priorities into three main areas: **Role Model within the Sector, Reliable Public Service** and **Shaping the New Energy World**. Ultimately, this will help us be able to operate as an energy company that provides sustainable energy solutions and accomplishes groundbreaking achievements in providing value to our stakeholders.

# ESG STRATEGY

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

TOGETHER WE ARE GOING TO BE  
THE FUTURE'S ENERGY COMPANY.  
ENERJİSA ENERJİ OF FUTURE:

- Works to ensure that energy is uninterrupted, high quality and accessible.
- Responds to the energy demand of the digital age and implements innovative technologies.
- Considers Occupational Health and Safety management as an important part of its business.
- Offers an inclusive and diverse working environment.
- Undertakes actions that will tackle the climate crisis.

## RELIABLE PUBLIC SERVICE

We are aware that electrical energy is a basic need, just like air and water. Reliable Public Service lies at the core of business. We take responsibility to ensure all segments of society have equal welfare and healthy living standards. To reach this end efficiently, our business model is shaped by a customer-centric approach that provides continuous energy supply. Effective stakeholder management is important to us.

## ROLE MODEL WITHIN THE SECTOR

We aim to develop sector-leading practices and perform our operations with an exemplary attitude. Our priorities include all key areas of better ESG management, providing our employees with a safe working environment, monitoring the environmental impact of our operations and maintaining the highest standards of corporate governance and risk management.

## SHAPING THE NEW ENERGY WORLD

We strive to be competitive, predictable and sustainable while ensuring uninterrupted and high quality energy distribution. Operating in a dynamic industry that is being transformed by global mega trends (digitalization, decarbonization, deregulation, decentralization and urbanization), we prepare for future developments with a clear vision and prioritize value-adding opportunities with our employees and innovation culture. We prepare for these fundamental changes by helping to shape regulations and exploring new business opportunities. We lead the sector in the New Energy World by focusing on sustainable energy solutions that produce energy through the earth's resources, rather than on the expense of them.



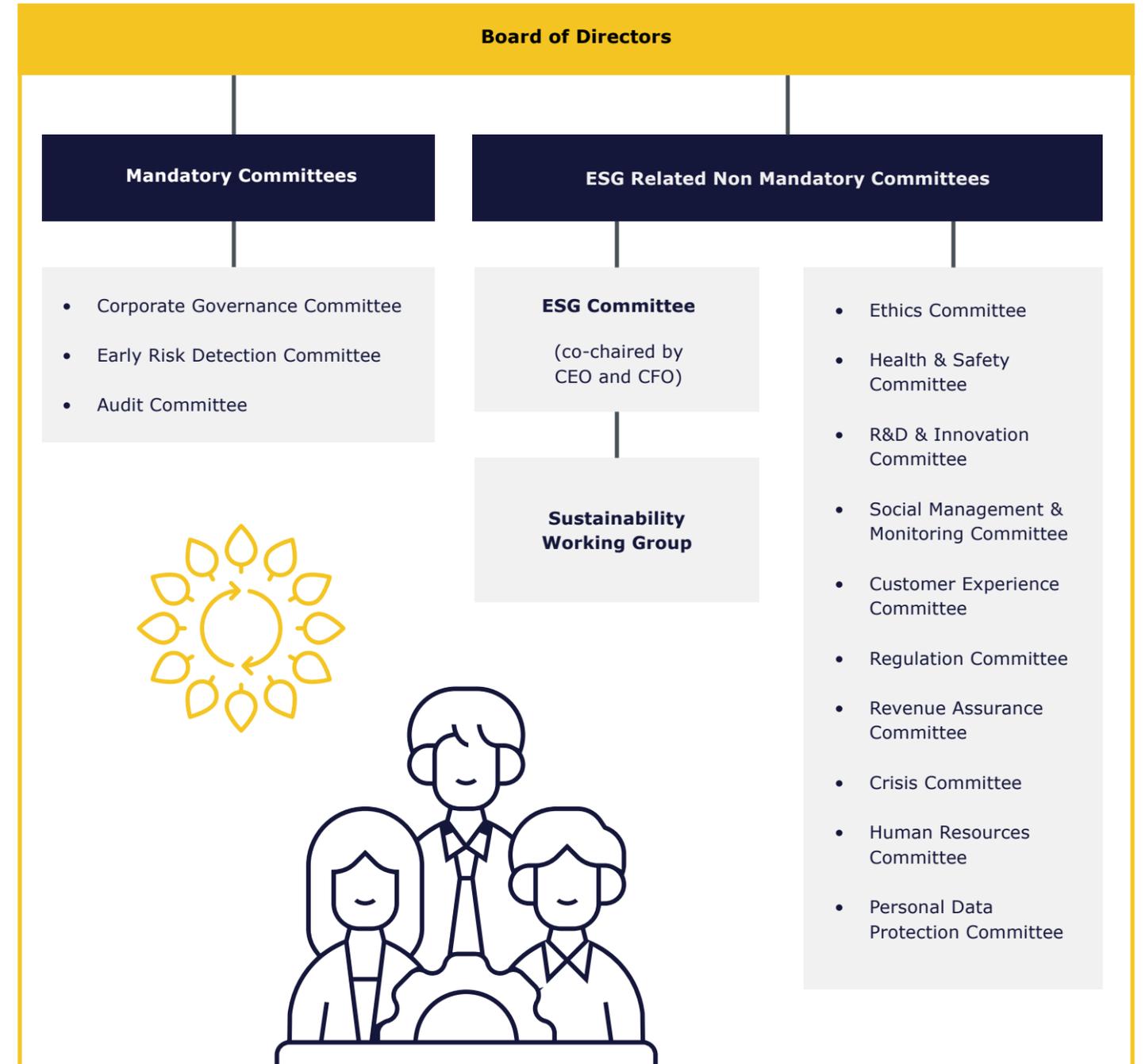
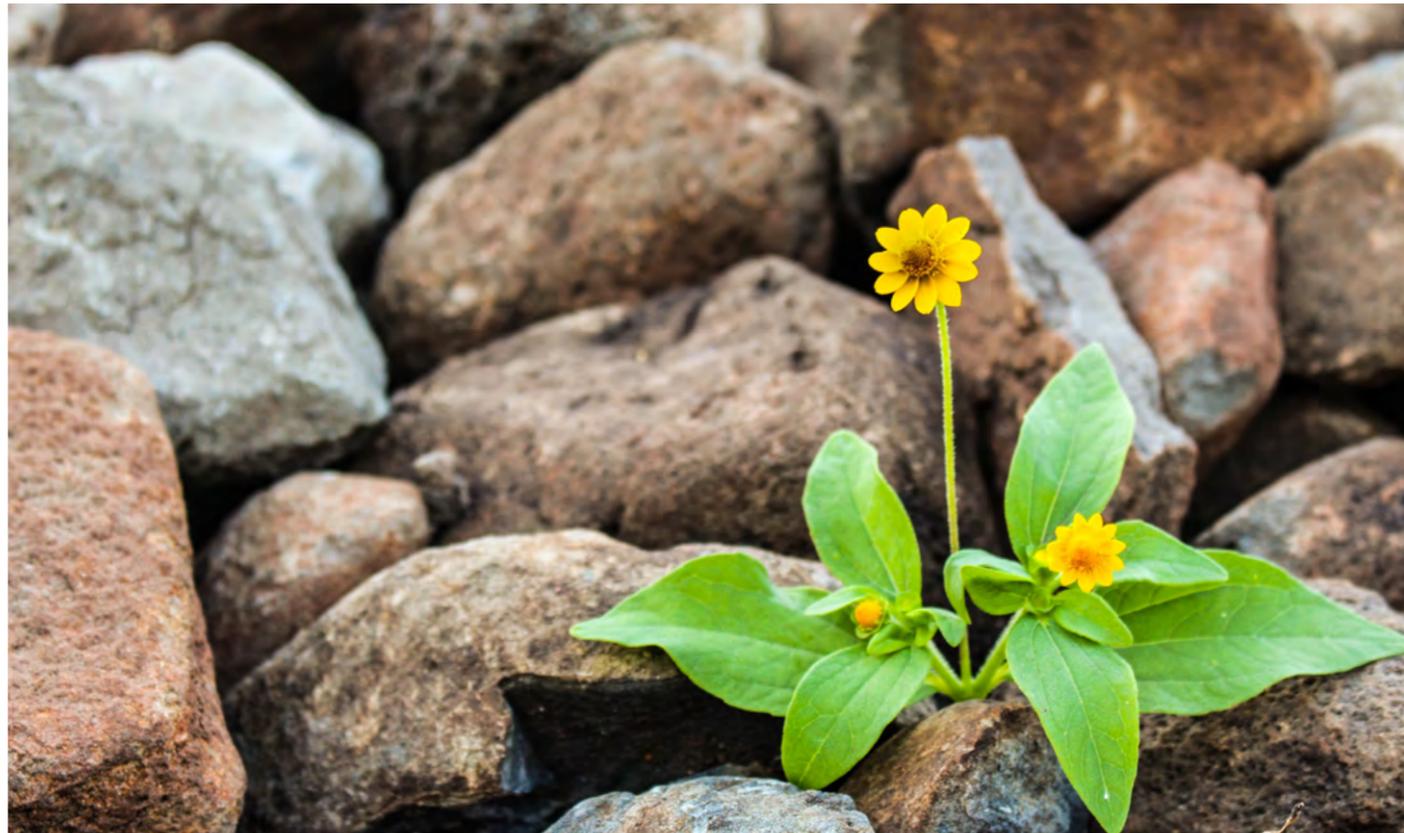
# ESG MANAGEMENT

## ESG GOVERNANCE STRUCTURE

Since 2019, we have a governance structure that enables us to develop a strategic and holistic approach to economic, environmental and social factors for the purpose of creating long-term value. The Board of Directors defines the sustainability strategy and has ultimate responsibility for sustainability performance. The mandatory committees, shown in the right diagram, work actively to monitor ESG issues and report to the Board of Directors of Enerjisa Enerji. In addition to the mandatory committees, we effectively run other

non-mandatory committees with representatives from the relevant business units to cover ESG related critical matters.

In 2020, the Sustainability Committee was restructured as the ESG Committee. The committee which is co-chaired by the CEO and CFO, oversees ESG practices across the Company and reports about critical initiatives, developments and performance related to key performance indicators and commitments to the Board of Directors.



GRI 102-46, 102-47, 102-49

# ESG MANAGEMENT

## MATERIAL ISSUES

The ESG agenda is ever evolving. For companies, it is critical to consider both stakeholders' opinions and strategic business directions for determining areas where shared value could be created. With this perspective every year, we go through the materiality matrix topics identified in the previous year and update the matrix. In 2020, we revised our materiality analysis in view of the ESG agenda at the executive level and reassessed the relevance of the topics to the business. We redefined the scope of the topics and made the following changes to reflect the fundamental changes in our approach:

### Reclassifications:

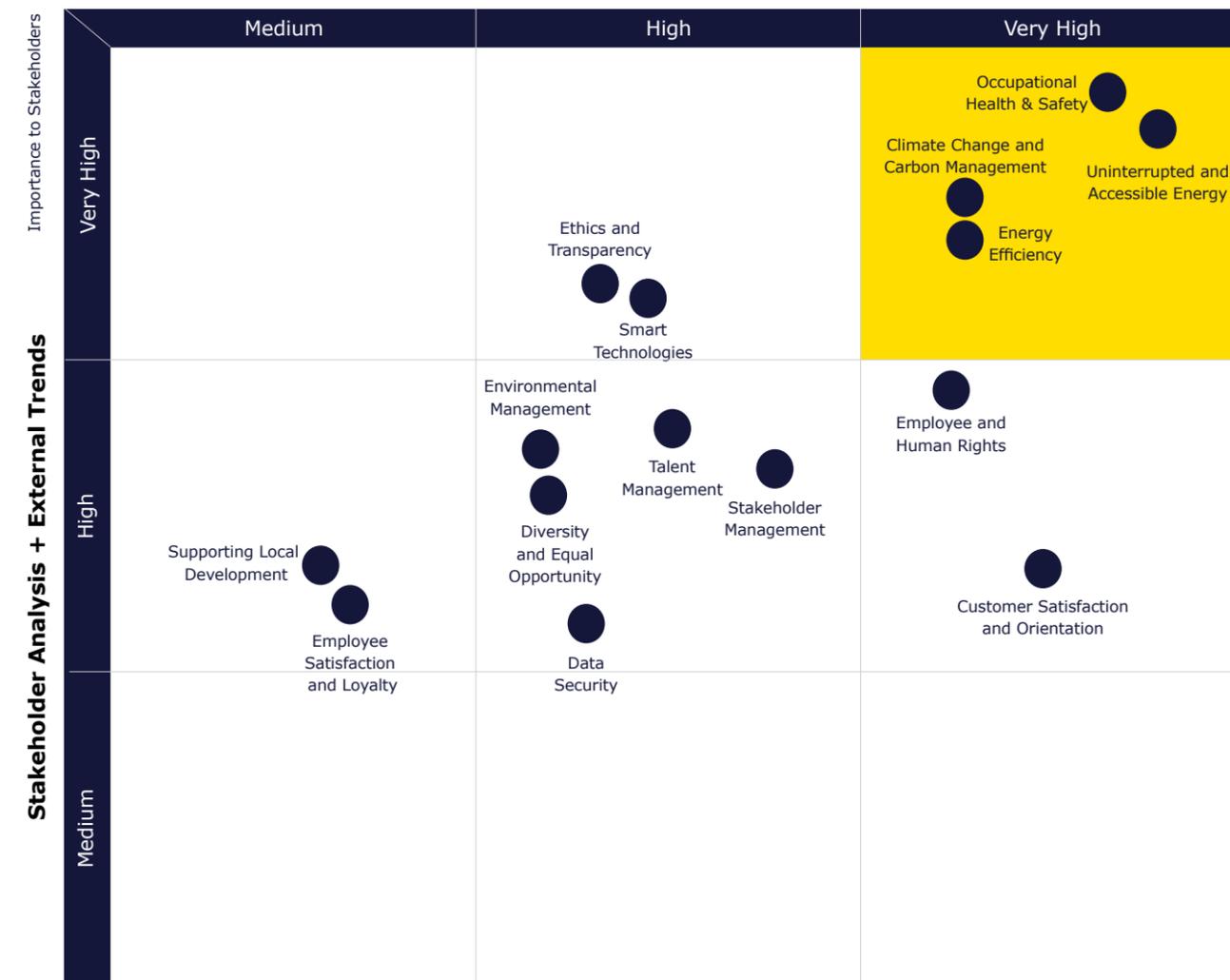
- **“Climate Change and Carbon Management” and Energy Efficiency:** The emergence of electrification of transport and heating as a critical driver in reducing emissions, the role of distribution networks in integrating variable renewables to the system, the responsibility of our sector in helping customers reducing their emission and our commitment to transparent reporting on platforms like the Carbon Disclosure Project (CDP) made those issues more critical for our business. Accordingly, we have classified these issues within “very high” priority issues. We now emphasize the topics of “Climate Change and Carbon Management” and Energy Efficiency under two headings. Issues like technical and non-technical losses will be managed under the broader area of energy efficiency.

- **Environmental Management:** We clustered the topics of biodiversity, water and waste management under the heading of Environmental Management for a holistic approach to environmental performance disclosure.
- **Diversity and Equal Opportunity:** Reflecting our commitment for diversity in the workspace, we moved the topic to high priority area. Additionally, we decided to address the issue of gender diversity under Diversity and Equal Opportunity, reflecting our inclusive approach to human resources in all areas including gender, age, ethnicity and culture as outlined our Human Rights Policy
- **Smart Technologies:** Our investments aimed at becoming more innovative to shape the energy world of the future is clustered under smart technologies. This also includes increasing our company's digitalization transformation, research and development and innovation activities.

### Omissions:

- Financial performance and business profitability is no longer listed in our sustainability topics as it is the prerequisite of a business.
- Transparency in energy pricing is no longer a specific heading of the materiality matrix and will be managed as part of Customer Satisfaction and Orientation.

With the new approach to our sustainability agenda, we aim to holistically manage the issues as we respond to business trends.

**Executives + Strategy + SASB Four Factor Impact Analysis**

Importance to Enerjisa

We reviewed our materiality matrix based on the insights received from the Enerjisa Enerji executive management and our constant communication with stakeholders as follows:

### Very High Priority Issues

- Uninterrupted and accessible energy
- Occupational health and safety
- Climate change and carbon management
- Energy efficiency

### High & Medium Priority Issues

- Smart technologies
- Ethics and transparency
- Talent management
- Stakeholder management
- Employee and human rights
- Customer satisfaction and orientation
- Environmental management
- Diversity and equal opportunity
- Data Security
- Supporting local development
- Employee satisfaction and loyalty

Please see **Sustainability Report 2018** for further details regarding stakeholder and materiality analysis.

GRI 102-46, 102-47, 102-49

# TOPIC BOUNDARIES

PRIORITY	TOPICS	SCOPE OF THE TOPIC	SDGs	RELEVANT SECTION
<p><b>Very High Priority Issues</b></p>	Uninterrupted and Accessible Energy	Universal access to affordable and reliable electricity is a basic human need. We strive to ensure that all segments of society have access to energy without any interruption. We are expanding our distribution network across our three distribution regions and retail services across the country. We provide an uninterrupted energy supply and energy security with a customer-oriented approach, leveraging new technologies and digitalisation. To ensure the continuity of the energy supply, we make continuous technical improvements to the entire operation and infrastructure. We strengthen our electricity infrastructure particularly with grid investments. As any problem that can arise in the electricity supply poses an important risk for our business and directly affects the lives of our customers, we also consider this issue from a risk perspective. To address the increasing share of renewable energy sources connected to the distribution network, we invest in storage systems and new grids as well as modernizing current ones using smart technologies and innovation.		<p>Company Profile Customer Centricity Technology Corporate Governance Innovation for Future Energy</p>
	Occupational Health and Safety	Electricity distribution poses high Occupational Health and Safety (OHS) risks, including risk of death. Therefore, OHS management is always viewed as an essential part of our business, including exceptional circumstances like the COVID-19 outbreak and we take measures to identify and eliminate factors that may lead to accidents and health issues. We promote our OHS culture among employees as well as contractors and business partners. We also ensure that all our equipment and processes comply with international standards. Using technology and digitalization in innovative ways, we reduce OHS-related risks. We commit to reducing risks in our work environment and take measures to promote health, safety and well-being by constantly improving our processes.		<p>Occupational Health and Safety</p>
	Climate Change and Carbon Management	Climate change is one of the leading risks for the sustainable development and our ecosystem. We are aware of our role in combating climate change, which is increasingly impacting our lives. As discussed in Trends and Impacts in Our Business section, the international and national regulatory framework is also urging companies to take bold steps. Our goal is to decrease our direct and indirect GHG emissions in all processes. Hence, we track our Scope 1-2-3 emissions and take actions to reduce our environmental impact. In addition to this, we are undertaking important steps in the procurement and sale of green energy. We have started to use renewable energy in our operations and also make Power Purchase Agreements for direct renewable energy sourcing.		<p>Environmental Management</p>
	Energy Efficiency	Ensuring energy efficiency is critical for combatting climate change as the energy sector has one of the biggest carbon footprints of any sector. We reduce inefficiencies like technical grid losses by taking operational and technical measures. We also focus on providing products and services for energy efficiency under our Customer Services business. We focus our efforts on projects that will enable our customers to increase energy efficiency and also introduce products like green energy tariffs and certificates.		<p>Environmental Management Customer Solutions</p>

GRI 102-46, 102-47, 102-49

# TOPIC BOUNDARIES

PRIORITY	TOPICS	SCOPE OF THE TOPIC	SDGs	RELEVANT SECTION
High Priority Issues	Smart Technologies	One of greatest transformational potential for digitalization in energy is its ability to break down boundaries between value chain, increasing flexibility and enabling integration across entire systems including variable renewables. We carry out significant modernization and improvement, particularly in our distribution networks by investing in smart technologies to ensure uninterrupted and accessible electricity. We contribute to the urban infrastructure of the future. We work on new technologies and innovative practices that stand out in the energy sector, such as energy storage systems, e-mobility and charging infrastructure. We benefit from leading smart technologies, such as augmented and virtual reality, artificial intelligence, mobile applications and chatbots. We are closely following innovations in electric vehicle charging stations, electricity storage systems, micro-grids and other systems that help consumers produce their own electricity. We focus on developing storage systems to support intermittent renewables.		Innovate for Future Energy Uninterrupted and Accessible Energy
	Ethics and Transparency	We manage our Company ethically, responsibly and transparently. We disclose our performance transparently each year. The Enerjisa Code of Conduct (Enetik), Anti-Bribery and Anti-Corruption Policy and Third Party Relations Policy establish a common framework in all processes to ensure adherence to the highest ethical standards. All Enerjisa employees and suppliers commit to follow these policies, which form the foundation of our business practices. As we expect our suppliers to meet fundamental standards required for good ESG performance, we require them to sign the Enerjisa Supplier Compliance Declaration and act in accordance with our OHS and Environment Policies. In our procurement activities we expect that our partners comply with the Anti-Bribery and Anti-Corruption Policy as well as related policies, procurement procedure and instructions and other relevant legislation.		Corporate Governance (Business Ethics)
	Talent Management	Together with our employees, our aim is to create the energy sector of the future. At Enerjisa, we value the career development of our employees and support them with training programs designed for their specific experience levels. We strive to bring in new talent with great skill sets and to help our existing qualified employees further develop in their careers.	  	Talent Management
	Stakeholder Management	As a public company, it is essential to manage the demands and expectations of our stakeholders effectively. We seek the insights of our stakeholders throughout all our processes and collaborate with them in various ways. We also strive to strengthen our communication with communities in the regions in which we operate. Our Corporate Stakeholder Engagement Plan  provides a framework that summarizes the requirements and implementation processes related to stakeholder engagement, public consultation, stakeholder identification and grievance mechanisms.		Stakeholder Management
	Employee and Human Rights	Respect for human rights is an integral part of our corporate culture. We are committed to respecting all human and employee rights wherever we operate. As it underlines our broad approach to employee and human rights, our Human Rights Policy  applies to all employees, management staff in all business unit, business partners within our sphere of influence and other parties in our supply chain. Within the framework of international principles, we commit to creating a work environment where all fundamental human rights are respected in all operations.		Corporate Governance (Business Ethics)

GRI 102-46, 102-47, 102-49

# TOPIC BOUNDARIES

PRIORITY	TOPICS	SCOPE OF THE TOPIC	SDGs	RELEVANT SECTION
High Priority Issues	Customer Satisfaction and Orientation	Building a customer-oriented culture and satisfying customer needs has become increasingly important due to technological advances and heightened customer expectations. Additionally, eligible customers can freely choose their supplier in the electricity retail market. We, therefore, aim to offer our customers the best services by constantly improving our products and services. Through our customer-oriented approach, we are developing exclusive services and products to ensure we utilize cutting-edge technology and keep pace with the increasingly digitalized world.	 	Customer Centricity
	Data Security	The amount of data we are processing, transmitting and storing is growing exponentially with digitalization. As part of our responsibility to provide a public service, we must ensure the confidentiality and security of large volume of customer data we manage. We take every precaution necessary to ensure the confidentiality and security of customer information at the highest level within the framework of applicable legislation. We implement the measures and actions set by our corporate policies. We possess the ISO 27001 Information Security Management System certificate. Our Personal Data Protection Committee ensures the full compliance of our operations with the Personal Data Protection Law (PDLP) and we provide our employees with training on the PDLP and data security.		Customer Information Security
	Diversity and Equal Opportunity	Diversity and inclusion are among fundamental principles of our vision and values as we strongly believe that diversity and inclusion make us stronger. We support inclusion in all areas. We support gender equality and women's empowerment in business and we develop programs to promote access to opportunities in male dominated electricity sector. In that respect, we manage the Equal Opportunities in the Electricity Distribution Sector project in collaboration with the Gender Equality Program Coordination Office of the EBRD to encourage female participation in technical and managerial positions. We consider individual differences as we offer equal opportunities to our employees. In all human resources processes such as recruitment, termination, wage compensation, training and reward management and the work environment, we treat all individuals equally and fairly in terms of language, religion, nationality, race, ethnic origin, age, gender, marital status, health, disability status, political opinion, union membership and all similar matters.		Talent Management (Diversity)
	Environmental Management	We are aware of irreversible impacts on the environment and economy unless limited resources are managed accurately and sustainably, the ecosystem and biodiversity are conserved and the necessary measures are taken to tackle climate change. We adopt a responsible and respectful approach to environmental management by focusing on improving our environmental performance and mitigating environmental impacts. We develop action plans in various fields including conservation of biodiversity in areas where we operate, tackling climate change and transiting to circular economy in waste management in line with our environmental sustainability goals.	 	Environmental Management



# OUR BUSINESS IS ENERGY

Our strength is our commitment  
to the society



## Reliable Public Service

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# Reliable Public Service

Uninterrupted and Accessible Energy



Stakeholder Management



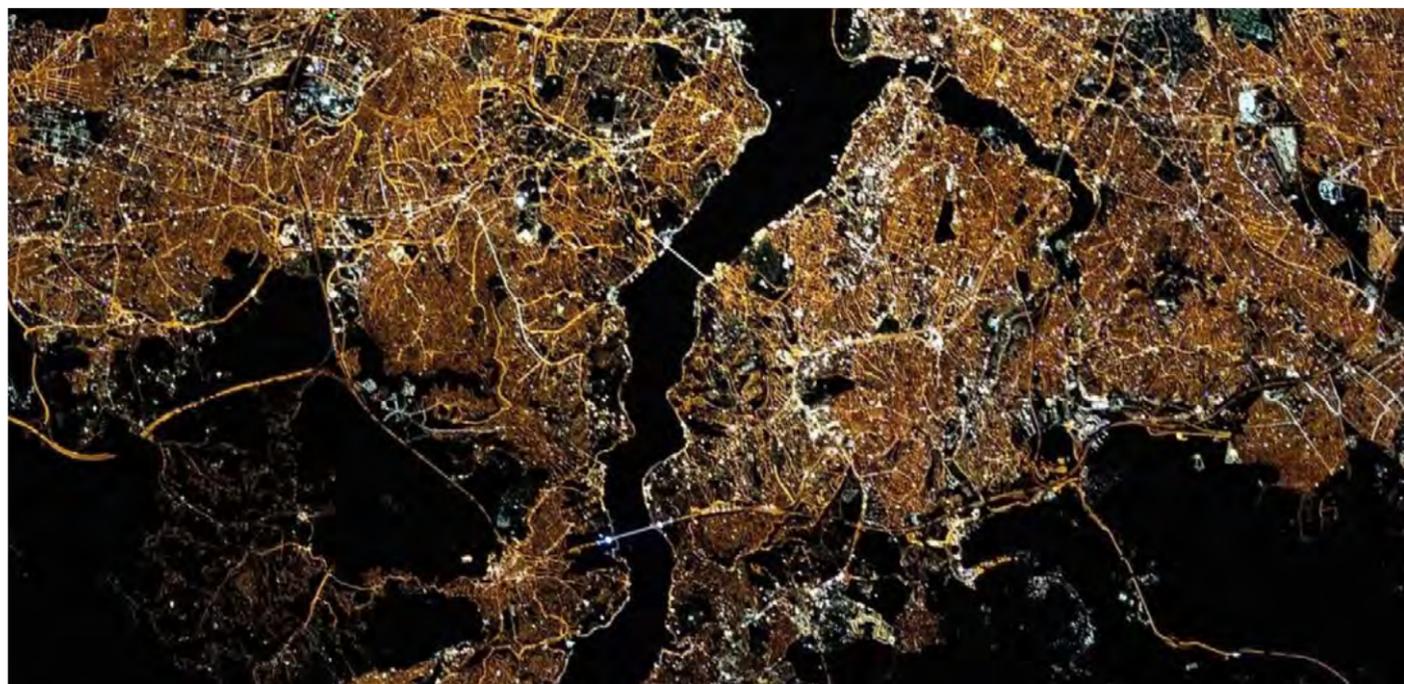
Customer Centricity



Energy plays a key role in our lives and it is essential for a sustainable society. Access to energy is an indisputable human right. Moreover, with the ongoing digitalization trends, integrated and smart technologies, the importance of electricity is ever increasing. We are the largest electricity distribution and retail company in Turkey. We are aware that we deliver public service that infuse life with energy in the regions where we operate, so we act responsibly with each step we take forward.

We work to ensure that energy is uninterrupted, high quality and accessible. We constantly develop and improve customer-focused products and services to provide the best service in the electricity supply market. We strive to ensure a customer-oriented culture in all our operations. To lead the New Energy World in every field and location we operate in, we engage with our stakeholders effectively and put our customers at the center.

# UNINTERRUPTED AND ACCESSIBLE ENERGY



**Our main goal is to provide the highest possible value to all our stakeholders and to maintain uninterrupted electricity distribution and sales services.**

Countries undergoing rapid urbanization need to steer new infrastructure investments towards higher urban density. Networks need to be upgraded to address the increasing electrification and renewable energy systems and the growth of EV charging. Smart city solutions need to be integrated to the power network for sustainable urbanization. With flexibility to choose source of power and decentralization trends, customer satisfaction becomes increasingly important. Whilst adopting

to these changing trends, governments, regulators and private sector needs to address the growing importance of universal access to energy.

Here at Enerjisa Enerji, our main goal is to provide the highest possible value to all our stakeholders and to maintain uninterrupted distribution and sales services. We work to ensure that energy is uninterrupted, high quality and accessible.

## INVESTMENTS

Distribution companies are responsible for the preparation and implementation of investment plans by taking into account energy demand, grid requirements and all other investment needs within the regions they operate in. These investments are crucial for energy security and here at Enerjisa Enerji, we continue to make investments in light of this responsibility.

We continue our investments within the framework of Turkey's prioritization of continuously improving

the quality parameters of the supply of electricity. Since the beginning of the pandemic, we have taken every measure to sustain our infrastructure systems, which are vital to public services. While investing in our networks, we ensured the health and safety of employees and contractors. With our prudent business continuity plan and effective crisis management, we took timely and prescient measures to ensure operational sustainability and our CAPEX increased from TL 1.4 billion in 2019 to TL 1.8 billion in 2020, an increase of 26%.

**NUMBER OF TRANSFORMERS (000')**



**TRANSFORMER INSTALLED CAPACITY (MVA)**



**TOTAL LENGTH OF NETWORK (km)**



**NUMBER OF NEW CONNECTIONS (000')**



**TOTAL CAPEX (TL million)**



Prior to privatization, investments in the distribution grid in Turkey were limited and average grid age in Turkey was around 30 years. Therefore, to reach the quality metrics of developed countries, the

grid requires constant investment. In addition to expanding the network, we keep investing to increase the quality standards of the grid.

# UNINTERRUPTED AND ACCESSIBLE ENERGY

Our network efficiency and quality also have a direct impact on our financial performance. Efficiency and quality earnings increased by 4% from TL 902 million in 2019 to TL 941 million in 2020. The important highlights are:

**Quality Bonus:** Distribution companies are entitled to receive a quality bonus if they achieve certain quality parameters regarding occupational health and safety, technical and call center quality and investment execution. We were eligible for a quality bonus of 3.4% (max. 5% allowance of the revenue ceiling) in 2020.

**Theft & Loss Outperformance:** In order to encourage distribution companies to take all necessary measures to reduce the target theft and loss ratios in their respective regions, there is an incentive for distribution companies that achieve annual target theft and loss ratios below the annual targets set by the regulator. Our theft

and loss outperformance in 2020 is TL 97 million, compared to TL 115 million in 2019, and this was driven by the decline in field operations as a result of measures taken to ensure the safety of our employees during the COVID-19 pandemic.

Our companies utilized loans from EBRD in different tranches between March 2020 and May 2021 for the CAPEX investments. The total amount of the loans is 225 million USD equivalent and were used for the infrastructure and technology investments required for the improvement and extension of the grid with the purpose of providing uninterrupted, clean and reliable energy in line with sustainable development principles, targeting both green and inclusive qualities. The loans ultimately aimed to lead a reduction of technical losses and improved network operation, resulting in CO<sub>2</sub> emission reduction and promoting women's access to economic opportunities in a male-dominated sector.

- 8% real increase in OPEX allowance excluding scheduled maintenance for Enerjisa compared to third regulatory period (Distribution).
- Increased focus on quality performance and new quality incentives both for public companies and inhouse sourcing.

regulatory framework as being overall supportive of growth, while encouraging increase in service levels through improved quality mechanisms and rewarding corporate governance and transparency.

Please see **Annual Report 2020**

The new regulatory period emphasizes the importance of quality even further. We assess the

## MANAGEMENT OF VULNERABLE CUSTOMERS

The trends shaping the New Energy World urges the energy sector to emphasize customer satisfaction and to help disadvantaged communities to access affordable energy. Topics such as universal access to energy, social justice and the promotion of renewable and sustainable energy have a critical and higher place on our agenda. COVID-19 underlines the importance of this trend as the vulnerability increases.

Here at Enerjisa, we define vulnerable customers in accordance with the parameters specified in the regulations and focus on the services provided for these customers. According to our classification, the number of vulnerable customers in our regions as of year end 2020 is given below:

## REGULATION SUPPORTING INVESTMENTS AND QUALITY IMPROVEMENTS

In 2020, the Energy Market Regulatory Authority (EMRA) announced the new regulatory period parameters for 2021-2025 (4<sup>th</sup> regulatory period), one of the most significant developments in our sector. As the pioneering and leading company in the sector, we contributed to the process by carrying out the relevant activities in coordination with all sector-related stakeholders.

The new parameters announced encourage progress and incentivize delivery of high-quality services. The key changes in the 4<sup>th</sup> regulatory period are as below:

- 72% real increase in Initial Capex allowance for Enerjisa compared to third regulatory period (Distribution).
- For scheduled maintenance a new scope is defined and a new OPEX allowance is introduced to incentivize improvement in continuity of supply and customer satisfaction (Distribution).

Over the age of 65	Families of martyrs, veterans and disabled veterans	Device Dependent Patients (Hasta Var)	Subscribers who submitted a health committee report
1,056,441	20,306	1,706	114

# UNINTERRUPTED AND ACCESSIBLE ENERGY

2020 was a challenging year for Enerjisa and our stakeholders. During March-June 2020, we temporarily suspended disconnection processes for customers in case of unpaid bills in order to provide uninterrupted electricity at the peak of the pandemic.

Moreover, according to the amendments on the Regulation on Electricity Market Consumer Services Regulation in 2021, the rules have been eased for cutting off electricity in case of unpaid bills for defined vulnerable customers. Accordingly, for

- Families of martyrs, veterans and disabled veterans,
- Consumers over the age of 65,
- Subscribers who submitted a health committee report stating that they had disabilities over 40%

electricity cuts will be made only in case of failure to pay the bill for three consecutive months and if it is proven that a disconnect notice has been served.

**Device Dependent Patients (Hasta Var Program):** If the medical condition of a patient requires the use of medical equipment of vital importance and in case of outage in the area, emergency supply is provided to these regions. In 2020, the number of customers using this service was 1,706.

**Electricity Consumption Support for Underprivileged Customers:** According to the Presidential Decree on the Provision of Electricity Consumption Support to Low Income Households ("Decree"), energy support is provided to meet the minimum needs of households who are Turkish citizens and who are currently eligible to receive monthly or regular social assistance from the Social Assistance and Solidarity Foundations. According to the Decree, 75 kWh for households of one-two people, 100 kWh for households of three people, 125 kWh for households of four people, 150 kWh for households of five or more is provided as support.

uninterrupted energy supply, we regularly monitor metrics of grid resiliency and power outages and also report to the regulator. Our technical quality performance is also transparently reported by distribution companies on their websites.

To provide uninterrupted energy, we keep investing in the grid and utilize the technology by all means.

**Grid Management:** Our distribution companies use SCADA, an industrial automation control system, for outage

management and collect outage data from the distribution network through the SCADA system. Outage Management System is integrated with Geographic Information System (GIS), Customer Relations Management system (CRM) and Interactive Voice Response (IVR) system, in addition to the SCADA system. Enerjisa distribution companies carry out field operations using hand devices connected to the SAP Workforce Management System (WFM) to manage outage operations.

The following metrics are used to track the improvement of grid quality:

**SYSTEM AVERAGE INTERRUPTION DURATION INDEX (SAIDI) (hours)**



**SYSTEM AVERAGE INTERRUPTION FREQUENCY INDEX (SAIFI) (number of power outages)**



## UNINTERRUPTED ENERGY SUPPLY

### Enerjisa Enerji aims to deliver a high-quality electricity supply by working to ensure voltage quality and continuity.

Uninterrupted energy supply is the heart of our business. Any problem that may arise during the supply of electricity poses a significant risk to our business and directly affects the lives of our customers. Enerjisa Enerji enables high-

quality electricity supply by working to ensure voltage quality and continuity of supply. Offering uninterrupted, continuous, accessible energy with supply continuity is our top priority. This is the key to improving customer satisfaction. To ensure

# UNINTERRUPTED AND ACCESSIBLE ENERGY

We established the new Outage Management System (OMS) in Ayedaş and Başkent at the end of 2018 and in Toroslar in the first quarter of 2019. Before system implementation, System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI) were calculated with the inputs provided by employees in the field from their tablet screens. With the project, we have integrated remote monitoring systems (OSOS, SCADA) into the Outage Management System. Accordingly, the reported SAIDI and SAIFI numbers increased in 2019 as measurement improved. In 2020, this system upgrade continued to impact the reported numbers of Toroslar region. Nevertheless, the new system makes it possible to perform maintenance more efficiently. Also, in 2020, the SAIDI number

of Toroslar region was impacted from harsh weather conditions this year and the fires in Hatay, Kozan and Anamur.

With the system improvements, we can identify the inventories where outages occur more frequently and carry out more detailed maintenance studies on them. As a result, we target to reduce our SAIDI/SAIFI values further over the years.

Our Automatic Meter Reading System (OSOS) installations continue to remotely read meters in distribution areas. Due to legal obligations, general lighting, high consumption, generators' meters and trade (energy trade between two distribution companies) meters should be included in the scope of OSOS.

Some of the major projects in 2020 including impact areas as follows:

**NUMBER OF SENSORS ON SCADA SYSTEM**

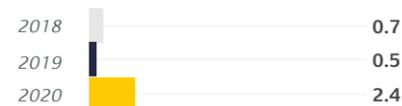


**METERS COVERED BY OSOS**



Additionally, we carry out the investments to address the requests of renewable energy resources to be connected to the distribution grid. The capacity of renewable generation connected to the grid between 2018 and 2020 are as follows.

**AYEDAŞ CAPACITY (MW)**



**BAŞKENT CAPACITY (MW)**



**TOROSLAR CAPACITY (MW)**



We use technology and digitalization to constantly improve the quality of our service, customer satisfaction, operation quality and performance.

PROJECTS	SCOPE	IMPACT AREA				
		Stakeholder Management	Customer Experience	Digitalization	Quality	OHS
Digitalization and Replacement of Protection Relays and Testing Devices	The purpose is to disconnect the faulty lines and equipment from the grid within the scheduled time if there is a malfunction in the grid. Thus, customers in an area with no malfunction will not be impacted by outages. We replaced relay testing devices with new ones and increased their numbers, thus enhancing grid reliability.	✓	✓	✓	✓	
Başkent Digital Inventory Management System and Analysis (DIGSILENT)	With this project, the aim is to make grid management more reliable. With the DIGSILENT software, the protection and coordination which were previously performed manually, have been transferred to a digital environment. DIGSILENT software enables analysis of voltage and current frequency anomalies via digital modelling with its power quality and harmonic analysis modules.			✓	✓	
Mobile Geographic Information System (GIS)	The purpose of the project is to process various data over the map on the tablet during the operations carried out in the field by the Fault Repair and Maintenance (FRM) teams. With these data, the aim is to identify the malfunction and outage points, to control electrical connectivity, to process new connections and manage all the inventory changes in the field. As a result, GIS data will become more accurate.			✓	✓	
OMS & OSOS (Outage Notice)	OMS project was updated to enable ease of use in view of the EMRA recommendations and legislative requirements.		✓	✓	✓	
TEİAŞ Feeder Monitoring and Improvement Project	The project aims to monitor output feeder data (current, voltage, power, etc.) at the TEİAŞ substations, as well as information on the locations of circuit breakers, disconnectors, etc. through application software and to integrate the data into the SCADA system.	✓		✓	✓	✓

# UNINTERRUPTED AND ACCESSIBLE ENERGY

PROJECTS	SCOPE	IMPACT AREA				
		Stakeholder Management	Customer Experience	Digitalization	Quality	OHS
Mobile Reactive Power Compensation Systems Projects and Compensation Facilities Maintenance Work	The project aims to keep the reactive energy supplied to the system or collected from the system within the limits specified in the Regulation on Electricity Grids and to ensure the possible punitive limit for reactive energy is not exceeded. Thanks to the mobile platform, it is now adaptable to changing operating conditions.	✓		✓	✓	✓
Mobile Power Quality Device (MPQD) Procurement	PQDs were procured for customer/operation measurement demands, measurements to be conducted to identify issues that adversely affect the customer in terms of technical quality and to replace the malfunctioning devices at the EMRA measurement points. In line with the operation requests that are received, measurements were made in problematic areas and based on these, improvements were made in the technical parameters of the power quality. The aim is to improve the technical quality of the grid and to increase customer satisfaction.		✓		✓	
Demand Optimization System Improvements (DOS)	With the Demand Optimization System, the aim is to prevent power limits from being exceeded and to minimize any related punitive fines by monitoring generation and consumption data. DOS calculates the maximum demand values on a daily basis and informs all users via e-mail. Thanks to these features, potential punitive risks can be minimized by efficiently performing power analyses and demand controls.	✓		✓		
Recloser/Sectionalizer Replacement Works	Recloser devices enable automatic reclosure in the event of temporary malfunctions in the grid. In this way, the energy outage time can be reduced to 30 seconds without the need for the team to intervene. Thus, long downtime is minimized, SAIDI and SAIFI values are improved.	✓	✓			



We continued our investments to provide uninterrupted energy. CAPEX increased from TL 1.4 billion in 2019 with a growth of 26% to TL 1.8 billion in 2020.

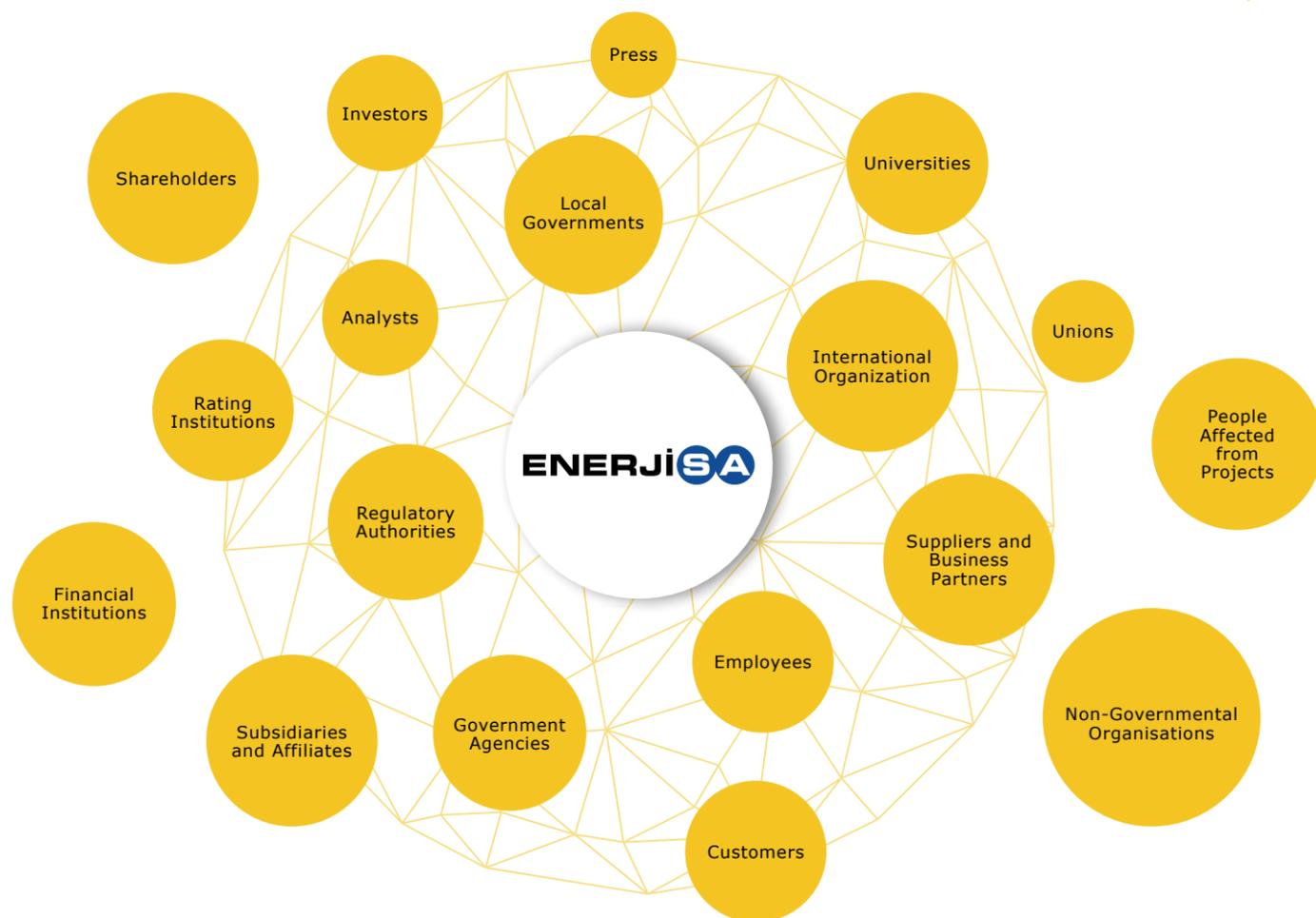
For further details regarding technology, please see [Annual Report 2020](#)

# STAKEHOLDER MANAGEMENT

## Enerjisa Enerji prioritizes open, transparent and trust-based communication with all stakeholders in the broader ecosystem.

At Enerjisa Enerji, we prioritize open, transparent, and trust-based communication with all stakeholders in the broader ecosystem including those directly or indirectly affected by our activities. Our relationships with them is of utmost importance to us.

We identify our stakeholders according to the AA1000 Accountability Stakeholder Engagement Standard and use different communication methods to obtain stakeholder feedback and better understand their expectations. We continuously communicate with our stakeholders, both internal and external, through various channels as outlined in Annex III. ↗



**Employees and Labor Organizations:** We provide a safe working environment in which our employees can develop themselves, as well as target to develop a positive corporate climate, communication and culture. Therefore, we focus on developing our employees' leadership qualifications, providing training for their development and offering equal opportunities to all employees. Every year, we carry out employee loyalty surveys to measure employee loyalty and ensure the best working conditions are provided. Furthermore, labor unions and collective bargaining rights of employees are respected as discussed in the Human Rights Policy. ↗

**Customers:** We believe that having access to energy is an indisputable human right for all segments of society. Products and services are continuously improved to provide the best service in energy supply. Providing energy to a population of over 21 million through energy distribution and retail activities, we develop exclusive services and products using digitalization and the latest technologies with a customer-oriented approach and provide service that meets international standards with the ISO 10002 Customer Satisfaction Management System Standard.

**Contractors and Suppliers:** We have more than 2,000 suppliers from which we procure goods and services. Around 100 of these suppliers are categorized as critical tier 1 suppliers. Furthermore, the entire supplier network of the distribution business line is composed of local suppliers. Due to the important role they play in the quality and sustainability of our supply chain, we view our suppliers and business partners as critical players of our ecosystem.

**Public Institutions and Regulatory Authorities:** Public institutions and regulatory authorities are the primary stakeholders that directly affect us. As the sector's leading company, we are aware of the

GRI 102-40, 102-42, 102-43, 102-44



necessity of a regulatory framework supporting investments, efficiency and quality, to ensure a reliable and cost-effective grid infrastructure. Our relationships with public institutions and regulatory bodies are independent of any political view and are based on the principles of justice, honesty, equality and independence and managed as indicated in our code of conduct and corporate identity. Thus, we actively participate in policy debates and build close relationships with government bodies through advocacy, interviews, and public appearance. We are also invited by policymakers and regulators to different platforms to contribute our technical expertise to the decision-making processes.

**Local Governments:** As a part of the "Local Governments Communication Plan" prepared every year, we make regular visits to the offices of governors, district governors, majors and local community leaders (Muhtar) in these regions. These face-to-face meetings help us understand the expectations of local governments and give us the opportunity to improve our business processes through the requests and feedback we receive.

### Ata Ürün

Adana President of Muhtars Union

As the NGO for muhtars representing local governments, we attach great importance to the quality and sustainability of the services to our citizens. The importance of electrical energy in daily life and the need for electrical energy are increasing day by day. In this context, we work very closely with Enerjisa. We think that communication is very important in order to respond to the requests of our citizens promptly. We can communicate quickly through the WhatsApp Muhtar Support Line developed by Enerjisa.

GRI 102-40, 102-42, 102-43, 102-44

# STAKEHOLDER MANAGEMENT

**Non-governmental Organizations:** We are member of several NGOs as part of our efforts to move the sector forward and to spread the vision of sustainability in the business world as the sector leader. Please see Annex III for further details.

We actively take part in the non-governmental organizations and initiatives to contribute to activities that advance our sector and extend sustainability vision in private sector at the leadership levels. For instance, the Enerjisa Enerji Chairman acts as the Chairman of the Turkish Industry and Business Association (TÜSİAD) Energy Working Group and is a Board Member of the Sabancı University Istanbul International Center for Energy and Climate - IICEC which is an independent Center at Sabancı University that conducts energy policy research and gathers key stakeholders involved in energy and climate fields around the world. Our Chairman also serves as the Chairman of the Association of Distribution System Operators (ELDER) and is an Advisory Council Member at SHURA Energy Transition Center.

In 2020, we continued our collaborations with NGOs and participated in the TÜSİAD Environment and Climate Change Working Group and Circular Economy Sub-Working Group in order to improve environmental performance. We are also part of the Business Plastic Initiative developed in collaboration with Global Compact Turkey, TÜSİAD and World Business Council for Sustainable Development Turkey (SKD Turkey).

The Enerjisa Enerji CEO serves as the Chairman of EUROGIA2020, which is the EUREKA Cluster for low carbon energy technologies. EUROGIA2020 is a bottom-up, industry-driven, market-oriented program which addresses all areas of the energy

mix, from renewable energy to efficiency and reduction of the carbon footprint of fossil fuels. Our CEO is also a Board Member at ELDER.

You can find the list of our memberships in Annex IV.

## Konca Çalkıvık

Secretary General of BCSD Turkey (SKD)

Since 2004, as BCSD Turkey, we have been working with 77 members from 20 different sectors with the vision of making the concept of sustainability one of the main strategies of the business world. Enerjisa Enerji is also one of the active members of our Association, making significant progress in terms of transparency and institutionalization following the public offering at the beginning of 2018. The company approaches sustainability with a holistic concept and successfully integrates it into its business strategy. As BCSD Turkey, we have been guiding our members on sustainability reporting with the Reporting Matters methodology developed by WBCSD, our umbrella organization, and Radley Yeldar in cooperation with PwC for 4 years. Enerjisa Enerji shows exemplary behavior in a carbon-intensive sector by submitting its Sustainability Report to assessment within the scope of Reporting Matters in line with its transparency principle. Enerjisa Enerji, which provides its stakeholders a traceable progress with retrospective data sharing in performance indicators, once again proves that it integrates environmental, social and governance issues into its own structure by including the material issues.

## CORPORATE STAKEHOLDER ENGAGEMENT PLAN

In 2019, as part of the Loan Agreement signed with the European Bank for Reconstruction and Development (EBRD), we developed our "Corporate Stakeholder Engagement Plan" in line with the related requirements of EBRD Performance Requirement 10 (EBRD PR10): Disclosure and Stakeholder Engagement. The Corporate Stakeholder Engagement Plan provides a framework that summarizes requirements and implementation processes related to stakeholder engagement, public consultation, stakeholder identification and grievance mechanisms. The plan was revised in 2020.

In 2020, as part of the same loan agreement, a significant step was taken in terms of

Environmental and Social Sustainability and social management practices covering the distribution activities were initiated. We prepared "Customized Stakeholder Engagement" and "Cultural Heritage Management" plans for each distribution company, along with a "Social Management and Monitoring" plan. The Cultural Heritage Management Plan identifies action plans for the protection of cultural heritage in the operation and investment fields. The purpose of the Social Management System is to identify social impacts that may emerge from new investments and ongoing electricity distribution activities, as well as communities affected by the project, to enable disclosure and engagement, to take mitigating measures and to monitor activities.

## STAKEHOLDER ENGAGEMENT DURING THE COVID-19 PANDEMIC

Here at Enerjisa Enerji, we had already set-up a committee, including our entire senior management team and doctors as consultants and had begun taking actions when the WHO had just declared the outbreak a pandemic and no COVID-19 cases had yet been diagnosed in our country. During the pandemic, the committee made several decisions in the fields of occupational health and safety, human resources, technology, financing and operations and implemented these decisions.

Engaging with stakeholders is especially vital during the COVID-19 pandemic to understand how the crisis have impacted them and thus respond to their needs timely. While the operational challenges during the pandemic made stakeholder dialogue more complex than before, being present with different communication channels and mechanisms

to reach out to our stakeholders and obtaining their feedback regularly is key.

Enerjisa Enerji continue to engage with communities to provide important information about COVID-19 at the national and local level. Our engagement methods during the COVID-19 pandemic include text-based messaging, e-mail campaigns, utilization of online and telephone-based tools to overcome mandatory restrictions on social gatherings, face-to-face meetings and social distancing. The COVID-19 engagement strategy also considers the availability of access to online services, stakeholders' literacy and cultural considerations such as use of appropriate language and ensures access to vulnerable groups. The details are shared in the latest Corporate Stakeholder Engagement Plan published in June 2020.

# CUSTOMER CENTRICITY



## We manage all business and product development holistically to meet all of our customers' demands and expectations.

Enerjisa Enerji strives to ensure that a customer focused culture is adopted by all its operational units to advance the quality of the service it provides to its customers. Providing uninterrupted energy to our customers by adopting a customer-oriented approach and operational excellence lies

at the core of our business model. As a result, we focus on customer satisfaction with the best applications and manage all business and product development processes to meet our customers' demands and expectations.

### CUSTOMER SATISFACTION AND FOCUS

## We offer the best services, create new applications and make new investments in line with our customer-oriented approach.

Customers are at the center of our business model. We continuously improve to meet our customers' ever-changing expectations and needs. We offer the best services, create new applications and make new investments as part of efforts to put the customer first.

Our customer satisfaction and communication efforts are reflected in our internal policies and are managed in accordance to international standards, such as the ISO 10002 Customer Satisfaction Standard. In accordance with ISO 10002, our employees are trained to respond to customer expectations in the most appropriate and efficient way.

We measure customer satisfaction regularly. The results of the monthly quantitative Customer Satisfaction Survey (CSAT) and Net Promoter Score (NPS) are shared with all stakeholders through the Customer Experience Committee, which includes the Company's senior management.

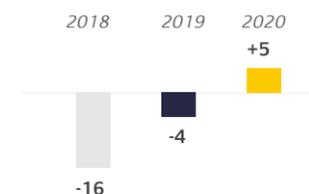
Thanks to the end-to-end customer satisfaction model we launched in 2018, we measure real-time customer satisfaction at 45 customer touch points. We measure customer satisfaction in four journeys which are retail sales, distribution, relocation and M2C (meter to cash).

In 2020, we collected more than 50,000 instances of customer feedback per month with the system that we put into use to accurately measure our customers' experience. We analyze the results, prioritize issues by importance and create projects to improve our customer service processes.

NPS is measured by an independent research company and 3,500 customers per month are reached to measure NPS.

The improvement trend both in our CSAT and NPS scores continued in 2020, thanks to the initiatives we have been undertaking to improve customer experience.

NPS  
(-100 to +100)



CSAT  
(OVER 5)



### COVID-19 ACTIONS



In response to the pandemic, we took several quick and effective actions in the services we provide through our physical channels. We switched to the full-time appointment system to control the number of customers based on the limits set for the channel. We have also integrated the HES (Hayat Eve Siğar – Life Fits into Home) code<sup>11</sup> application into all our systems. For the health and safety of our employees, we switched to shift-based and remote-working systems. We implemented procedures for customers and employees in line with the principles of Masking, Distancing and Cleaning. We published announcements encouraging use of our digital channels. We have applied our procedures with extra care for our customers over the age of 65.

<sup>11</sup> The HES Code is a personal code implemented by the Ministry of Health to safely share COVID-19 risk status with institutions and individuals for activities like transportation or visit.

# CUSTOMER CENTRICITY

## RETAIL SALES

### Enerjisa Enerji aims to offer the best customer experience with 39 Enerjisa Customer Service Centers, 79 Enerjisa Transaction Centers and 9 Mobile Service Vehicles across its operational regions.

We aim to offer the best customer experience with 39 Enerjisa Customer Service Centers, 79 Enerjisa Transaction Centers and 9 Mobile Service Vehicles across the 3 regions in which we operate. 2.2 million transactions were processed at these centers in 2020. We also provide omnichannel solutions

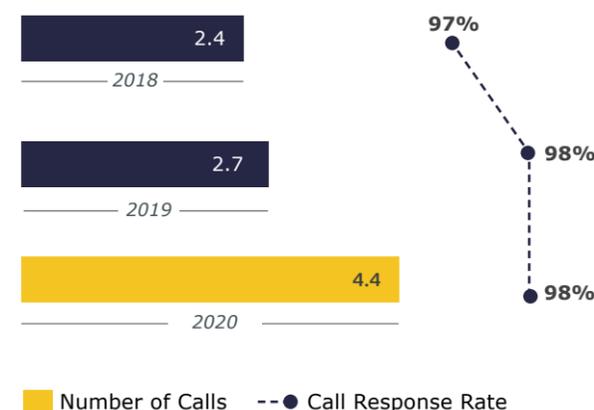
such as Online Services Center and Enerjisa Mobile so our customers can perform their transactions online, monitor their monthly energy consumption trend and track their bill payment.

Our current sales channels are provided below:

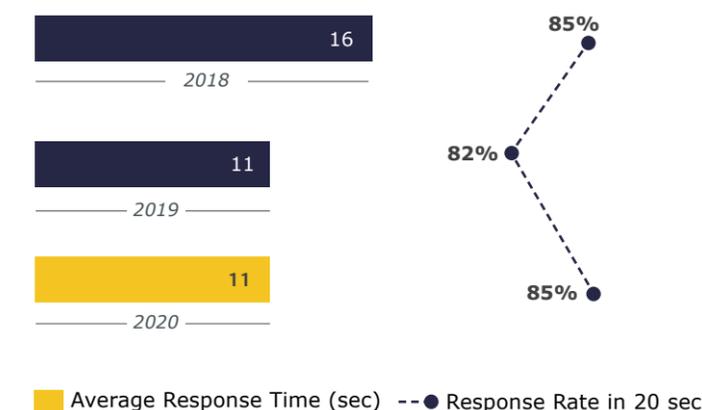
Enerjisa Enerji's retail call center represents an important channel for delivering the best customer experience. With nearly 200 employees, the Call Center received a total of around 6 million calls in 2020, 50% of which were handled by the voice response system and 98% of the 3 million queued calls were answered. The average response time

was 15 seconds. The most frequently received calls were about billing (45%), followed by subscriptions (22%). In 2020, the Solution Center received 385,000 applications to be monitored and replied to. 99% of these applications were answered within the targeted time frame. The average completion time of the applications was 3 business days.

NUMBER OF CALLS (million) AND RESPONSE RATE (%)



CALL RESPONSE SPEED (second)



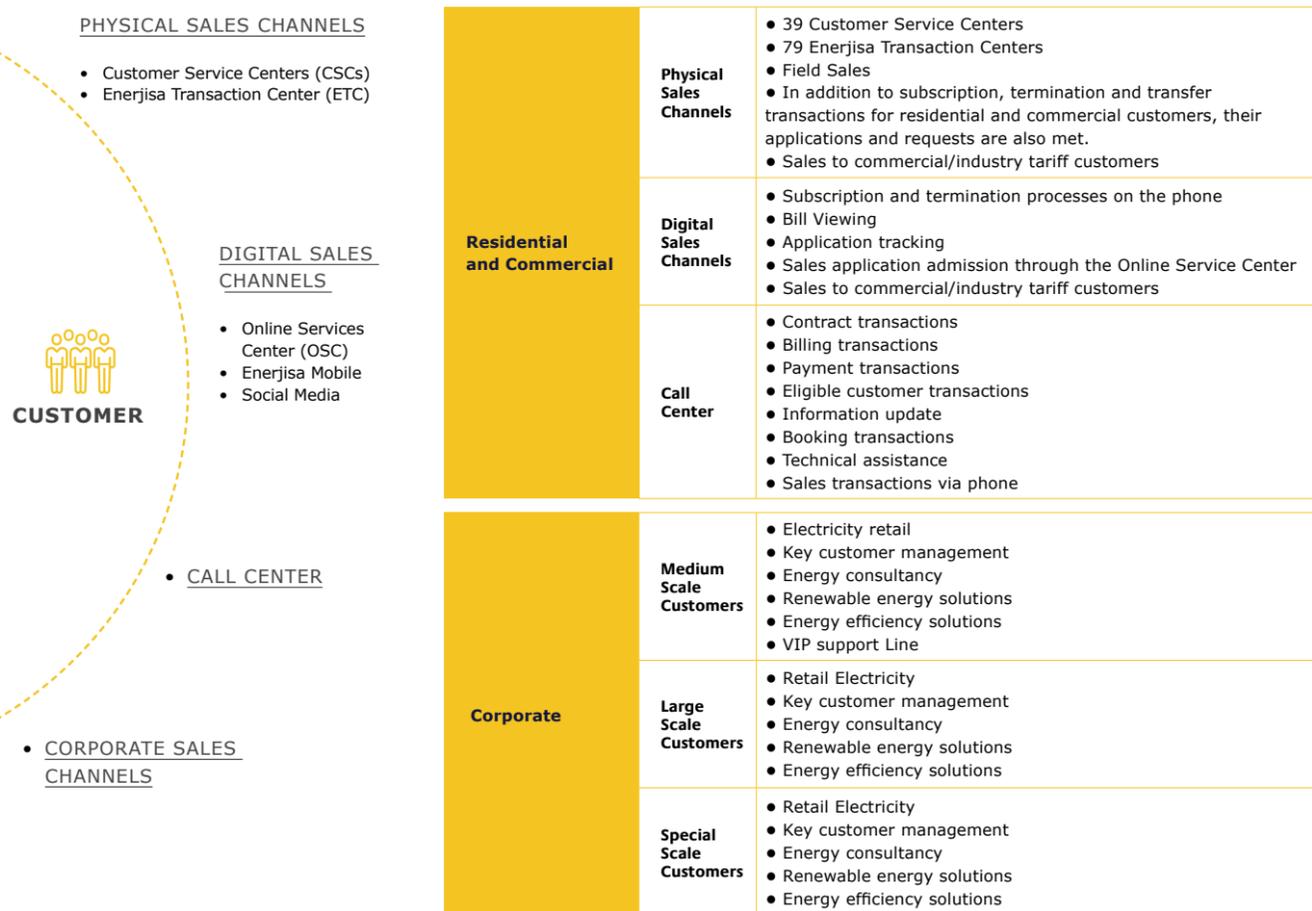
We carried out several new projects to improve our services and provide better customer experience in 2020. Developments are as follows:

#### Customer Satisfaction Measurement System:

We established a measurement system to measure and track customer satisfaction during the customer's sales journeys. Since 2018, the system has been covering mass and business customers,

and in 2020, we included mid-sized and corporate customers in the system. Customer satisfaction is measured at 45 points and new projects are in the planning phase.

**Sales Journey Satisfaction Measurement System and Customer's Voice Program:** In the second half of 2020, we launched the Customer's Voice program for our small industry and



# CUSTOMER CENTRICITY

commercial customers, with an aim to monitor end-to-end customer satisfaction in retail processes and better understand customer needs. This program measures customer satisfaction at all stages of both sales and after sales. At all these stages, issues that negatively affect customer satisfaction are identified and addressed with the relevant business units.

**E-Archive Billing Improvements:** With this project, we terminated sending paper invoices to the customers who have approved the use of e-archive invoices and reduced use of paper.

**Digital Payment Channels Improvements:** Thanks to this project, improvements were made to meet the demands of customers to pay invoices from digital channels. Bill payment limits on our digital platforms have been removed. With the payment gateway for OHM & Mobil, we added the credit card storage feature to the payment step.

**Improving Dunning Processes:** With the TAHSILAB application, debt reminder tools such as text messages (SMS), IVR and e-mail can be employed on a customer basis, with a flexible transaction sequence, transaction time interval and transaction repeat period criteria.

**Digitalization with Online Services Center and the Enerjisa Mobile Application:** Enerjisa customers are able to complete and cancel their subscription through the Online Services Center and Enerjisa Mobile Application. The use of online channels helps our customers perform their transactions quickly and easily from wherever they want. The use of digital channels in retail business increased from 2% in Dec-19 to 17% in Dec-20.

**Voice Recognition and Analysis:** With this new project, all calls to the call center are analyzed with the support of artificial intelligence according to specified criteria. In this application, continuous improvement is enabled through machine learning.

**Self Service IVR:** We enable customers to process their transactions on the call center voice response system without connecting to a representative. Thanks to the Interactive Voice Response (IVR) system, the calls that require representatives has decreased by 20% and the call answer rate was above the targets at 98%, while 85% of these calls have been answered within the first 20 seconds in 2020.

## DISTRIBUTION

### We keep improving our operational processes in line with quality and sustainability principles.

Enerjisa Enerji provides high-quality electricity supply and continues its operations by offering new services to customers and investing in the field of customer experience. We keep improving our operational processes in line with quality and sustainability principles.

We prioritize the diversification of customer communication channels that provide one-to-one contact with customers in light of contemporary needs. Through different channels, we are responding and resolving customer queries and

complaints promptly. Customers can send us their requests and feedback using the communication channels such as petition, email, registered electronic email (REM), telephone and internet, as well as our mobile application Mobile 186, Twitter support accounts, corporate Facebook accounts, the corporate şikayetvar.com account and WhatsApp Muhtar Support Line. The information shared through these channels is saved and shared with the operational units in accordance with our customer experience principles. In 2020, we resolved all feedback received through the various channels.

#### CUSTOMER COMMUNICATION CHANNELS

	CALL CENTER	MOBILE APP	SOCIAL MEDIA	PETITION	EMAIL	WHATSAPP MUHTAR SUPPORT LINE	WEBSITE
Index-Reading	✓	✓	✓	✓	✓	✓	
Meter Operations	✓	✓	✓	✓	✓	✓	
Disconnect/ Reconnect	✓	✓	✓	✓	✓	✓	
Failure-Related Outages	✓	✓	✓	✓	✓	✓	✓
Damage	✓			✓	✓	✓	
Lighting Failure	✓	✓	✓	✓	✓	✓	✓
Electricity Theft	✓			✓			
New Connection	✓	✓	✓	✓	✓	✓	

# CUSTOMER CENTRICITY

With its team of 800 people, Enerjisa Enerji's distribution call center is an important channel for us. We received 23 million calls through our call center in 2020. The response rate for received calls was 93.6% and the service level value was 81.1%.

RESPONDED CALL NUMBERS (million)



We carried out several new projects to improve our call center services in 2020.

**360 Degree CRM Screens:** With the 360 Degree CRM project, a more user-friendly, practical and concise interface is designed for the Distribution Call Center employees. As a result, the call center screens work through SAP -CRM integration and a summary of information about the customer calling the call center is displayed on the call center representative screen on a single page.

**IVR Optimization:** This project enables the system to recognize customers who call the 186 Call Center by their phone number and uses the Interactive Voice Response system to provide

Consequently, our Call Center performed well above the sector average.

In 2020, as the number of people on hold increased due to reasons such as storm, rainfall and fire, there was an increase in wait times.

CALL CENTER RESPONSE TIMES (second)



available information about any planned outages and sudden malfunctions in their region and application history. This enables customers to get relevant information via IVR, without being connected to a Call Center Representative.

**WhatsApp Customer Line:** With the establishment of a new digital channel for customer communication, we receive customer requests and respond to them faster via WhatsApp.

**Chatbot:** The Chatbot project makes it possible to receive customer requests in different categories via the tab added to the website. Customers can easily post their requests and inquire about the status of their pending requests via Chatbot.

## CUSTOMER INFORMATION SECURITY

**We take every precaution necessary to ensure the confidentiality and security of customer information at the highest level within the framework of applicable legislation. We implement the measures and actions set by our policies.**

The amount of data we are processing, transmitting and storing is growing exponentially with digitalization. As part of our responsibility to provide a public service, we must ensure the confidentiality and security associated with managing larger amounts of customer data.

We take every precaution necessary to ensure the confidentiality and security of customer information at the highest level within the framework of applicable legislation. We implement the measures and actions set by our corporate policies.

We possess the ISO 27001 Information Security Management System certificate. Our Personal Data Protection Committee ensures the full compliance of our operations with the Personal Data Protection Law (PDLP) and we provide our employees with training on the PDLP and data security.

In 2020, 1,865 employees received PDLP training of 622 hours. Our training hours decreased in 2020 due to the COVID-19 pandemic and due to the fact that those who completed the PDLP training in 2019 did not participate in the training in 2020.

2,051 employees received online personal data security training of 1,026 hours within EnAkademi. In addition, 242 employees had customized online data security training in 2020.

We have a Cyber Incident Response Team within the Cyber Security Group Directorate. For details regarding the measures we have taken and the governance, please refer to Enerjisa Enerji Information Security Management Policy.

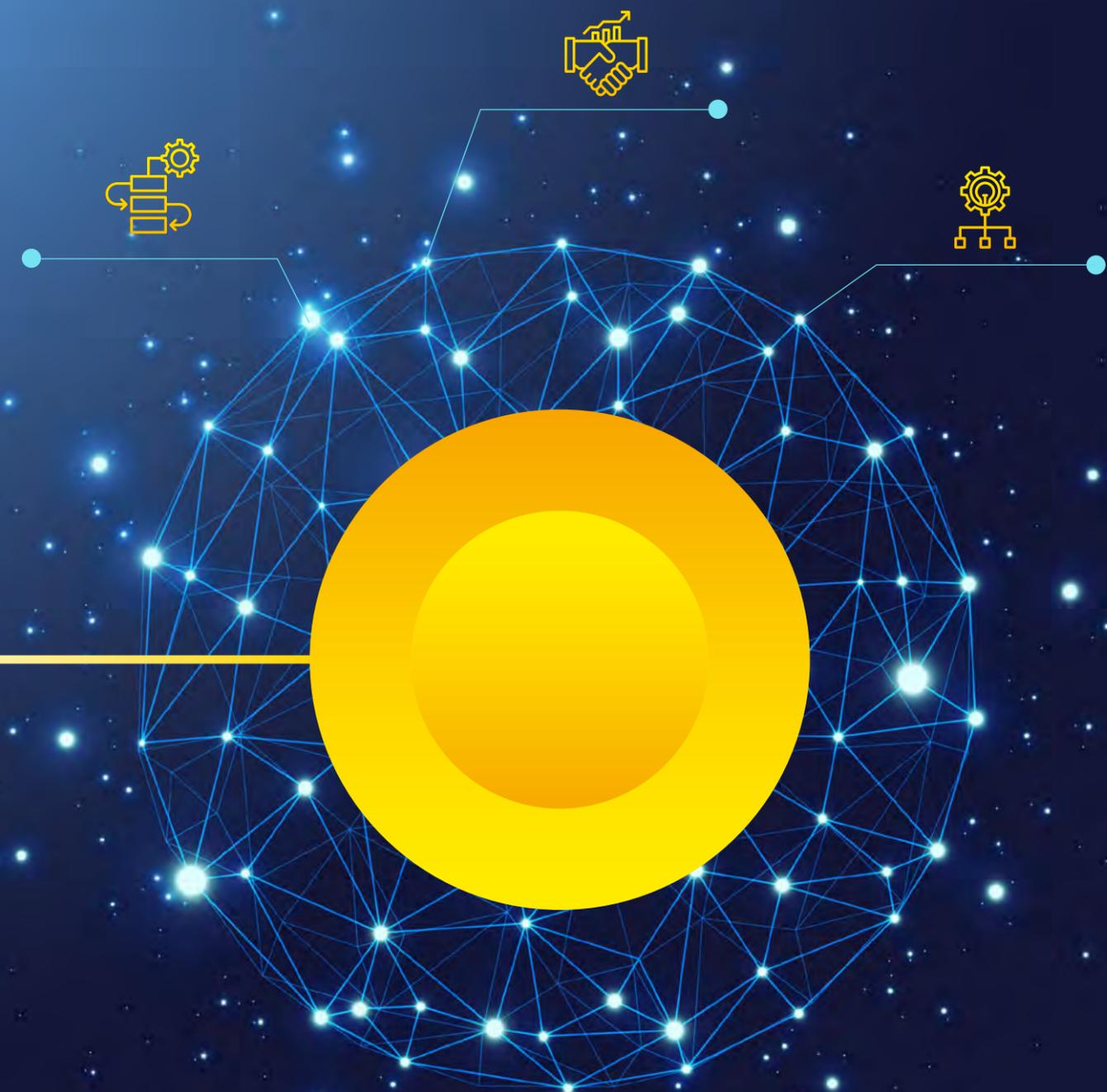


# OUR BUSINESS IS ENERGY

Our strength is our sector  
leading practices

## Role Model Within the Sector

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## Role Model within the Sector

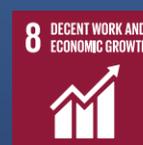
Corporate  
Governance



Supply Chain  
Management



Occupational Health  
and Safety



Environmental  
Management



Social  
Responsibility



As the largest electricity distribution and retail sales company in Turkey, we are a pacesetter in the energy sector. We monitor global trends to improve environmental, social and governance performance. Our priorities include providing our employees with a safe working environment and monitoring the environmental impact of our operations. We aim to set an example for our sector to follow with our best practices and operations from risk management to operational health and safety (OHS). We can only be successful over the long term if we manage our company ethically, responsibly and transparently.

We continue to make infrastructure and technology investments to provide an uninterrupted, clean and secure energy supply. We manage these investments within the framework of our Environmental and Social Action Plan (ESAP), which specifies likely environmental and social impacts in accordance with EBRD Performance Requirements and applicable laws.

# CORPORATE GOVERNANCE



Today, investors in particular want to understand a company's long-term value creation plan and standardized information to support long-term risk assessments. Corporate governance involves the mechanisms and processes through which companies operate and make decisions. Well-governed companies aim to be transparent about their business practices.

Enerjisa Enerji has been listed in the BIST Corporate Governance Index since 2019. Our Corporate Governance Rating was 9.46 out of 10 in 2020. We are one of the companies with the highest corporate governance rating on the BIST Corporate Governance Index.

Detailed information about the corporate governance rating of Enerjisa Enerji can be found at Enerjisa Enerji 2020 Corporate Governance Rating Report. [↗](#)

## GOVERNANCE STRUCTURE

The Board of Directors is the highest management body in the Company with eight members, including two independent board members. As of 2020 year end, women held 25% of the Board seats. The Chairman of the Board and CEO positions are held by separate individuals. [↗](#) The Audit Committee, the Early Risk Detection Committee and the Corporate Governance Committee report to the Board of Directors.

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

## RISK MANAGEMENT

### Context

In 2020, the world witnessed the catastrophic effects of ignoring long-term risks such as pandemics, nature-loss and social fragmentation. From a broad perspective the current COVID-19 pandemic is much more than an isolated incident, highlighting the importance of risk management related to economic

and societal well-being. The World Economic Forum's (WEF) Risk Report indicates that the climate crisis and nature-loss continue to be top tier threats to humanity in the coming decade. [↗](#) In addition, the COVID-19 pandemic shows the importance of risk management for the resilience of organizations.

### Approach

Risk management is recognized as an integral component of robust governance. Our Risk Management Framework aims to define all risks and opportunities, which may impact financial, operational and strategic plans and makes it possible to assess, classify and mitigate these risks through various methodologies.

The ultimate goal of the framework is to provide transparency to management functions and support decision making processes via regular reporting.

Enterprise Risk Management is positioned as a central function in Enerjisa Enerji. In business units, risk coordinators are assigned to act as a bridge between departments and central risk management function. Every year we conduct a one-day risk management workshop with business unit risk coordinators and process owners. In this study, we address key highlights from previous year, annual risk management calendar and methodology regarding risk analysis, consolidation and reporting methodology. In 2020, risk management workshops were conducted through online meeting platforms.

We establish risk management systems and prepare action plans in order to minimize the occurrence and impact of financial and non-financial risks in order to maintain the value we have created for our stakeholders at the highest level.

The Early Risk Detection Committee is responsible for advising the Board regarding risk and opportunity definitions which may threaten the Company's existence and strategies, relevant mitigation actions, early detection and precautions. Following Board review, the agreed upon actions are monitored by our CFO and Early Risk Detection Committee.

You can access the Working Principles of the Early Risk Detection Committee from here. [↗](#)

### Procedure

We identify all risks and opportunities through a detailed assessment process. This work is elaborated through two separate approaches:

- **Quantitative risk and opportunity methodology:** For each risk and opportunity; best, base and worst case scenarios are collected from the business units and assigned a probability of occurrence, simulated using numeric analysis methodologies and grouped based on their expected values. Correlations are considered during consolidation of risk and opportunity impacts and fluctuations which may impact our net income are reported.
- **Qualitative risk reporting methodology:** The risks, of which their direct financial affect cannot be calculated but have a potential to adversely affect the strategic and operational activities of the company, are prioritized through scales defined according to impact levels and likelihoods; and reported through heat maps. These assessments form the basis of the Risks and Opportunities Report, which is presented to top management and the Early Risk Detection Committee.

We map financial and non-financial risks by identifying their impact on our sector and operations. The risks mapping process has three phases: defining, evaluating and categorizing, which enable us to ensure transparency and influence decision-making processes via regular reporting.



# CORPORATE GOVERNANCE

## We classify financial risks and opportunities into five main categories.

Due to the nature of the electricity distribution and retail business, we are exposed to various risks and opportunities throughout our value chain. Based on their sources, risks and opportunities are classified in categories and monitored accordingly. We track these risks according to their potential impact levels, prioritize and record with risk mitigation practices. Following the sensitivity analysis, we report measurable risks with a financial impact.

TYPE OF RISK & OPPORTUNITY	MAIN RISK & OPPORTUNITY AREAS	HOW WE MANAGE?
Financial Risks and Opportunities	Regulation Risks and Opportunities	We engage in regular and constructive consultations with sector participants to monitor regulatory risks and opportunities. As the market leader, through transparent reports and structured projects, we actively seek a rational and fact-based discussion with all sector participants.
	Market Risk and Opportunities	We use systematic approaches to forecast market parameters such as price, inflation, interest, 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.
	Credit Risk and Opportunities	We manage credit risks by requiring security deposits from regulated customers and letters of guarantee or other form of securities from liberalized customers to secure present and future invoices. Timely invoicing, efficient receivables management and credit scoring of large customers enables us to maximize our mitigation of credit risk.
	Liquidity Risk	We manage liquidity risk by actively seeking to extend the average terms of the loan portfolio as well as to develop alternative sources of debt capital (e.g. corporate bonds). We regularly forecast short and mid-term funding needs in order to anticipate liquidity needs in time to prepare and act accordingly.
	Operational Risks	All processes in value chain of Enerjisa are exposed to operational risks from internal and external factors. These risks are mainly classified under Information Technologies, Occupational Health and Safety (mostly in Distribution business unit), Environment, Climate Change, Human Resources and Reputation headings and are reviewed in detail together with its mitigation activities.  For all types of operational risks, relevant procedures and policies are structured and published in Enerjisa Enerji's quality management systems. Committees are assigned to review all event occurrences and to monitor existing mitigation actions.

## We classify non-financial risks and opportunities into three main categories.

In 2020, we extended the scope of our qualitative risk report to include issues related to environment and digitalization.

TYPE OF RISK & OPPORTUNITY	MAIN RISK & OPPORTUNITY AREAS	DEFINITION OF THE RISK	HOW WE MANAGE?
Non-Financial Risks and Opportunities	Occupational Health and Safety Risks and Opportunities	Electricity distribution poses high OHS risks. Accidents that can potentially occur during the construction, maintenance and repair of power lines pose significant threats to the health of our employees, contractors and reputation of our Company.	Our ambition is zero critical injuries and accidents. We manage related risks within the scope of ISO 45001:2018. OHS is under the oversight of Executive Management. We proactively manage the risks faced by the Company and contractors. Within the framework of our Safety Improvement Plan, we define our targets, manage risks and plan how to prevent them. We use the Fine-Kinney method to categorize the risks. We set trainings to mitigate risks and ensure a healthy workplace for our employees and contractors.
	Climate Crisis and Environment Risks and Opportunities	Extreme weather conditions due to climate change and forest fires may disrupt power lines. The spillage of transformer oil during operation, maintenance or storage and causing water and soil pollution is a risk. Global warming can lead to drought and impact energy prices. In addition, the global and regional regulatory landscape is critical for us to take necessary actions to tackle climate change.	In 2020, we prepared a Biodiversity Conservation Action Plan. As part of CDP Climate Change, we assess the issue of climate change risk from a risk and opportunities perspective. We regularly monitor and report our environmental performance and carbon emissions. We take part in various initiatives, consult with NGOs and regulatory authorities and develop R&D projects for climate change and energy efficiency. We provide solutions to customers to reduce their carbon emissions.
	Digitalization and Customer Privacy Risks and Opportunities	Increased complexity regarding protection of customer data and IT systems imposes risks, especially for companies with databases composing of millions of customers. Data security breaches as a result of cyberattacks are additional risks.	We take the necessary measures to ensure the confidentiality and security of customer information and personal data at the highest level within the framework of applicable legislation. We implement the measures and actions determined set by our corporate policies. We hold the ISO 27001 Information Security Management System certificate. Our Personal Data Protection Committee ensures the full compliance of our operations with the Personal Data Protection Law (PDLP) and we provide our employees with training on the PDLP and data security. We have a Cyber Incident Response Team within the Cyber Security Group Directorate.

# CORPORATE GOVERNANCE

## INTERNAL CONTROL

Activities regarding establishing an Internal Control System were initiated in 2020 with the guidance of the Board of Directors. Internal Control Department was established in 2020.

Web-based software named Periskop was established in 2021 where process management, risk management, business continuity management and internal control management can be managed with a holistic approach.

The COSO Internal Control Framework, which is recognized as a global standard and consists of the best practices, was considered as a reference when establishing the Internal Control System, and the principles, standards and methods

included in the framework were decided to be implemented.

Internal control scope will be determined according to the process risk assessments and also the opinions of the business units within 2021. According to the internal control scope, the existence and effectiveness of internal controls for operational risks will be evaluated. Internal control system will also be evaluated by the self-evaluation studies carried out by the process owners.

As a result of these studies, it will be possible to report to the senior management regarding the effectiveness of the internal control system.

## BUSINESS ETHICS

Ethics and transparency play an important role in our success. We act, together with our stakeholders, in accordance with the highest ethical standards in all of our business processes and relationships.

### Enerjisa Code of Conduct (Enetik 2.0)

In 2020, we updated our Code of Conduct (Enetik 2.0), which is one of the ways we put our values into practice. It represents a framework and set of guidelines to ensure human rights and environmental protection, creating sustainable relationships including anti-bribery and

anti-corruption, a fair competition, personal data and privacy protection, corporate information and assets protection, the principles concerning written and visual media and social media, conflicts of interest, political activities, association memberships, money, gifts and donations acceptance, external duties, dress code and working with relative and Occupational Health and Safety. Corporate Legal and Compliance Department is responsible for the implementation of Enerjisa Code of Conduct, whereas Internal Audit Department is responsible of reviving the effectiveness of Code of Conduct.

Enerjisa Code of Conduct (Enetik 2.0) can be found here. [↗](#)

Enerjisa Code of Conduct (Enetik 2.0) has been announced to all employees through e-mail and is easily and always accessible on the website of the Company, the Document Management System (available for all employees) and under the Sustainability menu of İKON, the mobile application for employees.

All Enerjisa stakeholders can remain anonymous and report cases of non-compliance or violations of the Code of Conduct via our e-mail address [ENETİK@enerjisa.com](mailto:ENETİK@enerjisa.com), mail P.K. 2 06510 Emek/Ankara, the ethics hotline +90 (216) 579 09 14 or fax: +90 (312) 573 55 55. In addition to these reporting channels, all stakeholders may make notifications via the Sabancı Holding ethics line.

The head of the Internal Audit Department is the only person authorized to access notifications and is responsible for the security, confidentiality and management of all the channels. Notifications are thoroughly examined and then reported to senior management and the Disciplinary Board when deemed necessary. The Audit Committee is informed about notifications reported to the Disciplinary Board.

The reported cases are as follows:

- 70 notifications were received via different channels, such as the ethics hotline, shareholder requests, human resources departments, etc. and all of them were resolved.
- 34 notifications were received in connection with ethics issues, namely violation of procedures,

outside business, damage to corporate reputation, causing financial loss to the company, harassment, irregular transactions, bribery and corruption.

- In the reported notices, 14 cases of bribery and corruption were identified, investigated and concluded.
- 1 civil law suit related to corruption filed against a former company employee still ongoing.

Risks related to violations of the Code of Conduct (including Anti-bribery and Anti-corruption) are obtained from relevant units in qualitative risk assessments, biannually and reported to the Early Risk Detection Committee or the Enerjisa Risk Management Committee. At the beginning of each year, the realizations of risks related to violations of ethics are assessed via backtesting, where we examine the previous year's risk expectations, probabilities and performance.

In order to ensure that ethics principles are understood and embraced by all employees, we conduct Code of Conduct Trainings. In 2020, 4,519 employees received online Code of Conduct training of 2,260 hours. The online training includes anti-bribery and anti-corruption topics as well.

### Anti-bribery and Anti-corruption

Anti-bribery and anti-corruption are managed as part of Anti-Bribery and Anti-Corruption Policy in particular and Enerjisa Code of Conduct in general, which are binding for all employees and stakeholders. All enforcement and legal sanctions imposed for a violation of the Code of Conduct also apply to bribery and corruption.

The Enerjisa Anti-Bribery and Anti-Corruption Policy can be found here. [↗](#)

# CORPORATE GOVERNANCE

In 2020, we became a corporate member of Turkish Ethics and Reputation Society. In the beginning of 2021, we declared our commitment to comply with Transparency International's principles to demonstrate our Company's commitment to adhere to the highest ethics standards.

## Human and Employee Rights

In 2020, we issued our Human Rights Policy. Our Human Rights Policy statement applies to all employees, management staff in all business units, business partners, within our sphere of influence, to further parties in our supply chain.

Our commitment to human rights also includes the acknowledgement of the following international documents:

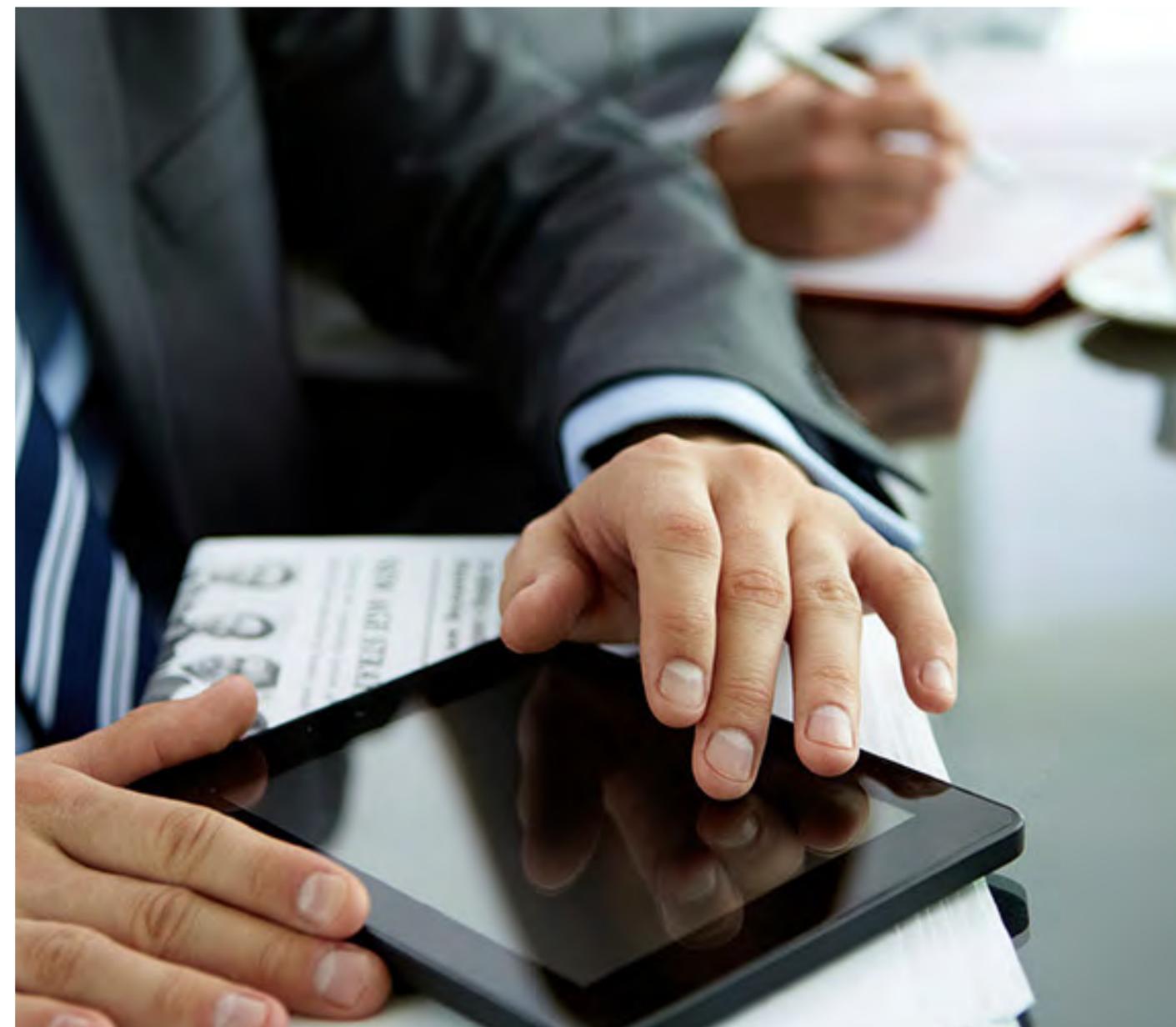
- 1) The International Bill of Human Rights
  - Universal Declaration of Human Rights
  - International Covenant on Civil and Economic Rights
  - International Covenant on Economic, Social and Cultural Rights

2) International Labour Organisations's Declaration on Fundamental Principles and Rights at Work.

ESG Committee is responsible to ensure an effective implementation of the Human Rights Policy. We adopt several operational policies to support and integrate our human rights commitment to our daily business. We have a responsibility to raise our employees' awareness about human rights related issues and encourage them to take action to safeguard respect for human rights.

Our Human Rights Policy  is available on our company website and under the Sustainability section of İKON, the mobile application for employees.

We constantly encourage reporting of any human rights violations, and frequently monitor potential problems and concerns about the effective implementation of our policy statement. We do not take any retaliation or action against any employee who reports actual or potential violations and concerns under this policy.



We are leading the sector with our corporate governance approach and practices and we give utmost importance to transparency and keeping equal distance to all shareholders.



# CORPORATE GOVERNANCE

## BUSINESS CONTINUITY AND COVID-19

Business continuity is a top priority as our responsibility to provide service touches the lives of approximately 21.6 million people. Since 2015, we have been implementing Business Continuity Management System practices to increase our resilience in cases of possible disruptions and crises. Group Risk Management operates under the CFO function and monitors the global Business Continuity Management standards (BCMS) and implements these standards. We comply with the ISO 22301 Business Continuity Management System standard.

Over 60 critical departments are included in the scope of Business Continuity based on Business units and corporate functions. Group Risk Management (for Group and Retail Companies) and Process Development Team (for Distribution companies) coordinate all meetings and activities to be carried out as part of BCM. We also held meetings with the Sabancı Group and other companies regarding the best practices in Business Continuity Management and the existing crisis management practices.

Revisions of the critical business units are incorporated into the Business Impact Analysis (BIA) documents and then Business Continuity and Crisis Management Plans are revised. Group Risk Management is in charge of following up the crisis management processes during crises, widespread disruptions and/or disasters affecting Enerjisa in general. It is also responsible for guiding the Crisis Management Team. Critical Departments and processes are the units that have at least one

process that needs to be activated within the first month following a crisis in order to ensure business continuity. Related processes of these critical units are also treated as critical processes and the representatives of these processes consist of members of Business Recovery Teams. Business Recovery teams are responsible for activating the process following a disruption.

Two methods are followed to assess the extent to which the scenarios and estimates designed as part the Business Continuity Management System meet actual requirements:

**Scenario-Based Exercise:** The Crisis Management Team meets once a year under the leadership of the CEO, with the participation of all representatives and related units. The scenario-based exercise, which is also a requirement of the ISO 22301:2019 certification audit, is scheduled and performed on the same day with the Crisis Management Team meeting. The final report of this study is shared with auditors and participants.

**Disaster Recovery Test:** Disaster recovery tests are conducted under the leadership of the IT Unit continuously for 24 hours once a year in November. Group Risk Management is responsible for supervising the test activities and archiving the final reports. These final reports are disclosed to the audit company during the ISO 22301:2019 certification audit. All of the IT applications that we use are deactivated at the same time in line with an actual disaster scenario during the drill and then Recovery Time Objective (RTO), Recovery

Point Objective (RPO) and Maximum Tolerable Period of Disruption (MTPOD) times are measured as defined in BCMS plans. Data collected during the drill is synchronized with the data in IT and Group Risk Management documents, revisions are coordinated and in the event of significant differences, these are shared with the related business units.

### COVID-19

The COVID-19 pandemic revealed vulnerabilities in business and production processes all around the world. In 2020, we defined critical processes in accordance with the Enerjisa Business Continuity Policy. Despite the ongoing uncertainties, we ensured our business continuity. Our priority was in two areas: continuing uninterrupted electricity

distribution and sales services throughout our regions and taking the appropriate measures for the health of our employees, suppliers and customers.

Our Business Continuity Committee held its first official meeting on COVID-19 developments in March 2020 with extended membership. Consequently, the Crisis Management Team, as a requirement of ISO 22301 Business Continuity, was established in March. The Crisis Management Team is led by the CEO and operates with participation from employees in critical functions. The Enerjisa Risk and Business Continuity Management team elaborated the existing Business Continuity scenarios in view of the COVID-19 crisis and monitored related actions.

## INTERNAL AUDIT

The Internal Audit Department conducts audit engagements in line with annual audit plan throughout our company to ensure that our corporate standards and our business applications are followed in all business processes. The Internal Audit Department reports directly to the Audit Committee, which is composed of independent members of the Board of Directors.

As part of the approved audit plan, auditing activities are carried out in compliance with the international audit standards and the requirements of COSO (Committee of Sponsoring Organizations of the Treadway Commission) every year. COSO compliance was certified with the independent quality assurance assessment conducted in 2018.

We implemented a new web-based internal audit module named ENAT, where audit processes can be carried out according to specified standards and a more effective process of tracking the findings can be applied. In order to implement continuous audit and continuous monitoring activities, the Internal Audit Department supports our units in developing effective control practices. In addition, Internal Audit shares its findings and improvement suggestions with our business units based on data analytics methods for the topics not included the scope of the audit plan.

The internal audit plan that defines the framework of audits is updated annually after being approved by the Audit Committee and the Board of Directors.

# SUPPLY CHAIN MANAGEMENT



Enerjisa Enerji carries out grid investments in three distribution regions in order to provide uninterrupted and high-quality electricity service to customers. Within the scope of investments, several infrastructure projects of various sizes need to be managed in these regions and supply chain management plays a critical role.

We have more than 2,000 suppliers in these areas working on infrastructure facility, construction of the distribution grid, repair and maintenance, building construction and renovation related services, as well as other goods and services. Approximately 100 of these suppliers are critical Tier 1 suppliers. The entire supplier network of the distribution business line consists of local suppliers.

We expect our suppliers to meet minimum standards for good ESG performance. We aim to minimize environmental impacts in supply chain management and we value the circular economy. We carefully select our business partners and monitor their compliance with our principles and policies. At Enerjisa Enerji, we are willing to work with our suppliers to ensure that they comply with the Enerjisa Supplier Compliance Declaration, Human Rights Policy, Anti-Bribery and Anti-Corruption Policy, Occupational Health and Safety Policy, Environmental Policy and Third-Party Relations Policy. Within the framework of these policies, we expect our suppliers to respect human rights, create suitable working conditions for their



employees, reduce their environmental impacts and apply ethical and moral business standards to their work.

We care about the quality and sustainability of our suppliers hence we support them with trainings and supplier financing programs such as:

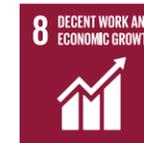
**Training Programs:** We provide training to our critical suppliers on legislation changes and technical issues related to procurement. Furthermore, Q&A sessions are held with suppliers

before tender invitations in order to minimize the uncertainties that companies may experience due to changes in the legislation (EMRA Procurement Legislation) or company policies during the procurement process.

**Supplier Financing:** Suppliers may have trouble securing financing, particularly during volatile macroeconomic conditions and this may pose a risk for their continuity. In such cases, we carry agreements with banks to provide financing to suppliers and support their financial sustainability.

**ESG-focused Initiatives:** We take initiatives to help our suppliers achieve better ESG performance. We work in collaboration with them to minimize environmental impacts in supply chain management by using circular economy principles. We diligently select our Business Partners and monitor their compliance with the Company's Code of Conduct.

# OCCUPATIONAL HEALTH AND SAFETY



## Anticipating occupational health and safety hazards is key to help ensure protection of workers and the public across Enerjisa's value chain.

Delivering electricity via the distribution lines and grids entails a high degree of risk for our employees and our contractors. Occupational Health and Safety is a top priority at Enerjisa Enerji. We proactively manage the risks faced by the Company and contractors and KPIs are periodically reported to senior management. Potential risks are continuously evaluated to instill OHS culture in the company.

In the distribution business unit, the Occupational Health, Safety and Environment Unit reports to the Head of the Distribution Business Unit under the CEO and in the retail business unit, it reports to the Human Resources and Corporate Competencies Department.

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

Managing OHS in accordance with international standards is critical. The ISO 45001:2018 Occupational Health and Safety Management System covers all of the locations and facilities of Enerjisa Enerji Distribution Companies. The recertification process in 2020 was carried out in accordance with the most up-to date version of the standard and it demonstrated that the Company's Occupational Health and Safety System enabled a transformation that focuses on preventive actions by considering a more effective, more integrated risk and opportunity-based approach in 2020 in accordance with the principle of continuous improvement. Enerjisa Enerji Retail Companies also started working towards ISO 45001: 2018 Management System certification in 2020. They

carried out internal audits in three regions as well as reviewing their compliance with the Occupational Health and Safety Management System. The certification process is completed in 2021.

We carry out OHS risk assessment for potential new projects, non-routine operations, changes in existing operations and new business areas, and ensure OHS standards are met before launch of new operations. In addition, we use the Fine-Kinney method to categorize risks as very high, high, important, probable and low.

We set monthly and annual targets to increase awareness on OHS. We ensure collaboration and participation of all our employees from all levels of the organization and our stakeholders in order to improve our OHS performance and better address the risk areas. For risk assessments and investigation of incidents, we ask for feedbacks and participation of our employees and contractors. Additionally, our employees can participate to the decision making process on OHS topics through the OHS committees. Worker representatives attend monthly OHS committees. In addition, worker representatives and trade union participate in the assessment of Personnel Protective Equipment alternatives to be used.

To spread OHS culture, we invest in OHS training and organize events such as OHS Week that takes place in May to raise awareness for employees, business partners and subcontractors in every region we operate in.

### Savaş Seloğlu

Health, Safety and Environment Group Manager

Enerjisa Energy considers health and safety as a core value and works with determination to create a safety culture at all levels of the organization. We focus on both increasing the safety awareness of employees and the leadership of managers with one-of-a-kind practice in the electricity distribution sector. With Model-Based Critical Behavior Analysis, which is a joint project with METU Psychology Department, we focused on the reasons behind the hazardous behaviors of employees. With Personal Health and Safety Consultancy Program for Managers, we aim to contribute to the health and safety leadership skills of managers and widen their safety perspectives. With these two projects, we focus on the key areas where we want to reduce the number of critical accidents and sustain a safe work environment.

## OHS TRAINING

We aim to create a culture of safety and make it part of our culture at Enerjisa. We make sure that every employee is familiar with our approach to workplace safety. Regular training and improvements play an important role in OHS management to mitigate these risks and ensure a healthy workplace for our employees and contractors. Training on safe working conditions is an essential part of OHS management and strengthens both the OHS culture and the professional skills of the employees.

Due to the pandemic, we canceled face-to-face training in 2020. Average OHS training per employee in the Enerjisa Distribution Companies was 5.3 hours in 2020, including the training provided at the beginning of the year and training provided to new recruits during the pandemic. As the OHS training remained a priority during the pandemic, OHS training accounted for 40% of total employee training in 2020.

**Personal Occupational Health and Safety Consultancy for Managers:** In 2020, we started the Individual Safety Improvement Program for Managers to expand the awareness of managers on Occupational Health and Safety issues and contributing to Occupational Health and Safety culture in Distribution Companies. The main purpose of this program is to give feedback to managers about his/her safety perspective and to set individual OHS target for managers.

**Online Training:** We developed OHS training content for the online training platform EnAkademi. With a view to establishing a safe business culture, we made online OHS training available to all white collar employees who support field operations so they could internalize OHS and improve their contribution in their areas of responsibility.

### OHS TRAINING HOUR PER EMPLOYEE



# OCCUPATIONAL HEALTH AND SAFETY

## OHS DURING PANDEMIC



To better respond to COVID-19 and take immediate measures, we established the Coronavirus Crisis Committee. The following measures have been implemented and followed up throughout the Company with utmost care:

- **Coronavirus Response Plans:** These plans outlined the necessary actions in case of suspected or active confirmed cases. The office and working environment are disinfected when there is a confirmed active patient. In such a case, the employee is isolated for a period determined by the workplace doctor in accordance with the notifications issued by the Republic of Turkey Ministry of Health. The employees who are considered a suspected case under the coronavirus response plan are isolated for a period determined by the workplace doctor. The number of confirmed, suspected and recovered cases are reported to the committee daily. In addition, a weekly report that includes the trend of the cases since the report of the first cases, confirmed and recovered cases, their average age, treatment status and contacts is submitted.
- **Risk Group Evaluation:** At the very beginning of the process and in light of the circulars issued by the Ministry of Health and other relevant official institutions, we evaluated the status of employees with chronic diseases, disabilities and the pregnancy status of female employees. Such employees worked with remote or rotational working models or took administrative leave.
- **Review of Working Conditions:** In accordance with remote working principles, we rescheduled our operations to minimize the number of personnel in offices. The OHS inspectors switched to a home-field-home work schedule and were asked to avoid working at the offices unless necessary to ensure the continuity of field inspections and to minimize their exposure to the virus.
- **Cleaning and Disinfection Plans:** We revised the existing cleaning plans in all locations. We tripled the frequency of the cleaning routines. We

reviewed disinfection methods in light of the circulars issued by the relevant official institutions. For public holidays, disinfection plans were prepared in addition to the existing cleaning plans and periodic disinfection programs for personnel shuttles and fleet vehicles were introduced.

- **Training:** At around approximately 150 sales and distribution locations, workplace doctors conducted awareness raising activities on disease prevention and control.
- **Physical Barriers:** We deployed physical barriers to reduce the risk of infection at all locations, especially where customers were physically served such as payment desks or counters.
- **Entry-Exit Controls:** Temperature measurements, HES code inquiry and coronavirus assessment of visitors were initiated at all operational facilities.
- **Contact-free Technologies:** In all buildings and their extensions, common use areas such as entrances and faucets where hand contact is intense were refitted with sensors to reduce direct contact.
- **Appointment System:** For all locations that physically serve customers, appointments are made through digital channels and measures have been taken to mitigate customer density that may pose a risk for appropriate social distancing.
- **TSE Safe Service Certification:** In parallel with the Infection Prevention and Control guide prepared by the Turkish Standards Institute, a certification application was made to certify the compliance of our workplaces with the established standards.
- **Mask Supply:** We supplied seven million face masks and surface and hand disinfectants for our employees. Office employees were provided with washable fabric face masks to minimize waste.
- **Communication Activities:** We carry out regular communication activities via SMS, e-mails, posters, İKON App in order to keep the employees' perceptions alive and ensure compliance with the pandemic measures.

## OHS PERFORMANCE

Enerjisa Enerji aims for a Zero Accident Journey. Therefore, we regularly monitor the impact of all OHS related investments and initiatives based on indicators. We conduct risk analyses on issues such as the Occupational Health and Safety risks of contractors in the construction business, seismic compliance of buildings acquired from the public, the construction standards of recently leased buildings and OHS compliance in pilot and installation works requiring equipment. We benchmark against industry standards and sector players including our shareholder E.ON to improve our OHS performance. Within the framework of our SIP (Safety Improvement Plan), we define our targets, manage risks and plan how to prevent them. SIP contains following headings to create and sustain a safety culture: ownership of management (safety inspections, workshops, safety meetings etc.), contractor safety management and culture development.

Thanks to our efforts in OHS, we managed to significantly decrease the Total Recordable Incident Frequency (TRIF) and Total Recordable Incident Frequency Rate Excluding Slip, Trip and Fall Accidents (TRIF w/o STF). The TRIF decreased by 4% and Total Recordable Incident Frequency Rate Excluding Slip, Trip and Fall Accidents dropped by 10%.

With our deep regret and sadness, in 2020, one of our employees and one of our contractors' employee passed away. As health and safety of all colleagues is of utmost importance for us, we investigate each fatal accident thoroughly so that we understand the exact course of events that led to it. Identifying root causes enables us to take the measures necessary to prevent similar accidents in the future.

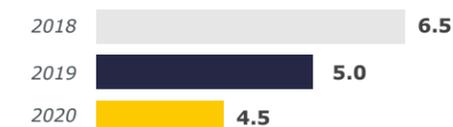
### NUMBER OF CRITICAL ACCIDENTS



### TOTAL RECORDABLE INCIDENT FREQUENCY (TRIF)<sup>13</sup>



### TOTAL RECORDABLE INCIDENT FREQUENCY EXCLUDING SLIP, TRIP AND FALL ACCIDENTS (TRIF W/O STF)<sup>12</sup>



### LOST TIME INCIDENT SEVERITY RATE (LTISR)<sup>14</sup>



<sup>12</sup> (Accidents resulting in fatality, lost workdays, medical treatment; excluding flat slip, trip and fall accidents) x 1,000,000 / Total working hours

<sup>13</sup> (Total number of fatal, lost workday, medical intervention work accidents) x 1,000,000 / Total working hours

<sup>14</sup> (Total number of lost workdays due to work accidents) x 1,000,000 / Total working hours

\* The figures are consolidated for Enerjisa employees and contractors.

# OCCUPATIONAL HEALTH AND SAFETY

## Contractors

Our contractors are our main business partners. We conduct safety inspections on the field and request their Safety Improvement Plans from our construction works contractors. In 2020 we carried out 15,000 field OHS inspections for contractors and followed up actions.

You can find the selected OHS data subject to limited assurance in Annex VI.

## OHS PERFORMANCE IMPROVEMENTS WITH PROJECTS

Preventing occupational accidents is imperative to foster a safe working environment. We focus on the root causes of incidents by investigating fatal accidents and injuries. We launch innovative initiatives and practices that employ technology to prevent accidents across the company, particularly in high-risk processes.

**Video Verification System:** We aim to prevent possible accidents by using the Video Verification System. We have used the Video Verification System since 2019 for energy control and energization-deenergization. We added control mechanisms on working at heights in 2020 for low-voltage activities. The Video Verification System monitors the work environment in real time with video push-to-talk devices to confirm the use of necessary personal protective equipment and to ensure a safe working environment. The system makes it possible for employees to start working following the approval of an official during the monitoring.

**Contractor Communication Portal:** In 2020, we developed the Contractor Communication Portal for the contractors of Distribution Companies to

upload the necessary Occupational Health, Safety and Environment documents to be prepared before they start their operations and to provide a fast and secure way for the relevant departments of the distribution companies to check documents. With this platform, we ensured that network operations and construction contractors upload the information about the personnel who will do the work, the machinery and equipment to be used and all the documents within the scope of the OHS-Environment plan to the system so that work is not carried out without approval on the system. Created to prevent contractors from starting field operations without the knowledge and permission of the distribution companies, the platform aims to minimize time lost during document transfer and to communicate quickly with contractors about occupational accidents and action plans.

**ENSAFE Mobil:** Detecting and eliminating hazardous situations and near-miss incidents are among the most important steps in preventing occupational accidents. We added a mobile "ENSAFE" login interface to the handheld terminals of field workers to help them report any hazardous situations and near-miss incidents they encounter.

The system notifies the employee's first manager of the hazardous, unusual situation or near-miss incident via email. The manager can assess the need for action on the ENSAFE website and, if necessary, actions are taken to eliminate non-conformities. In case of delays exceeding 14 days during the evaluation process, senior managers are informed via e-mail to ensure the continuity of the process.

## Electricity Control Studies in Power Plants:

Even when there is no electricity in the distribution network, occupational accidents may occur due to electricity flowing from power plants to the

network. The current control efforts in these power plants prevent potential hazards. Within this scope, the inspection of 495 power plants in the Başkent distribution region, 51 plants in AYEDAŞ and 560 plants in Toroslar were completed in 2020.

## Procurement of Flexible Magnetic Warning

**Signs:** A warning sign was designed, procured and distributed to the three distribution companies to warn operators of OHS risks when working with dangerous or unusual equipment during the malfunction and maintenance controls in the network.

We participated in the 3<sup>rd</sup> Occupational Health and Safety in Electricity Distribution Sector Conference, which was organized by the Association of Distribution System Operators (ELDER). The event was attended by sector stakeholders including the Energy Market Regulatory Authority (EMRA), Turkish Electricity Distribution Corporation (TEDAŞ), Turkey Energy, Water and Gas Workers' Union (TES-İŞ), electricity distribution companies, as well as local and international experts in the energy sector. In addition, we took part in the preparation of "Root Cause Analysis of Fatal Accidents in the Electricity Distribution Sector" report, which is a joint study by ELDER and the European Bank for Reconstruction and

Development (EBRD) aimed at improving the Occupational Health and Safety culture in the electricity distribution sector and minimizing occupational accidents. The Report is published during the conference.

Additionally, we took part in a joint project with the Psychology Department at Middle East Technical University (METU). As a first in the sector, we prepared and presented the Model-Based Critical Behavior Analysis and Behavior Change in the Distribution Sector report in the Enerjisa Distribution Companies, where our aim was to determine the causes of critical hazardous behavior.

# ENVIRONMENTAL MANAGEMENT



Climate action failure, biodiversity loss and human environmental damage dominate the WEF Global Risks Report 2021. The COVID-19 pandemic also highlighted the level of increased human-wildlife interactions and how biodiversity and wildlife loss resulting from human activities is negatively affecting the health of ecosystems. In terms of adapting and mitigating climate change and preventing future pandemics, measures and efforts taken only by governments and individuals are not sufficient to achieve a sustainable future and the participation of private sector in these efforts is critical.

We are aware of irreversible impacts on the environment and economy unless limited resources are managed accurately, the ecosystem and biodiversity are conserved and the necessary measures are taken to tackle climate change. We have adopted a responsible and respectful approach to environment by focusing on improving our environmental performance and mitigating environmental impacts. We develop action plans in various fields including pollution prevention and abatement, conservation of biodiversity and ecosystem risk assessment in areas where we operate, tackling climate change and transiting to circular economy in waste management in line with our environmental sustainability goals.

## CLIMATE CHANGE AND ENERGY MANAGEMENT

The COVID-19 pandemic brought many human activities to a halt. Actions taken by governments to stop the virus from spreading and lower economic activity, reduced global CO<sub>2</sub> emissions, giving us a glimpse of what a low carbon future would look like.

In addition, the increasing share of renewables in the total generation capacity contributed to the decline in CO<sub>2</sub> emissions. The share of renewable electricity generation had a record 2pp increase, rising to 29% of global energy generation.

While 5.8% decline in energy related CO<sub>2</sub> emissions in 2020 was unprecedented, according to International Energy Agency, the rapid rebound of world economies will only keep emissions 1.2% below the levels of 2019 in 2021.

As Chinese, United States and European Union economies pick up, it is crucial that governments set more ambitious low carbon or "net zero" targets and support a green recovery so that global warming can be kept below 1.5 degree Celsius. To comply with the current ambitious international agenda such as the European Green Deal, companies must complete their transition and partner with relevant stakeholders. Microgeneration, interconnectedness, smart grids and innovative energy solutions are expected to be key factors in ensuring a transition to a low carbon, affordable, reliable and accessible energy supply.

## ENERJISA APPROACH

**A cleaner, better and more sustainable future needs smart and digital energy grids. Material investment in network infrastructure are essential if this is to be achieved. We invested TL 1.8 billion in 2020 and have committed to make substantial investments in the future as well.**

We conduct our operations in accordance with international standards such as the ISO14001:2015 Environmental Management System. We define our annual energy and natural source consumption reduction targets based on the location-specific ISO 14001 Environmental Management System by effectively monitoring the electricity, water and fuel consumption in the buildings. We have 100% coverage for ISO14001 certification at all Enerjisa Enerji locations.

We are aware of our responsibility for a low carbon future and work to reduce our carbon emissions by purchasing green energy and investing in increasing energy efficiency. We monitor and report our energy consumption data, carry energy efficiency initiatives and aim to decrease our direct and indirect GHG emissions in all business processes.

We take part in various initiatives and develop R&D projects for climate change and energy efficiency as follows:

**Climate Project Regarding SF6 Gas Usage in the Electric Sector:** We participated in the Climate Project Regarding SF6 Gas Usage in the Electric Sector financed by the European Union and carried out by the Association of Waste Paper and Recyclers (AGED) and the Association of Distribution System Operators (ELDER). The purpose of the Project is to develop a framework to monitor and recycle SF6 gas, a GHG that is widely used in the power sector, in compliance with the provisions of the Regulation on Fluorinated Greenhouse Gases, thus mitigating the climate change impact of SF6.

**Smart Grids:** We work on grid compatibility with renewable energy systems for the energy infrastructure and energy storage systems of the future through pilot projects. Within the scope of the project, e-mobility and charging infrastructure are managed in an integrated manner. The goal of these pilot projects is to deliver significant improvements in terms of energy efficiency and GHG emission reduction. Furthermore, we aim to prevent energy loss due to faulty meters through work on smart electricity meters and automated electricity meter reading.

**HASAT Project:** With the aim of developing innovative practices and methodologies that will increase energy efficiency in the electricity distribution sector and define a road map for energy efficiency, the HASAT Project was initiated in collaboration with ELDER and with the support of other Electricity Distribution Companies. The goal of the project is to develop practices to define infrastructure and systemic improvement requirements in line with initiatives to increase efficiency and encourage consumers to use more energy more efficiently.

# ENVIRONMENTAL MANAGEMENT

## Our Actions to Mitigate

Our actions for reducing CO<sub>2</sub> emissions under Scope 1,2 and 3 are summarized below:

<b>SCOPE 1</b>	<ul style="list-style-type: none"> <li>We extended our fleet operations by including electric and/or hybrid vehicles; electric and hybrid vehicles accounted for 8% of our administrative vehicle fleet.</li> <li>In 2020, Çankırı and Gölbaşı Customer Service Centers switched from fossil fuel combi boiler to electric combi boiler. By the end of 2021, we target to switch combi boilers in all locations in retail to electric combi boilers, which will use renewable electricity.</li> </ul>
<b>SCOPE 2</b>	<ul style="list-style-type: none"> <li>We monitor our electricity consumption closely in order to boost efficiency through root-cause analysis and improvement projects. In 2020, we launched a pilot project to monitor electricity consumption in real time via the OSOS system in distribution business unit (98 buildings) and in 2021 we plan to expand this project in other regions (74 buildings).</li> <li>As part of our goal to reduce energy indirect Scope 2 emissions, we procured 100% of electricity consumption from green energy for all Enerjisa premises.</li> </ul>
<b>SCOPE 3</b>	<ul style="list-style-type: none"> <li>In December 2020, for the first time, we signed bilateral agreements (PPA) in order to supply electricity directly from power plants that generate electricity from renewable energy resources. As a result, we aim to provide energy to our eligible customers by partly using the electricity directly supplied from renewable resources.</li> </ul> <p><b>Solutions for Customers (Indirect Impacts)</b></p> <ul style="list-style-type: none"> <li>Energy Efficiency Solutions for customers: 6,400 light fixtures replaced with LED, enabling a reduction in energy consumption of more than 1,600 MWh and elimination of at least 870 metric tons of CO<sub>2</sub> emissions annually.</li> <li>CHP and CCHP Solutions: 3.8 MWe installed capacity, expected to eliminate 30,000 metric tons of CO<sub>2</sub> emissions within the next decade.</li> <li>Green Energy Solutions: In 2020, Enerjisa sold 44,000 MWh of renewable energy certificates.</li> </ul>

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

Please see Green Energy Solutions under the Innovate for Future Energy section. [↗](#)

## GHG Emissions Reporting

We track our Scope 1-2-3 emissions and strive to improve our environmental reporting each year. In order to maintain the transparency expectations of our stakeholders, we constantly review and improve our reporting methodology. Depending on different factors such as recent availability of better data collection methods or increase in reporting scopes, it might be necessary to restate data pertaining to previous years. Where the restated figures have material impact on our consolidated figures, we restate the relevant data in the sustainability report.

Our Scope 1 emissions was 44,482 metric tons in 2020. Our Scope 2 emissions, which includes distribution losses was 1.8 million metric tons and our Scope 3 emissions which includes emissions from electricity sold to customers was 21.6 million metric tons.

The improvements in the quality of our data collection systems for reporting GHG emissions in 2020 are as follows:

	SCOPE 1	SCOPE 2	SCOPE 3
Definition	Emissions covers direct GHG emissions associated with resources owned or controlled by us such as fuel consumption, company vehicles and fugitive emissions, etc.	Emissions describes indirect consumption associated with purchased electricity, heat or steam.	Emissions include indirect emissions associated with resources that are not owned and cannot be directly controlled by the company, such as, business travel and procured goods and services.  Scope 3 emissions were reported for the first time in 2019.
2020 Additional Scope	Extended to include F-gases and better classification of vehicle and generator fuels.	Reporting boundary for GHG reporting extended and distribution technical and non-technical losses are included.	Extended to include emissions from electricity distributed to our customers.

2019 GHG emission figures for all scopes were recalculated and have been restated based on the above-mentioned procedures and can be found in Annex V. [↗](#)

# ENVIRONMENTAL MANAGEMENT

## BIODIVERSITY

**We are committed to conserve ecosystem and natural biodiversity and take necessary precautions for that purpose.**

The explosion in global trade, human population growth, changing consumption habits and rapid urbanization has been destroying and degrading the natural environment for many years. The 2020 Living Planet Index shows an average 68% decline in the population of monitored vertebrate species between 1970 and 2016. ↗ The loss of biodiversity highlights the importance of the relationship between people and nature. The COVID-19 pandemic has proven that maintaining sustainable economic growth is only possible if further degradation of ecosystems is stopped.

Enerjisa Enerji operates an extensive electrical grid in various locations around Turkey. The electrical grid and its associated impact area (e.g., right of way construction, repair and maintenance activities, operation of the grid itself, etc.) inevitably overlaps with ecosystems that are important designated areas such as Ramsar sites, national parks and various nature conservation areas in Turkey, which is located on two of the world's major bird migration and feeding routes. In addition to the presence of protected areas in the distribution regions, the electrical grid operated by AYEDAŞ, Toroslar EDAŞ and Başkent EDAŞ also intersects with important flyways of soaring birds.

We aim to reduce the potential negative impact on nature using our Environmental Policy ↗ as a framework and to conduct Ecosystem Assessment Reports before and after new construction work. In 2020, we prepared the **Biodiversity Conservation Action Plan** for three distribution regions as part of the loan agreement carried out with EBRD. The action plan includes an **Ecosystem Risk Assessment** prepared in accordance with the Biodiversity Conservation and Sustainable Management of Living Natural Resources Guide of EBRD and the "Aviation Protection Plan" prepared as a result of ornithological studies.

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

Projects carried out for the conservation of biodiversity are as follows:



**Daphne Project:** Trees under power transmission lines can cause outages and fires due to physical contact with the lines after the installation. Energy transmission lines are cleared of vegetation in a certain cross-section in accordance with applicable regulations. When necessary, trees are removed from the area by cutting or pruning. However, this process has important ecological and financial impacts.

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

By focusing on literature and research, we focused on choosing a tree with high added value and economical return for planting. Based on the results, the daphne plant was chosen. Within the scope of the project, 5,500 bay tree saplings

were planted in the selected area in the province of Bartın. This project has various direct and indirect results, such as reduction of workload for maintenance teams, preventing possible accidents, reducing repair costs, and cutting energy losses.

**High Voltage Aerial Line Insulation Project:** Birds, particularly migratory birds, face the risk of electrocution as they commonly perch on utility poles and nest or enter between two conductors. Within the scope of the High Voltage Aerial Line Insulation Project, which started at the end of 2017, several existing power lines have been retrofitted by installing insulators. The investments made to date are as follows:

INSULATOR INVESTMENTS (000' TL)	2018	2019	2020
AYEDAŞ	-	140	-
Başkent	88	111	158
Toroslar	35	95	12

**Bird Deterrent:** In order to prevent bird fatalities, we installed conductors in areas situated on migration routes. A pilot line was chosen in Adana for installation of insulators and monitoring was initiated. With this project, we aim to protect both bird populations and biodiversity in the region.

**Bird Diverter:** We have a pilot project to install Bird Diverter along selected sections of aerial lines to minimize bird fatalities due to electrocution and collision.

# ENVIRONMENTAL MANAGEMENT

## WASTE MANAGEMENT

Current economic models are inefficient when it comes to valuable natural resources, since they continue to operate according to take-make-dispose linear systems. Today, improperly managed waste in a linear economy is causing harm to the planet and to society and urgent actions must be taken. This poor waste management negatively effects the health of communities, leads to transmission of diseases and harms animals that consume waste unknowingly. According to the World Bank, by 2050, worldwide waste generation is expected to increase by 70% compared to 2016 to 3.40 billion tons annually. This means we need to redefine waste and move from a linear to a circular economy model. A new study by the United Nations Framework Convention on Climate Change provides new evidence that adopting a circular economy model enhanced by rapid technological advancement would allow European economies to grow resource productivity by up to 3% annually and generate a primary resource benefit of as much as 600 billion € per year by 2030. To reach targets under the Paris Climate Agreement, it is vital for lawmakers, NGOs and the private sector to look at waste as a valuable resource and to establish partnerships to increase circularity.

We developed our Waste Management System in compliance with ISO 14001 and improved the system pursuant to applicable legislation, as well as the Company's sustainable development

principles. We carry out all material usage and waste management with the purpose of mitigating environmental impacts and transitioning to a circular economy in waste management activities through a life cycle approach.

**Hazardous Waste Management:** We aim to reduce the environmental impact of our operations and recycle waste back into the circular economy by leveraging the life cycle approach. Hazardous waste is stored according to legislation and disposed of with the support of licensed recycling companies. We separate waste at our storage areas in İstanbul Kurtköy, Adana, Ankara Natoyolu, Gaziantep, Mersin, Hatay Çaycuma and Kastamonu Logistics Services Centers without losing its recyclable/recoverable properties and deliver it to authorized waste companies. Furthermore, all storage areas where hazardous waste is temporarily stored are insured with Compulsory Liability Insurance for Hazardous Materials and Hazardous Waste as required by law and the insurance policies are renewed annually. All sites have obtained Hazardous Waste Temporary Storage Permit from Provincial Directorates of Environment and Urbanization of the relevant city. In 2020, we generated a total of 3,922 tons of hazardous waste, of which 3,880 tons was send to recycling facilities.

**Non-Hazardous Waste Management:** We have commenced compliance actions to set up the Zero Waste System in compliance with the Zero Waste Regulation in all our locations/buildings and facilities.

- **Grid Waste:** Grid waste contain valuable materials which should be reused/recycled or upcycled in order to manage life cycle environmental impacts. Therefore, we ensure proper collection of grid waste from distribution activities, reuse to the extent possible, storage pursuant to legislation and disposal by licensed recycling companies in order to reduce consumption of resources and control environmental impacts through a life cycle approach. Accordingly, grid waste undergoes Material Quality Control and Recycle Test Center processes, and materials are recycled to the extent possible, thereby reducing the quantity of waste.
- **Domestic and Recyclable Waste:** Domestic and recyclable waste is delivered to the concerned municipalities and authorized companies of the municipalities' licensed waste management plants.
- **Biodegradable Waste:** In AYEDAŞ Headquarter, biodegradable waste is converted into compost.
- **Vegetable Oils:** Waste vegetable oils from the catering services of contractors are delivered to licensed companies to be disposed pursuant to the Waste Oil Control Regulation.
- **Hygienic Waste:** As part of the COVID-19 Pandemic Prevention Measures, a waste collection-disposal system was established in compliance with the legislation regarding waste from masks, gloves and single-use hygienic materials.

- **Medical Waste:** Medical waste generated from workplace health units is managed in accordance with Medical Waste Regulation and disposed properly via licensed company.

In 2020, we generated a total of 8,727 tons non-hazardous waste and send all of it to recycling facilities.

Other developments regarding waste management are as follows:

- Distribution transformers, cells and circuit breakers, which contain materials with significant environmental aspects during manufacturing and end-of-life phase, were recycled at the targeted levels in our Material Quality Control and Recycling Test Centers. Hence, the environmental impact was reduced at the production and disposal phase according to life cycle principles.
- Waste separation practices were adapted to the Zero Waste Management System at all locations. Thus, plastic, paper, metal, glass, biodegradable, non-recyclable waste is collected separately.
- We ensure contribution of waste from our activities to the circular economy through 2020 scrap procurement contracts in the distribution business line. Our contractors under these contracts are required to have ISO 14001 certificates. In 2020, tenders (Scrap Sales Tenders) were held to sell end-of-life useful network inventories that will contribute to the circular economy. The new tender procedure was structured according to the waste hierarchy that complies with the latest amendments in Environmental Legislation and principles of circular economy.

# ENVIRONMENTAL MANAGEMENT

- Suppliers are required to have waste management plans within the scope of their operations. Within that framework, classification, recycling or disposal pursuant to legislation is coordinated.
- As part of the paper use and recycling activities, certified industrial paper (Forest Certification) is used in all printers. Wastepaper is separated for recycling and delivered to contracted local authorities to be recycled. Printers have been adjusted to print and copy on both sides of the paper, which resulted in saving of 500 trees. An agreement was signed with the Turkish Ministry of Environment and Urban Planning for collection of waste printer cartridges.

You can find the selected waste data subject to limited assurance in the Annex.

Please see **Annex V**

## Plastic Waste

We take initiatives and develop plans to eradicate single-use plastics in company buildings. In-house awareness-raising activities continue to prevent disposable plastic, paper and other similar waste. We joined the Business Plastic Initiative to address plastic pollution. This was launched in collaboration with Global Compact Turkey, Turkish Industry and Business Association (TÜSİAD) and the Business Council for Sustainable Development Turkey (SKD Turkey).

Water dispensers for purified water were deployed at the headquarters of Enerjisa Enerji and the İstanbul Anadolu Yakası Region and Toroslar Regions and glass water bottles were provided to employees to minimize the consumption of disposable plastic water bottles. As a result, the disposal of 450,000 plastic water bottles in these regions is avoided annually. The practice will also be initiated at the headquarters of the Başkent Region in 2021.

## WATER MANAGEMENT

Water is one of the essential resources for life and critical for many sectors of the economy. Here at Enerjisa Enerji, we primarily consume municipal water supplied by city networks at all operational locations. At some of the distribution locations built before privatization, there are permitted ground water wells but we use ground water well in only one location mainly for gardening and fire hydrants. We do not discharge any industrial waste water into natural receiving media.

In 2020, our water consumption stood at 98,654 m<sup>3</sup> (92,504 m<sup>3</sup> municipal water and 6,150 m<sup>3</sup> ground water), with a 3.1% reduction compared to 2019. The decrease in water consumption is due to our office employees switching to the home-office working model as well as improvements made to the water infrastructure at company facilities.

Administrative Affairs Heads in both distribution business unit and retail sales unit are responsible for monitoring and reducing water consumption. In 2020, we started to monitor our water consumption by location closely. We conduct awareness campaigns for our employees and install faucet aerators in our locations to reduce water consumption.

The waste water that is generated is not discharged to a receiving environment, but directly to the city sewerage system (with the exception of ground water which is used for gardening purposes). Waste water is not contaminated with vegetable waste oils from cafeteria-kitchen and other industrial chemicals. We also published instructions related to the Chemical Leakage-Spill and Pollution Prevention Plan, established mandatory rules and process controls to avoid any environmental pollution in municipal water, surface water and groundwater resources outside of our buildings while carrying out electric distribution activities and informed employees accordingly. Furthermore, the İstanbul and Toroslar headquarter buildings are equipped with rain water harvesting equipment that collects rain water for garden irrigation, toilet flushing and cleaning activities. We plan to expand the water harvesting system to other locations.

You can find the selected water data subject to limited assurance in the Annex.

Please see **Annex V**

# SOCIAL RESPONSIBILITY

We are committed to adding value to society and contributing to progress. We carry out social responsibility projects through voluntary contributions from our employees and direct financial support to non-governmental

organizations. We take into account our social impact and take action to raise awareness through training on community safety, diversity and energy efficiency.

## CORPORATE SOCIAL RESPONSIBILITY PROJECTS

We have identified our corporate social responsibility focus areas as education, environment-society and energy.

### I am Protecting the Energy of the World:

Behavioral changes in energy use are essential for holistic transformation of the energy sector and to accelerate reduction in carbon emissions. There is a growing need for training and awareness campaigns for changing day-to-day choices about how consumers use energy. As an energy provider, our goal is also efficient use of energy by the society, and we believe it can start with the education of our children. Since 2010, the project named I Protect the Energy of the World is raising awareness in children about energy efficiency. We provide energy efficiency training to children between the ages of 7 and 10. 420 enthusiastic employees are involved in the project so far and we have trained over 300,000 students from 650 schools in 14 provinces.

We conducted a survey in 2020 with around 1,000 children between the ages of 7 and 13 in Turkey to evaluate their energy-saving awareness and behavioral patterns. The results reveal that 51% our children have very little knowledge about conserving energy. Based on these results, we integrated the use of digital channels in 2020 in order to reach more students across the country during the pandemic. Using the project website

and the updated mobile app, children can play the energy-efficiency game, learn about global energy resources and how to conserve limited resources while having fun. The application restricts users to one hour of daily activity via the interface and the application teaches children essential energy-saving methods while building a new city. The digital application had approximately 6 million interactions in 2020.

**ENBİZ:** We conduct the ENBİZ project to promote diversity and inclusion. Since 2016, we have supported unemployed people with disabilities by offering them training on personal development and awareness training. In 2020, we organized the "Enerjimiz Engel Tanımıyor (Our Energy Knows No Barrier)" webinar on the International Day of Persons with Disabilities to promote the full and equal participation of people with disabilities in society. Moreover, Enerjisa employees took the campaign to their social media accounts to promote the disability awareness campaign with the hashtag #morisikyak.

**Awareness Campaigns:** We launched a new awareness project in 2020 to emphasize sustainability and future technologies. In this context, with the motto of "What will you leave for your child in the future?" two image films were broadcast on both traditional and digital channels.



## DONATIONS AND SPONSORSHIPS

**Donations:** We donated TL 18.4 million in 2020. Every year we donate to the Sabancı Foundation which contributes to society with social and cultural projects leveraging the industrial and economic strength of the Sabancı Group. In 2020, we donated TL 16.8 million to the Sabancı Foundation and Sabancı University, which is mainly used for education and cultural projects in Turkey. We also continue to support local NGOs focusing on social, education and environmental issues. We made donation to the jacket aid campaign and provided dry food and cleaning material aid to people whose houses were damaged in the Adana and Kastamonu forest fires.

## EMPLOYEE VOLUNTEERING

Voluntary participation from our employees enhances their motivation and engagement, while giving them a greater sense of belonging in the company. We support our employees' voluntary participation in our social responsibility projects and contribution to social welfare. In 2020, volunteering activities were limited due to COVID-19, with 160 employees participating in volunteering projects.



**Sponsorships:** We sponsor projects that add value and unite stakeholders from Turkey and across the world on various subjects, such as digitalization, innovation and energy efficiency. We have provided financial support of TL 132,000 and sponsored the Turkey Energy and Natural Resources Summit and Quality Circles Sharing Conference in 2020 to increase brand awareness and networking in the energy sector.

For further details, please see our Donations and Grants Policy.

We are sponsoring a program developed by Kodluyoruz (an association working on coding). The program aims to raise up young programmers to create social benefits and create equal opportunities for young people learning in all cities of Turkey. 35 young software developer candidates who have passed through certain selection stages were included in a 72-hour training program on Java & SQL. Enerjisa Human Resources and IT employees continue to support the process as speakers in webinars to meet and support participants.



# OUR BUSINESS IS ENERGY

Our strength is our readiness  
for future



## Shaping the New Energy World

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77 CUSTOMER SOLUTIONS



# Shaping the New Energy World

## Talent Management



## Innovate For Future Energy



## Customer Solutions



As the leading and largest electricity distribution and retail sales company in Turkey, we strive to be competitive, predictable and sustainable while ensuring the security and quality of the energy supply. Operating in a dynamic industry that is being transformed by global mega trends (digitalization, decarbonization, deregulation, decentralization and urbanization), we prepare for future developments with a clear vision and prioritize value-adding opportunities with our employees and innovation culture. We prepare for these fundamental changes by helping to shape regulations and exploring new business opportunities. We lead the sector in the New Energy World by focusing on sustainable energy solutions that produce energy through the earth's resources, rather than on the expense of them.

Together with our employees, we are committed to creating the energy sector of the future. We support all employees in their self-realization processes by providing them with the opportunity to understand themselves and to use their talents in the most accurate and efficient way.

Through innovation, we explore new business opportunities and we use technology and digitalization as critical enablers of our sustainability journey in the New Energy World.

# TALENT MANAGEMENT



**We closely follow the changes and megatrends of the energy world. To lead and achieve a successful transformation in our sector, we focus on our diverse, young and well-equipped human resources and enrich our innovation culture.**

Today increasing number of power and utility leaders are reviewing their business models and strategies to better meet customer needs. This includes developing certain organizational and technical capabilities to enable a more agile and innovative culture.<sup>15</sup> For us, our vision of leading the energy sector requires talented and equipped human resources that can achieve our company's strategic goals and meet our current and future needs.

In line with our vision of being the employer of choice in the energy industry and to be ranked among the top 15 employers across all sectors, we are focused on creating a purposeful working environment that cultivates a positive organizational climate, communication and culture. We offer training and development opportunities that provide differentiated growth and career advancement paths. We also offer our employees development opportunities and an equal, inclusive and safe work environment that allows them to realize their full potential.

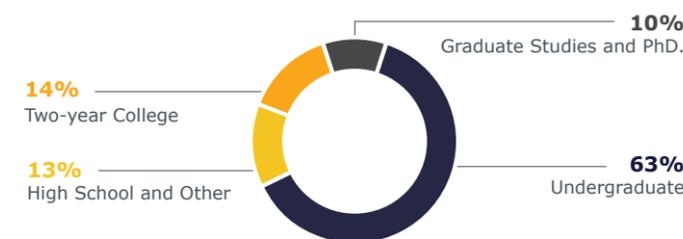
<sup>15</sup>PwC, *The three "R's" of talent management for power and utilities*



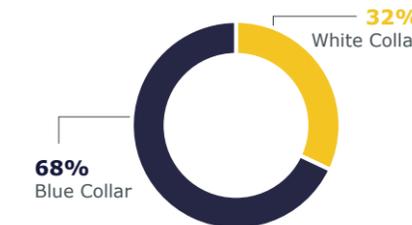
We provide equal opportunity and operate on the "right person for the right job" principle. Our talent management approach is based on creating value by giving all of our employees the opportunity to discover and understand themselves. We focus on drawing out the leadership traits of our employees with training and development to enable our employees to use and develop their skills in the most efficient way. To ensure the continuity of talents, we develop short-term and medium-term succession plans for all critical positions. We design leadership, personal and professional development programs based on the needs of our employees.

Diversity and inclusion constitute a core value at Enerjisa Enerji. In all Human Resources processes, we adopt an equal attitude regarding language, religion, nationality, race, ethnic origin, age, gender, marital status, health, disability status, political opinion, union memberships and all similar matters. All activities are undertaken in accordance with applicable law and rules and pursuant to Enerjisa Code of Conduct.

## WHITE-COLLAR EDUCATION STATUS



## DISTRIBUTION OF HEADCOUNT



As of 2020, we provided employment to 10,415 people. Blue-collar workers represent 68% of our total workforce.

## COVID-19 AND OUR WORKING PLACE



During COVID-19, we continued our operations with our responsible public service approach to provide uninterrupted energy to our customers. The management used monitoring, support and continuous communication mechanisms to effectively manage this process by providing correct information flow to each employee. By the time the COVID-19 pandemic started to spread in Turkey, Enerjisa's newly established Crisis Committee had already started to operate. Effectively benefiting from digital solutions, we utilized our Human Resources mobile application, İKON, for fast and simultaneous communication, tracking and intervention with all employees during the pandemic.

# TALENT MANAGEMENT

## DIVERSITY

Enerjisa is committed to having a diverse and inclusive workplace. We believe that diversity enriches decision making process and inclusivity increases commitment as the employees feel valued. Fair and equal conditions motivate our employees and boost their engagement and productivity. We do not discriminate employees based on language, race, gender, political opinion, belief, religion, sect, age, physical disability or similar reasons. ESG Committee ensures that all necessary actions that could be considered discrimination or abuse are addressed and can be reported by employees under the protection and safeguard of the principles of confidentiality. We communicate all of the fundamental principles with all our employees through our Code of Conduct (Enetik 2.0) and Human Rights Policy.

We actively take part in the following programs to support diversity and increase awareness:

**Target Gender Equality Program:** We support gender equality in the workplace as in all areas of life. This year we joined Target Gender Equality Program, a global UNGC program that helps companies contribute to Sustainable Development Goal number 5.5.<sup>16</sup> An ambassador and two representatives from Enerjisa have attended the program. The program aims to help companies set ambitious and realistic corporate goals in areas such as increasing the number of women on boards of directors and increasing the number of women entrepreneurs in the supply chain and to take action to achieve these goals.

### United Nations Women's Empowerment Principles:

Since 2019, we are among the signatories of the United Nations Women's Empowerment Principles.

### Business Against Domestic Violence Platform:

In 2020, we joined the Business Against Domestic Violence (BADV) project, which was carried out by the Corporate Governance Forum at Sabancı University. In this regard, representatives from the Human Resources teams completed the Gender Equality Training Program. These representatives have started studies to implement training outcomes within the company.

### The Turkish Women's International Network (TurkishWIN):

We renewed our membership in the Turkish Women's International Network in 2020 and 15 women managers benefited from the network's training and mentoring opportunities.

### Equal Opportunities in the Electricity Distribution Sector Project:

We manage the Equal Opportunities in the Electricity Distribution Sector project in collaboration with the Gender Equality Program Coordination Office of the European Bank for Reconstruction and Development (EBRD) and with the consultancy of Deloitte. As part of the project, we aim to review our human resources practices to encourage female employment in technical and managerial positions, to set clear and measurable goals for equal opportunity and to collaborate with institutions and organizations working in this area.

These studies will be carried out by the project team consisting of volunteers from different departments. The study results will be reported to a steering committee, which consists of executive management team. The project started in November 2020 and will continue in 2021.

**Sensiz Olmaz (Not Without You):** On March 8<sup>th</sup> 2021, our new platform for diversity and inclusion Sensiz Olmaz was launched and during the week of International Women's Day supporting events were organized to increase awareness.

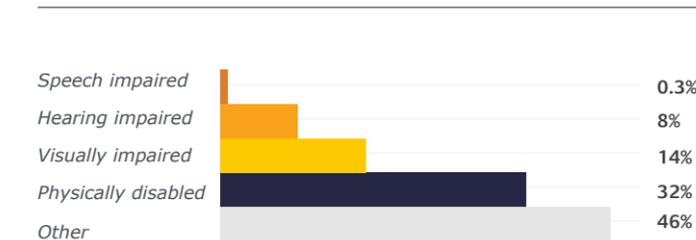
### WOMEN EMPLOYMENT STATISTICS (%)

in total workforce 11%	in white collar positions 33%	on the board 25%
in blue collar positions 1%	in managerial positions 28%	in senior management (above manager level) 14%
in STEM positions 23%	in revenue generating managerial positions 22%	

Our diversity approach is not limited to gender. We embrace age diversity and generational differences as it enables our employees learn from each other. In 2020, 70% of our new hires were under the age of 30 and 30% of them were between 31-49 years. 26% of our employees are under the age of 30, while 72% of them are between 30-49 years. 52% of our employees have worked at Enerjisa for between 5 and 10 years.

We support the participation of disabled people in social and economic life under equal conditions. As of 2020, the total number of disabled employees is 306, which is above legal requirement.

### BREAKDOWN BY TYPE OF DISABILITY



### Freedom of Association

We respect our employees' freedom of expression and do not tolerate any conduct preventing exercise of this freedom. Additionally, we support the freedom of association under applicable laws and regulations. The Collective Labor Agreement (CLA), signed between Enerjisa Enerji Distribution Companies and the TES-İŞ Union (Turkey Energy, Water and Gas Workers' Union) is in effect for a period of three years (March 1, 2018-February 28, 2021). The wages and working conditions of

7,112 blue-collar employees are governed by the provisions of the CLA currently in effect.

The TES-İŞ Union is the seventh-largest trade union in Turkey and the biggest in the energy business in terms of number of union member (69,459 members as of January 2021). Meanwhile, Collective Labor Agreement negotiations between Enerjisa Energy Distribution Companies and TES-İŞ started on April 21, 2021.

<sup>16</sup> SDG 5.5 Ensure Full Participation in Leadership and Decision-Making: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

# TALENT MANAGEMENT

## WORKING AT ENERJİSA

**The employee satisfaction score increased from 71% in 2018 to 80% in 2020, while the employee engagement rate increased from 55% to 70% in the same period.**

Employee engagement is a critical driver of continuity and success in the competitive business world. This is directly linked to increasing retention, enhancing organizational performance and meeting customers' needs. At Enerjisa, we care about the feedback from our employees and provide them a workplace where they feel valuable. We measure employee satisfaction every two years through surveys. The employee satisfaction score increased from 71% in 2018 to 80% in 2020, while the employee engagement rate increased from 55% to 70% in the same period. As of 2020, blue-collar employees were included in the surveys as well. These surveys enable us to take actions to improve working conditions. We evaluate the received feedbacks from employees and try to improve the satisfaction and commitment and reduce turnover rates in our organization. The employee turnover rate was 0.4% for female employees and 2% for male employees in 2020.

In addition to surveys, we use different mechanisms such as one-on-one interviews and focus groups to receive employee complaints, opinions and suggestions. Moreover, all employee requests are collected in the help desk system

accessible to all Enerjisa employees. Depending on these demands, actions are planned and processed with a proactive approach. The incoming request is directed to the relevant person and the solution process is initiated. After the operation owner takes the action to which the request is directed, the operation owner provides notification that the action has been completed via this system and this information reaches the employee who opened the request. The number of requests received was 8,191 in 2020 and 96.6% of them were resolved.

**96.6% of employee requests was resolved.**

At Enerjisa, we care about our employees having good work-life balance and flexible working conditions. In 2019, we started a working model (Sen Seç) that includes flexible working hours, flexible dress code and remote work in all headquarters. Prior to the extreme shift in working conditions due to pandemic, employees working in the headquarters (16% of all employees), had the benefit of flexible working hours. During the pandemic, we closely monitored the health risks and actively managed working conditions and most

of the headquarter employees started working from home. Employees have been constantly kept updated on the developments regarding flexible and remote working conditions via email and information sessions.

According to our Stakeholder Engagement Plan, we revised our engagement methods for our employees and other stakeholder groups. Engagement methods during the COVID-19 pandemic include text-based messaging, emails, utilization of teleconferences and videoconferences in order to overcome mandatory restrictions on social gatherings, face-to-face meetings and social distancing.

**Employee Support Program:** We launched the Avita Employee Support Program in 2018 and through this program, we have ensured that employees and their families receive counseling on psychological, medical, wellness, financial and legal matters. 2,574 requests were recorded in 2020 through the Avita Employee Support Program.

### Pınar Kaymaz

Customer Operations, Index Reading - Operator

Metering the electricity consumption is very important, hence it is one of our priorities to meter reading on time and correctly in distribution network. Being in the business world and producing new things makes us women content. Working in a company that gives importance to women's employment and offers equal opportunities gives confidence for the future.

### Osman Singer

Network Operations, Maintenance - Chief Operator

Enerjisa family prioritizes the safety of all employees working in the field. While we focused on providing uninterrupted energy to our customers during the COVID-19, we did not compromise on occupational safety and the health of our employees with the additional measures taken.

# TALENT MANAGEMENT

## DIGITAL TRANSFORMATION, TECHNOLOGY AND NEW TRENDS

We utilize technological tools and digitalization in our human resources practices to improve and accelerate working processes and lean on data driven decisions. İKON, our Digital Human Resources Platform, ensures that our employees working in different regions are informed at the same time about all company updates, can access HR & self-service applications via their mobiles and share their feedback using instant, quick and user-friendly surveys.

As part of the digitalization of Human Resources processes, we conduct an orientation process via our digital platform. The system is designed to accelerate the adaptation of candidates to the company before starting work and it ensures that the candidates have information about Enerjisa and a good recruitment process. With our digital recruitment platform, we aim to manage the entire recruitment process from a single platform

and to evaluate candidates more efficiently with competency inventories and foreign language tests.

### Trend Talks

Since 2019, we have organized the Trend Talks meetings to help our employees understand the effects that digital transformation, technological developments and emerging global and domestic trends have on our business practices and to implement necessary changes and transformations in line with current business practices.

### Social Network

In 2020, we started and commissioned the Social Network project in collaboration with the Sabancı Group Human Resources Directorate and SabancıDx in order to strengthen communications and collaborations both in-house and within Sabancı Group companies.

## TALENT DEVELOPMENT PROGRAMS

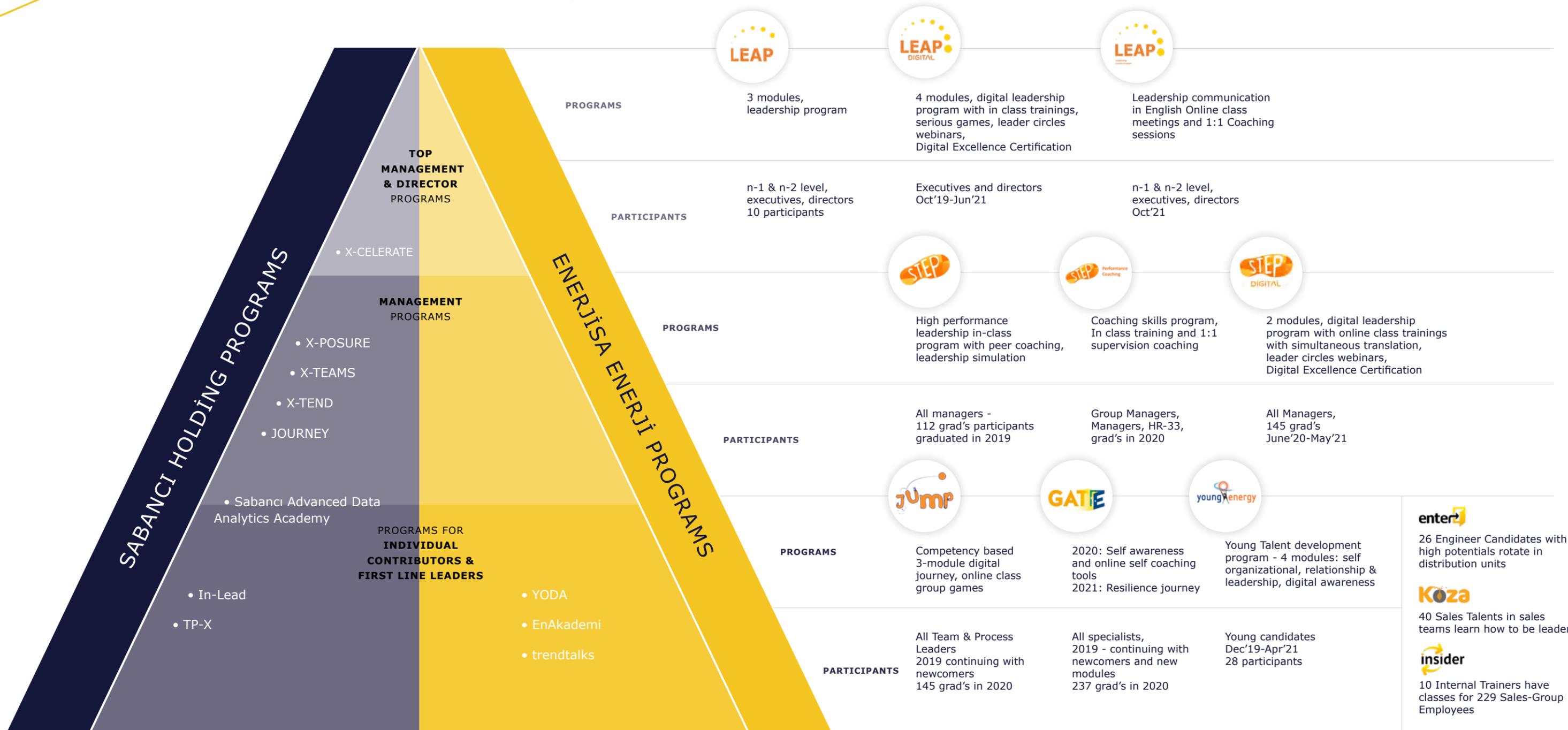
Continuous development is one of Enerjisa Enerji's most important values. We believe that individual achievement is a core element of organizational

success. We support our employees with various leadership, personal and professional development programs and tools.



**We believe that individual achievement is a core element of organizational success. We support our employees with various leadership, personal and professional development programs and tools.**

# TALENT MANAGEMENT



**enter**  
26 Engineer Candidates with high potentials rotate in distribution units

**Koza**  
40 Sales Talents in sales teams learn how to be leaders

**insider**  
10 Internal Trainers have classes for 229 Sales-Group Employees

# TALENT MANAGEMENT

## **LEADERSHIP DEVELOPMENT PROGRAMS**

With the programs we develop, we help our director and manager level employees lead our organization in the fastest and most effective way to raise them as effective leaders.

### **LEAP Digital (Leadership Acceleration Program)**

With LEAP Digital (continuation of LEAP - Leadership Acceleration Program), our aim is to make it possible for director-level employees to better implement the opportunities provided by new technologies in their respective functions and to facilitate the leadership competencies required by the digital age. Leap Digital consists of 4 modules and 25 directors participated in the first module in October 2019 and in the second module in February 2020. The first meeting of the third module took place in December 2020. The topics discussed in the second module were new technological developments in Turkey and abroad, and new generation leadership approaches in the third module. At the end of the program, all participants will be entitled to obtain the globally recognized ESMT Digital Excellence Certificate via our partner, the European School of Management and Technology-Berlin, one of the best executive training schools according to the Financial Times rating.

### **Step Digital**

Launched in 2020, Step Digital was designed to better understand innovations and business practices brought about by digitalization on both global level and specific to the energy sector, to strengthen knowledge and competencies related to new generation technologies and to transfer

information to new projects that will create value in all functions with the help of these technologies. Simultaneous interpretation took place with ESMT Berlin, our business partner in Leap Digital, via online virtual classes with 145 employees, which were adapted to the conditions brought about by the new normal during the pandemic.

Before implementing our long-term training and development programs, we utilize design-oriented cognitive stages in pilot applications. With the pilot group application, we experience and test the program with prototype training before disseminating the program to the whole company. After including participant comments in the development of the design, we make sure that the training has achieved its goal. During the design and implementation process of Step Digital, the pilot groups made it possible to bring the training to a program specific to Enerjisa to achieve its purpose.

### **Step Management & Step Performance Coaching**

The STEP Management module, which was organized in collaboration with the Sabancı University Executive Development Unit (EDU), aims to strengthen the leadership traits of managers and group managers. This six-day program was launched in 2019 to ensure the continuity of high-performance culture. 46 participants completed it in the first quarter of 2020.

Step Performance Coaching was developed for managers and incorporates Enerjisa Enerji's high performance culture, next-generation performance management and regular feedback approach. 33 managers participated in-class training in February

2020. We held supervision coaching sessions which are one of the main focuses of the training. A total of 126 one-on-one sessions focusing on the coaching traits of managers were conducted throughout the year.

### **JUMP**

The JUMP program is designed for the Enerjisa team and process leaders. The program uses the integrated learning method and aims to increase the effectiveness of participants in their current roles and to develop their leadership skills. In the second half of 2019, design studies for a new program started and Jump 2.0 was launched in 2020. Tailored to Enerjisa's competency model, the program categories are "I Keep My Values Alive", "I Develop My Leadership" and "I Increase My Performance" along with three e-learning modules, a webinar and three online meetings. The program's e-learning module has been completed by 249 participants. The program's webinar had 137 participants. The webinar was moderated by the two most effective users of the e-learning platform and the program consultant, where recommendations were provided to the participants. The "I Keep My Values Alive" and "I Develop My Leadership" online meetings had 188 and 261 participants, respectively. The "I Increase My Performance" online meeting sessions will be held in 2021.

### **Young Energy**

In order to develop the young high-potential employees at the beginning of their career and to raise the leaders of future, the Young Talent Development program was launched in 2010 and since then, 4 generations have graduated from the program. The 5<sup>th</sup> generation was launched

in 2019. A program consisting of 4 modules was designed for those who participated in the 3-day orientation program in December 2019: Self Awareness, Organizational Awareness, Leadership and Relationship Awareness, Digital Awareness. In the Self Awareness module, which took place in 2020, the participants worked on professional image, personal leadership and focused on their own development areas with 3 sessions of one-on-one coaching. Within the scope of the Organizational Awareness module, our participants met with subject leaders in Enerjisa and focused on information about the energy industry and Enerjisa, on the value chain, financial literacy and strategic awareness in the energy industry. Within the scope of this module, our participants took the project assignment regarding issues on Enerjisa's radar under the theme of "The Future of Enerjisa". They worked in groups and made their presentations and the best prepared project group was selected as the Young Strategy Committee and positioned as a source for Enerjisa's future strategy studies. The Young Energy team completed this module's Capsim Simulation. The group, which will complete the Leadership and Relationship Awareness, and Digital Awareness modules in the first quarter of 2021, will graduate from the program in the first quarter of 2021.

### **ENTER**

With the introduction of Enter, our new generation talent management program, seniors and graduate students in electrical/electronic engineering received the opportunity to get a glimpse of the energy sector and the Enerjisa Distribution processes. During this one-year period, future engineers were assigned to different tracks (investment, customer and grid) and received

# TALENT MANAGEMENT

the opportunity to experience and learn about the engineering processes involved in the energy distribution business. They were mentored by talent coaches and explored individual areas of interest. 10 out of 22 future engineers who completed the Enter program in 2020, started work in distribution companies. Due to the pandemic this year, the 4<sup>th</sup> term Enter selection and recruitment processes have been conducted completely online. After the evaluation process and online interviews, the 4<sup>th</sup> term Enter program was opened with the kick-off meeting held in October, and our 26 new future engineers started their development journey in three regions.

## Other

In 2020, 10 Enerjisa Enerji employees attended the tailored leadership development programs organized by Sabancı Holding, including X-CELERATE, the senior leadership development program, X-Posure, developed for mid-level managers preparing for future roles and TPX, designed for young talent with high potential.

In 2020, 7 employees participated in the New Professional Leader program, which is organized by the **Yenibirlider Association** in collaboration with Boğaziçi University. The program consists of training, mentoring, coaching and networking sessions.

## **PERSONAL DEVELOPMENT PROGRAMS**

With the aim of enabling our employees to reach their career goals and realize their potential, we provide various essential training and development programs.

## **YODA Mentoring and YODA Reverse Mentoring**

With the YODA Mentoring and YODA Reverse Mentorship programs designed in 2017, we aim to create a platform that will help different generations at Enerjisa learn from each other. The YODA Reverse Mentorship program, where new generation employees find the opportunity to mentor Enerjisa Senior Management, is one of the firsts in the industry. The YODA Reverse Mentorship Program was expanded to the director level in 2019 and the program applications of both directors as mentees and young Enerjisa people who wanted to be mentors were received. In 2020, 34 young mentors and 10 director mentees completed their mentor-mentee training, one-to-one matches were made and a 6-month meeting process was initiated. The plan is to expand the program in 2021 to include new leadership levels for 24 young mentors who have completed their training but have not yet been assigned a mentee.

## **EnAkademi**

In 2020, 3,740 employees received training on EnAkademi, the online training platform through which we provide Enerjisa employees with the training and individual development tools to help them reach their career goals. Each Enerjisa employee is required to complete information security, competition law and ethics training via EnAkademi. Participants received 7,879 hours of e-learning as part of this training program on EnAkademi.

## **Gate: Self Awareness Journey**

Gate is a Specialist Development program that helps people at the beginning of their career discover their strengths and improvable

competencies. In 2019, we conducted a pilot study and presented our platform to 50 employees. The platform, which was improved after the feedback, was opened to 1,358 employees in 2020. Tools such as e-education, videos and articles were offered to the participants through the EnAkademi Personal Development Platform so that they could improve themselves on the subjects they built awareness. In addition, our participants have planned one-on-one development meetings with their managers and have been able to have conversations about areas of development.

We held two different webinars in June to provide more support to both the participants and administrators during the pandemic period in which remote work is increasing. In the webinar "Coaching Employees for Development with Gate", to which we invited our managers, we discussed the issues of supporting the development journey of the employee, giving effective feedback and mentoring the employee during the remote working period. In the webinar attended by 355 employees, we talked about raising awareness and ensuring continuity in learning and development. After completing their online coaching and e-learning sessions, 983 employees identified areas of development by meeting with their managers and attended competency training in virtual classrooms. Of these, 797 employees have successfully completed the training.

## **Sen Seç: Training Catalog**

In 2020, we became more digital in our training and development processes. Sen Seç: Training Catalog was designed with a focus on continuous improvement. It includes 12 different training modules created based on previous need analysis.

Participants chose the appropriate program based on their interests and needs. The Retail sales and Group collaborations were completed in November - December 2020.

## **Advanced Data Analytics Academy (İVA)**

17 employees participated in the Advanced Data Analytics Academy, which was established in collaboration with Sabancı Holding, Sabancı University and Sabancı EDU. 3 people have successfully graduated from the program as Data Engineers, 5 people as Data Scientists and 9 people as Translators.

In 2020, we established a process to encourage voluntary and willing participation in this intensive program, to select participants from different functions and levels and to ensure that the participants specify their motivation and goals for the program beginning on Day 1. Employees who intend to be involved in the selection process shared their reasons for participating in the program through an application form as well as the project ideas that they would like to implement with the information they acquired. Then, the applicants who completed the assessment and evaluation steps were evaluated by a committee consisting of managers from different functions, HR teams and Advanced Data Analytics Academy graduates and the most suitable names were selected.

## **In-Lead**

In-Lead was established in cooperation with Sabancı Holding and the Sabancı University Executive Development Unit EDU and is focused on the development of our engineers and managers in technical roles in 2020. During the nine-month

# TALENT MANAGEMENT

program, employees attended both technical and competency development training and graduated from the program with project presentations.

## Sales School

With the Sales School project we launched in 2014 in cooperation with Sabancı University, we increase service quality, operational excellence and customer satisfaction while training our employees to face the many behavioral and technical challenges required in the sector, primarily from a Sales and Customer Orientation perspective. As part of the school, the Team Leader Development Workshop began in 2019 with a new set of competencies.

In 2020, 211 employees attended the Sales School. The content of the Sales School 2020 training program was determined by focus group studies we conducted with our Customer Service Regional Managers and our Customer Representatives. Interactive video-format training prepared in line with strategic priorities and the needs of the participants were offered to employees throughout the year with online development collection and live webinar contents.

## KOZA Development Program

The KOZA development program, launched in 2019, aims to support the young talent pool for the sales function as a sales representative/ official development program. We supported the development of 40 Sales Officials and Representatives who successfully completed the selection process and improved their current skills in preparation for their next role. The development program, which has a duration of 1.5 years, consists of 3 modules and continued with online

training in 2020. After the participants complete their training, they will have the opportunity to present their projects to senior management by working on project issues where development / improvement suggestions will be shared regarding business processes. The program will continue in 2021 with new participants.

## Insider: We Learn From Each Other

With the We Learn from Each Other platform we created in 2019, we foster a culture of shared learning within the Company by enabling Enerjisa employees to share their knowledge and experience with each other. Thanks to this platform, 229 employees have gained in-depth knowledge and competence through training about industry dynamics, as well as new approaches suitable to the digitized world and a global outlook on the energy sector regardless of their department. Under the umbrella of Insider, two training sessions prepared by our internal trainers in 2020 were transformed into interactive video format and shared with any employee who requested it.

## OTHER TRAINING

This year, we continued to support the professional and personal development of Enerjisa employees by providing 13 hours of training per employee. We provided 32 hours of training to our contractors, about facility management, private security services and basic OHS. In addition, we accepted the application of 36 employees to the master's support program. Approximately 600 employees benefited from online foreign language courses and participants received a total of 3,888 hours of e-learning.

We measure the benefits of all our employee development programs. Level 1 measurement is carried out in all our training and training satisfaction scores are reported. Level 2 measurement is applied to the learning and development programs, where 360-degree assessment tools are used as pre-test and post-tests to understand how much progress participants have made. Pre-test and post-test applications are also carried out to measure the effectiveness of some of our technical training.

In the coming years, our goal is to use more digital new generation learning tools and enhance the digital education experience with virtual classroom applications to provide more flexibility, improve the digital experience in existing programs, align learning goals with behavioral indicators in all training programs depending on the competency model, continue to shape the programs based on company strategies and strengthen the digital business management competencies of our leaders.

## Vocational Training Collaboration Protocol

At the end of 2017, we signed the Vocational Training Collaboration Protocol with the Ministry of National Education. This aims to create a qualified workforce to meet the sector's needs by supporting the development of vocational high school teachers and students who comprise the labor pool of the Electricity Distribution sector. As part of the collaboration protocol, Enerjisa provided vocational high school electrical/electronics students with insight into the Electricity Distribution sector and the Company. Moreover, our company offered hands-on experience to these students in addition to their theoretical education and provided

information about the latest developments in the sector. In 2019, two in-service training session were offered for teachers to support them in learning and experiencing the newest practices in the sector. In 2020, events were not organized within the framework of the protocol due to the pandemic. However, the protocol has been extended to the end of 2022.

## Engineering Development School

The Engineering Development School aims to develop the skills of engineers working at distribution companies, improve their technical capacity and efficiency and prevent occupational accidents by creating a training system for distribution operations. In 2020, 96 Electrical-Electronics Engineers working in field operations in Enerjisa Distribution companies received training. In 2021, more than 600 engineers are expected to attend the second phase of the training.

## Informative Presentations on Labor Relations

A total of 410 supervisors were invited to Informative Presentations on Labor Relations and the attendance at the 16 sessions was 90%. To help supervisors improve their expertise, Enerjisa's informative presentations covered several topics such as the Definitions of Employee, Employer, Labor Union, Labor Agreement and Collective Bargaining Agreements, Relations with Labor Unions, Compensation and Benefits, Annual Leave, Probationary Periods, Disciplinary Processes, Situational Changes and Overtime Work. Questions from supervisors concerning problems frequently encountered on the job and other topics of interest were also addressed during these presentations.

# TALENT MANAGEMENT

## Technical Knowledge Contest

The Technical Knowledge Contest is organized to offer rewards and a competitive environment for the field operators working in highly technical electricity distribution sector. Starting in November, this contest will be held on a monthly basis throughout the year. Our blue-collar employees can participate in the Technical Knowledge Contest via the İKON application. The contests provide our employees with an opportunity to demonstrate their technical knowledge and earn rewards.

## Safe Field Operations Training

With this training, we aim to improve the technical competencies, electrical equipment knowledge and operational process skills of the field operators in Grid Operations. As part of this program in 2020, 157 operators received Safe Field Operations Training for three days.

## VR Headset Project

As a leading energy company in today's fast-changing and digitalized world, we made a leap forward in digitalization with the VR Headset project. The first module was completed to improve the approval processes of electrical facility projects, which is a critical process in the Electricity Distribution sector. In total, 12 attractive modules have been designed for approval processes.

## Practical Python Training

The Practical Python Training program is offered to data experts at Enerjisa Enerji Distribution Companies who collect and analyze data. With the program, we aim to equip employees to implement the concepts of scientific thought by developing basic programming skills. The program was developed by the Sabancı University Executive

Development Unit (EDU) and the faculty of Sabancı University. Through classes, assignments and practical applications, participants learn to design algorithms, divide a problem into sub-problems and create solutions by using part-to-whole strategies.

## Index Reading and Leakage Training

We organize Index Reading and Leakage Training for the relevant field operations employees in the Toroslar region. In this training, our goal is to increase the technical knowledge and skills of the employees related to the process. In 2020, 452 employees attended the training.

## Online HR Meetings

In Online HR Meetings where manager-level employees came together with online meetings, the topics and applications on the agenda were shared and their questions were answered. In addition, meetings were held in order to get feedback about our processes, systems and practices from our employees in authorized and representative positions in our Customer Services Centers. Focus Group meetings were held with more than 100 employees in our retail and group companies in order to ensure diversity and participation based on criteria, such as different teams, seniority and region.

## Pusula

Training and development processes for the distribution companies are carried out under the Pusula Professional Development Program. Enerjisa Enerji continues to provide development opportunities for its employees for personal, professional, technical and OHS areas with this program. As part of the Pusula program, 558 employees received 6,079 hours of training.

## HIGH PERFORMANCE CULTURE

A strategic priority of Enerjisa Enerji is the High Performance culture based on continuous learning, agility, passion, determination and responsibility. To ensure the continuity of high-performance culture, we developed a performance system by studying latest benchmarks and systems and organizing workshops with employees in 2019. We switched to this new system in 2020. The new Performance Management System is grounded in our open and continuous feedback culture supporting cooperation. It is designed to support to our strategies, commitments and targets along with employee development. All employees within the scope have experienced this user-friendly Performance Management System, which is agile,

flexible, transparent, user-friendly and can be utilized over web and mobile application. This system supports the high performance culture by access with a mobile application, continuous target setting and revision functionality, clear and transparent targets, linking targets with targets of other employees' targets, having target-oriented dialogue areas between manager and employee, and providing instant and continuous structured feedback throughout the year. The system also features a milestone-setting function that helps employees track their targets with ease.

Additionally, we provided performance coaching trainings and mentoring support to its managers and senior-level executives in 2020.

## REWARDS AND BENEFITS

The rewards and benefits are determined based on rewarding high performance and the principles of fairness, transparency, competitiveness. In all its processes, the wage market, the sector the Company operates in, and macroeconomic indicators are taken into account. We implement a competitive and fair wage policy through regular market analyses. We believe that creating a fair workplace help us attract and retain the necessary talent.

With the various applications developed using the Sana Değer (You Are Worth It) platform, it is possible to appreciate the individual efforts and development of employees as well as their contribution to corporate development. In this way, we celebrate our employees' special and important days and foster appreciation. Employees with the highest level of performance in our sales teams based on region and segment are announced and recognized every quarter and then rewarded through the You Are Worth It platform. Employees who receive the highest IVR score (customer satisfaction score) in the sales teams every quarter are announced and recognized as well.

# INNOVATE FOR FUTURE ENERGY



**While continuing to increase our grid and technology investments, we also take steps to lead the sector in the New Energy World which is customer-centric, sustainable, distributed and low carbon.**

## INNOVATION

By fostering the innovation culture within the company, we take advantage of its benefits and improve our processes to compete in a rapidly changing environment. Combining data with advanced analytics makes it possible for companies to unlock greater efficiencies and gain strategic insights.<sup>17</sup> The use of AI in guiding field workers remotely allows them to predict and prevent problems, as well as quickly and safely tackling outages. By steering the culture of innovation within Enerjisa, our Innovation Department focuses on the entrepreneurship ecosystem and builds strong collaborations. We produce innovative products and processes to transform our business as well as our customers.

### OPEN INNOVATION

We view open innovation as a prominent tool to enrich our innovation processes. We actively seek opportunities to collaborate with start-ups, universities, accelerators, incubators, technology development zones and companies from different sectors.

**Cooperation with Start-ups:** We implement three different models to attract innovative ideas from start-ups:

1. Developing new products or services to be used in our business areas by benefiting from the extensive knowledge and agility of start-ups
2. Offering customers the available products and services of start-ups by adding them to the our portfolio and thereby establishing a channel between the product and the consumer
3. Investing in start-ups

**Global Collaborations:** We focus on offering innovative products and services to our customers and accelerating our digital transformation with new technologies. In this context, we engage in collaborations with other companies that have similar activities in the sector, especially in Europe and North America. We also collaborate with acceleration programs that host international enterprises. We have cooperated with EIT InnoEnergy, which is funded by the EU and the DMZ, a Canadian start-up accelerator.

**University Collaborations:** In 2020, we continued our collaboration with Sabancı University's entrepreneurship and start-up engagement unit Inovent A.Ş. We also cooperate with the İTÜ Arı Teknokent's incubation center İTÜ Çekirdek and supported start-ups.

### Corporate Entrepreneurship and Innovation Program: NAR

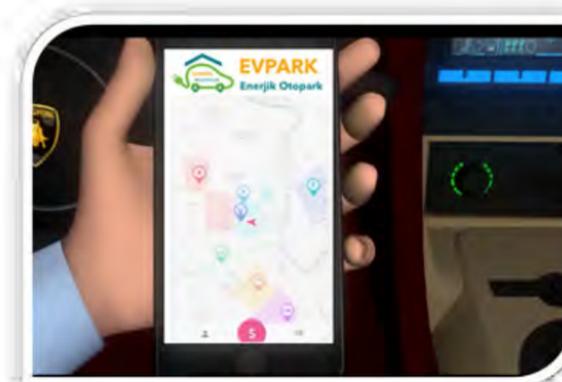
Our corporate entrepreneurship and innovation program, NAR, has been harvesting innovative ideas from our employees for 6 years. Intrapreneurs receive practical and theoretical lean entrepreneurship training as part of the acceleration program prior to the incubation process.

The theme of the program in 2020 was Digital Solutions for Efficiency and we received 160 ideas from employees. Of these, 15 were accepted for the acceleration phase in Nar's 6<sup>th</sup> term, which was held online. The teams completed their bootcamp entrepreneurship training digitally and then presented their ideas to the final jury, comprised of members of the R&D and Innovation Committee. Eight of these ideas have been transferred to the relevant business units for fast implementation and four of these are in the incubation stage of the pilot process.

The projects that were accepted are as follows:

**EVPark Project:** The EVPark project aims to establish a sustainable digital parking lot ecosystem that facilitates the lives of users and supports renewable energy consumption. The goal of the project is to provide a solution for limited parking spaces, particularly in metropolitan cities. The EVPark project aims to offer a digital solution to the shared parking lot model, which is known all over the world and is getting more popular.

**Simply Sun Project:** The Simply Sun project is a solar energy solution that can be easily installed by consumers at their homes. This project offers a portable and scalable plug-and-play micro solar solution that will eliminate the permit process for rooftop solar power plants and the need for roof installation, meet energy requirements from a renewable energy source and can be installed without technical knowledge.



<sup>17</sup> Value Creation in Power and Utilities 2020, BCG

# INNOVATE FOR FUTURE ENERGY

**Touch in Safe Project:** Thanks to the equipment developed with the Touch Safely project, the main target is to reduce Occupational Health and Safety risks in the field. Climbing electricity poles to replace high-voltage fuses entails the risk of falling and electric shocks. The aim of the project is to ensure safer high-voltage fuse assembly and disassembly with the system designed to operate from the ground without climbing the disconnecting pole.

**G-Check Project:** The G-Check Project develops an advanced device that will safely detect the presence of power by using the magnetic field principle. Following detection, the device will send a notification to the team's tablets via GSM. The distance between the location where the power is cut-off and the maintenance area results in loss of time for the field teams on the road. The distance causes a delay in power outage checks, which puts maintenance and repair teams at OHS risk. G-Check provides a safe process that enables the field teams to de-energize the right location, eliminating OHS risks. Moreover, it prevents further outage delays, improves customer satisfaction, prevents lost time and unnecessary operational expenses.

## Entrepreneurship Acceleration Program: İVME

In 2020, the Enerjisa R&D unit launched the İvme Entrepreneurship Acceleration Program in order to find solutions to the energy sector's current problems, to develop scalable and easily implementable technologies and to contribute to next-generation enterprises. In order to support initiatives that make an impact on the energy sector, the İvme Entrepreneurship Acceleration

Program brings start-ups together with Enerjisa Distribution Companies, addresses existing problems and explores opportunities for the future. We help start-ups overcome the difficult step between development of the prototype product and commercialization. In the first term of the İvme Entrepreneurship Acceleration Program, 10 start-ups were selected among 44 start-up applications in 8 main focus areas. With these initiatives, Proof of Concept (POC) studies were carried out on OHS, micro-solar solutions, consumption analytics, image processing, smart lighting and drone solutions. An EMRA project on product development was prepared with 6 start-ups and studies on co-marketing of the product were initiated with one start-up.

The start-ups accepted into the POC process and supported by the program are as follows:

**AREYLight:** AREYLight offers advanced technology solutions that provide efficiency by reducing energy consumption and maintenance costs up to 60% for outdoor lighting in cities and large complex areas (streets, parks, industrial and university areas) with artificial intelligence technology, as well as environmentally friendly solutions that implement smart city concepts.

**CY Enerji:** Conducting R&D studies to develop a uniaxial solar tracking system for rooftop solar panels, CY Enerji aims to maximize the efficiency of solar panels through its micro-solar solutions and solar tracking systems.

**EventGates:** Developing solutions based on machine vision and machine learning in the fields of security and OHS, EventGates offers solutions

in application software, image processing, deep learning and machine learning.

**Humming Drone:** Working on aerial imaging and analysis services with a drone, Humming Drone has developed a software called "INSPECT," that enables mapping and analysis using the collected images. Thanks to this software, the images collected can be analyzed on an interactive map, notes can be taken, phytosanitary reports can be produced and a digital height map can be displayed.

**Massive Energy:** Massive Energy analyzes household energy consumption by using its own social research and big data without any hardware installation. It provides electricity distribution and retail companies with products that help them build interactive relations with their users.

**Eye of the Power/Rtm Elektronik:** Working in the field of electronic hardware, the Eye of the Power/Rtm Elektronik produces lighting control, remote control, energy monitoring and control products exclusively over the internet of things and cloud-supporting system.

**Stroma Vision:** With its image-processing technology, Stroma Vision designs systems that detect potentially life-threatening situations in construction, logistics and production areas and ensure that measures are taken proactively. Stroma Vision, which includes Personal Protective Equipment Tracking, Fatigue & Inattention Tracking, Ergonomic Risk Analysis, Social Distance Tracking, Facial Recognition Verification, Object-Area Recognition and Motion Sensor features in its products, aims to create a safer business culture.

**Visiosoft:** Providing services in object recognition and locating, Visiosoft offers a wide range of products for many purposes such as processing images with artificial intelligence, determining global location of objects as large as a vehicle or as small as a centimeter and detecting faulty products during factory quality control.

**Xena Vision:** An expert in Computer Vision, Xena Vision works on human detection, human activity detection and emergency detection through cameras.

**Geodo Technology:** Geodo Technology carries out field exploration and measurement activities. In line with industrial needs requiring precise land measurement, the Start-Up performs marking, mapping and reporting services with a portable terminal.

### Fatih Alp Yiğit

İvme-Entrepreneur

We participated in İVME program of Enerjisa which aims to conserve local biodiversity and increase energy efficiency in grid by improving business processes. Working under the program, we can clearly see the results of important steps taken in terms of increasing efficiency and sustainable business model by Enerjisa.

# INNOVATE FOR FUTURE ENERGY

## RESEARCH & DEVELOPMENT

It is critical to closely follow technological developments in the energy sector. Our R&D business unit focuses on developing new products, systems and designs. We carry out studies on renewable energy resources, electric vehicles, microgrid and storage systems, the Internet of Things (IoT), information and communication technologies, artificial intelligence, big data and cybersecurity technologies for building a smart and sustainable future. We evaluate best global practices on distribution grids and develop customized solutions for Turkey using local resources. R&D projects play a vital role in fostering innovation culture within the Company. Additionally, as the outputs of the designed projects are shared with EMRA, they also help shape future legislation.

Our R&D projects are funded by both local and international funding sources. While the main funding source is the EMRA's R&D Fund, other sources include the European Union Framework Programs, ITEA Horizon 2020, and EUROGIA.

We also serve on both the management and technical evaluation committees of the EUROGIA 2020 cluster, operating in the energy field under the roof of EUREKA. The cluster is chaired by the Enerjisa Enerji CEO.

The R&D unit, which consists of 13 employees, focuses on projects that improve sustainability, efficiency, reliability and continuity of electricity distribution. In 2020, TL 6.7 million was spent

on sustainability focused R&D and innovation investments.

At Enerjisa Enerji, there is an R&D and Innovation Committee under the leadership of the CEO, with senior level managers from all business units as decision-makers and leaders. This committee is where opinions from different areas of expertise are blended during the company's new products, services and project development stages. All R&D projects are selected based on internal needs and expectations, the strategic goals of the company and international R&D developments and are tracked by the R&D and Innovation Committee.

We also collaborate with universities. In 2020, we collaborated with Middle East Technical University, Bartın University, Özyeğin University, TOBB University of Economics and Technology, Bilkent University, Istanbul Technical University, Sabanci University and Karadeniz Technical University.

We carried out following projects in 2020:

### Personal Energy Administration Kiosk

**Application (PEAKApp):** The aim of the project is to correctly estimate the demand that would affect electricity prices and increase user awareness of electricity consumption of devices via the PEAKApp mobile app. The application was the first Enerjisa project funded by the European Union Horizon 2020 program and received the TÜBİTAK Achievement Award and Austrian Energy Globe Jury Special Award. Users are able track

their consumption and compare it with previous consumption levels. Additionally, the app is designed to provide customers with a gameplay experience where they earning points in line with energy-saving objectives and compete with friends.

Furthermore, in markets with variable electricity prices, users are informed about the hours of low-cost energy and can receive discounts with the points they earn. The application was tested by pilot groups in Austria, Estonia, Latvia and Sweden and projects results were reported to the European Commission.

### Portable Vehicle Palette System (PENÇE):

Uninterrupted, sustainable and high-quality energy is critical in the electricity distribution sector. It is necessary to use track vehicles in our operation as due to certain geographical and environmental conditions. Since tracked snow vehicles are too costly to transport and operate, we developed an alternative with the Portable Tracked Vehicle System (PENÇE). A portable vehicle palette system mounted separately on wheels was developed to ensure energy supply security where site conditions are unfavorable.

**Energy Storage Project (KEDEP):** Over the last few years, storage technologies are being used in a range of areas such as congestion control, load shifting, peak load shaving, investment postponement and micro grids in the distribution sector. As part of the KEDEP R&D project developed in this direction and supported by EMRA, lithium ion-based storage systems will be tested in pilot areas for different use cases in five

different distribution companies. In this context, Başkent EDAŞ aims to test micro grid technologies by installing a 420 kWh lithium ion battery system.

### Production of Sensor and Monitoring Software for High-Voltage Overhead Lines:

The aim of this project is to increase energy quality and efficiency and locally develop an Energy Monitoring System that can be installed on overhead lines to detect theft and loss and the source of theft usage by analyzing electricity consumption. The aim is to instantly monitor the meter index and load profile of customers, analyze sudden load losses caused by the consumers and determine the intervention points.

### Grid Downtime Estimation and Optimization:

Within the scope of the EMRA-supported project initiated with the aim of accurately estimating grid downtime and accurately informing customers, a platform based on artificial intelligence, big data, data analysis and business intelligence is being developed to predict and optimize grid downtime.

**National Smart Meter Systems:** In this Project, all the components of smart meter systems, such as communication systems, various models of modems and meters are analyzed. Considering the feedback received from all distribution companies and the shortcomings of the existing system, the most applicable system will be designed.

### The Next Generation Secure Electricity Grids

**Project:** The main purpose of the international project, is to detect possible anomalies in consumption models by artificial intelligence algorithm (such as theft usage detection,

# INNOVATE FOR FUTURE ENERGY

unauthorized access to the measurement system) and prevention of them. This project aims to identify attack types by using the data transmitted and collected by smart meter systems. In 2020, attack scenarios were tested on the developed platform.

**Microgrid Management Methods and Control Equipment Development:** The keystones of micro grids are renewable energy resources, storage systems, loads and micro grid management system that governs the relation between these three factors. This project aims to develop a micro grid control hardware and management software by using local resources. For other projects related to R&D and innovation please see Annual Report 2020.

## TECHNOLOGY

We effectively use technology in our business processes and projects by staying abreast of technologic developments and trends.

Implementing new ideas for providing world-class service quality to 21.6 million people and offering exclusive innovative services and solutions are among our primary goals.

Please see **Annual Report 2020**

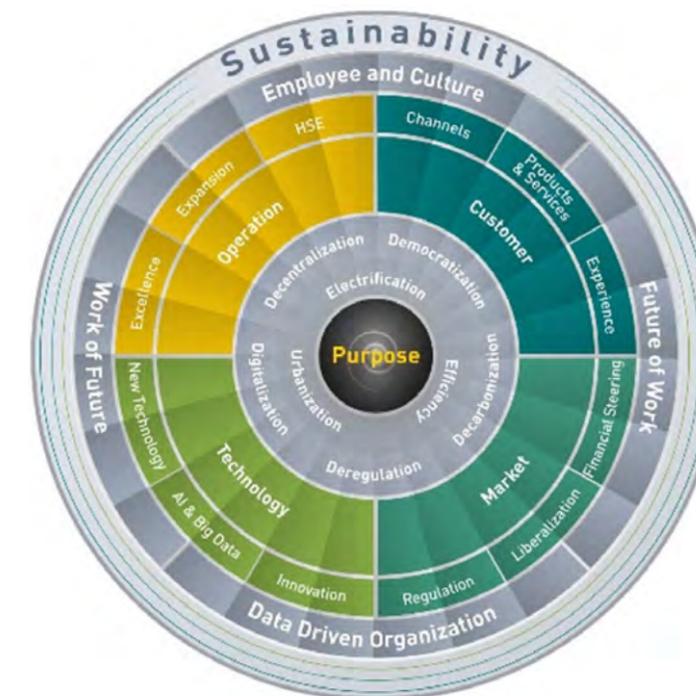
## VENTURE CAPITAL FUND INVESTMENTS

We assess venture capital fund investments in order to have influence the start-up ecosystem as an investor, to gain direct access to new technologies, business models and products and build the know-how on the start-up investment processes. Within that scope, the investment in Revo Capital Fund II was completed in 2020. IFC, EBRD and EIF are among the investors in Revo Capital. With this investment, we also aim to strengthen the Turkish technology start-up ecosystem by providing business development opportunities to start-ups.

## DIGITALIZATION

### E-Ternal (Planet People Process)

While providing energy to our customers, we always create value for our Planet, People & Processes. Digitalization is our best tool to create this value. In 2020, in order to holistically enhance sustainability with digitalization, we developed our Digital Transformation Model E-TERNAL. Ternal symbolizes our dedication to improve our Planet, People and Processes; and E- symbolizes Electron, Energy and Enerjisa. To integrate our digital initiatives; in-depth benchmark analysis and engagement with internal and external stakeholders have been carried out. As a result, we designed our digital transformation journey and patented our model as a first application in energy sector. With this model, we aim to dedicate all of our digital initiatives with our Purpose and align them with global and mega energy trends. We have defined our past and current projects along with +500 new digital initiatives for the next 5 year horizon and major value creation areas are reconstructed within 14 digital programs and matched with the names of inspiring scientists from history.



### Nilgün Ülkü

Digital Program Manager/ IT and Digital Business Management Department

Using the power of technology, with our vision of creating value for all stakeholders, we designed E-TERNAL, the first ever globally patented Digital Transformation model in the energy sector. As the leading player in the energy sector in Turkey, we are happy to share our digital transformation journey, shaped within the framework of sustainability.



# INNOVATE FOR FUTURE ENERGY



PROGRAMS	PURPOSE	CURRENT AND COMPLETED MAJOR PROJECTS
<b>Employee Focus</b> Mevlana	To provide a personalized experience, work and development environment for all employees while managing human resources processes and tools through the system with an integrated approach and analytics.	<b>Digital reporting infrastructure</b> <ul style="list-style-type: none"> <li>•Reporting systems</li> <li>•Management dashboard</li> </ul> <b>Special applications for our employees</b> <ul style="list-style-type: none"> <li>•İKON, EnAkademi, Flexible Additional Benefits</li> </ul> <b>Transfer of main processes to digital platforms</b> <ul style="list-style-type: none"> <li>•Journey for Digital Employee Hiring</li> <li>•Digital Orientation</li> <li>•HRNext &amp; PerfX</li> </ul> <b>Restructure organization via analytical approach</b> <ul style="list-style-type: none"> <li>•Project X, Employee segmentation</li> </ul>
<b>Supply Continuity</b> Nikola Tesla	Securing energy supply in our regions by minimizing energy outages	<b>Digital infrastructure to improve outage management and operation</b> <ul style="list-style-type: none"> <li>•ŞOYS – Network Operations Management Systems</li> <li>•CCCO – Customer, Call Center, Operation Project</li> <li>•CBS – Geographical Information System</li> </ul> <b>Remote Management Systems to strengthen the continuity of supply</b> <ul style="list-style-type: none"> <li>•SCADA – Supervisory Control and Data Acquisition System</li> <li>•OMS – Outage Management System</li> </ul>
<b>Data Oriented Operation</b> Alan Turing	Bringing our field operations and processes to perfection with data-based decisions	<b>Optimization of field operations with a data-based approach</b> <ul style="list-style-type: none"> <li>•Theft &amp; Loss</li> <li>•PROSA - Meter Health Analytics</li> </ul> <b>Setup infrastructure for data driven operations</b> <ul style="list-style-type: none"> <li>•Demand optimization system</li> <li>•Meter data management system</li> </ul> <b>Improvement of operational productivity with new technologies</b> <ul style="list-style-type: none"> <li>•Automatic Meter Reading System</li> <li>•SCADA</li> </ul>
<b>Technology Infrastructure</b> Mimar Sinan	To ensure business continuity in all of our fields of activity by realizing the expansion and diversification of systems in line with the needs of the new era.	<b>Digitalization of our processes with E-Conversion</b> <ul style="list-style-type: none"> <li>•E-Invoice / E-Archive</li> <li>•E-Ledger / E-Delivery Note</li> <li>•Digital Contract Management System</li> </ul> <b>Compatibility with regulation</b> <ul style="list-style-type: none"> <li>•EDVARS – Regulative Reporting Program</li> <li>•PDLP Hardening</li> </ul> <b>New technology in our processes</b> <ul style="list-style-type: none"> <li>•RPA</li> <li>•Blockchain</li> </ul>
<b>Safety First</b> Avicenna	To prevent occupational accidents and damage to the environment and our employees by strengthening our digital capabilities	<ul style="list-style-type: none"> <li>•Panic Key</li> <li>•Lifeguard</li> <li>•Don't Touch Me</li> <li>•Contractor Communication Portal</li> </ul>
<b>Asset Management</b> Michael Faraday	Managing, monitoring and planning our network assets in an integrated way	<b>Asset management plans and infrastructure with digital systems</b> <ul style="list-style-type: none"> <li>•Digital Project Tools</li> <li>•Asset Management Mobil</li> <li>•Project Planning Tools</li> </ul> <b>Digitalization of our asset management documentation processes</b> <ul style="list-style-type: none"> <li>•Construction and Maintenance Mobil Requirement Tool</li> <li>•Contractor Communication Portal</li> </ul>

PROGRAMS	PURPOSE	CURRENT AND COMPLETED MAJOR PROJECTS
<b>Energy Market</b> Albert Einstein	To be the strongest and most competitive player in the energy market, thanks to our digital capabilities and use of technology	<b>Digital infrastructure for energy market management</b> <ul style="list-style-type: none"> <li>•CPS</li> <li>•SAS &amp; Open-source development platform</li> </ul> <b>Development of analytic solutions for demand forecasting</b> <ul style="list-style-type: none"> <li>•Energy Market Forecasting, Proteus, Day Ahead, Hourly Forecasting</li> </ul> <b>Projects for price forecasting</b> <ul style="list-style-type: none"> <li>•SMF Project</li> </ul>
<b>Standing by the Customer</b> Graham Bell	To provide the best service and experience to our customers by using new technologies	<b>New channels for our customers</b> <ul style="list-style-type: none"> <li>•Enerjisa Mobil, Mobil 186, Online Transaction Centers, Agent Infrastructure, B2B Portal, Digital Payment Solutions, WhatsApp Customer Channel</li> </ul> <b>New technologies for our customers</b> <ul style="list-style-type: none"> <li>•Chatbot / Volti</li> <li>•Değer-kat</li> <li>•I am Protecting the Energy of the World</li> </ul> <b>Strengthening our call center</b> <ul style="list-style-type: none"> <li>•Interactive Voice Response (IVR)</li> <li>•Recurring Call Project</li> </ul> <b>Improvement of our operations for our customers</b> <ul style="list-style-type: none"> <li>•CRM 360, Door to Door (D2D), Envision Integration</li> </ul>
<b>Enriched Sales</b> Leonardo Fibonacci	Differentiate from energy sector by offering digital solutions with our human, technology and customer-oriented approach	<b>New sales and service channels</b> <ul style="list-style-type: none"> <li>•Salesco, B2B Portal, D2D, Digital Channels, Telesales, Dealer Channel</li> </ul> <b>Data-oriented solutions for digital sales</b> <ul style="list-style-type: none"> <li>•Hourly costing</li> </ul> <b>Digital infrastructure for new product sales</b> <ul style="list-style-type: none"> <li>•Smart Home solutions</li> </ul>
<b>Digital Finance</b> Harizmi	Supporting more transparent and informed decision-making by improving our financial management, making repetitive tasks safer, faster and more efficient	<b>Digital reporting infrastructure</b> <ul style="list-style-type: none"> <li>•Supplier and contractor management processes</li> <li>•Infrastructure integration for our finance operations</li> </ul>
<b>M2C Journey</b> Cahit Arf	Providing the highest level of digital customer experience throughout entire the process meter to payment	<b>Improvement of the digital level of our operational processes</b> <ul style="list-style-type: none"> <li>•Integration of operations and legal</li> <li>•Optimized and digitalized payment processes</li> </ul>
<b>Customized Solutions</b> Louis Pasteur	To meet customer expectations with our rapidly expanding, adaptable and integrated product / service development capabilities	<b>System infrastructure for product pricing</b> <ul style="list-style-type: none"> <li>•Customer-based product pricing</li> </ul> <b>Improved the integration of processes between customer and product</b>
<b>Maintenance</b> Marie Curie	To effectively perform network maintenance	<b>Perform network maintenance and material usage via systems</b> <ul style="list-style-type: none"> <li>•Set up digital infrastructure due to maintenance stages</li> <li>•PSIGMA</li> </ul> <b>Empowerment of maintenance with digital infrastructure</b> <ul style="list-style-type: none"> <li>•Network Operations Management System</li> <li>•Digital training</li> <li>•Augmented reality / Virtual reality applications</li> </ul>

# CUSTOMER SOLUTIONS

The decarbonization of the global economy will continue to massive locomotive of change in our sector and many other industries. With the mega trends shaping the energy sector, the share of renewables and the decentralized generation will continue to increase.

We contribute to efficiency in energy use via our products and raising awareness in both our customers and society. We aim to improve the efficiency of our customers and reduce carbon emissions through our innovative and sustainable products under the umbrella of The Energy of My Business.

## E-MOBILITY

We promote the widespread use of electric and energy-efficient vehicles to contribute to decarbonization. Thereby, we actively seek opportunities in innovative business areas, including electric vehicle charging stations, electricity storage systems, smart home technologies and systems that help consumers produce their own electricity.

As of 2020, there were 23 million vehicles in Turkey, out of which approximately 2,600 are electric vehicles. However, the future targets of both the domestic and the foreign brands indicate that the number of electric vehicles will grow exponentially. Turkey's Automobile Joint Venture Group Inc. (TOGG) has announced that it will start electric vehicle production by the end of 2022 with the target of reaching 1 million vehicles by 2030.

In 2018, we became the controlling shareholder of Elektrikli Araçlar Şarj Sistemleri A.Ş. (Eşarj) as Enerjisa Müşteri Çözümleri A.Ş. acquired the majority shares of Eşarj. Being a pioneer in the distribution and retail sales industry, we also aim to position ourselves in the electric vehicles business and transform the industry. As of today, we provide e-mobility solutions which consist of both private charging stations and charging station network operating 320 charging plugs at 186 public locations including 109 fast plugs.

With Eşarj, we aim to create a national network of stations and an operating system of charging stations to offer nationwide charging solutions with a wide range of products for our customers and contribute to the infrastructure in Turkey.

### Cem Bahar

Managing Director/EŞARJ

Enerjisa, with its strong commitment on sustainability, has demonstrated a visionary approach to transform itself over e-mobility ecosystem. This approach will not only help protect our environment but also will create substantial value to our end users. It is already quite promising to see solid steps towards e-mobility that already started with the gradual "switch" from internal combustion cars to electric vehicles.

In 2020, Eşarj was selected as an e-mobility business-solution partner by the passenger car manufacturers that launched electric and hybrid cars in 2020. Additionally, Eşarj collaborated with various brands from supermarket operators to gas stations to install charging stations. Beginning July 1<sup>st</sup>, Eşarj's public stations have been operating solely on renewable energy, a first among charging operators. Through the International Renewable

Energy Certificate (IREC), Eşarj has certified to its users that the electricity used during charging is produced solely by wind and solar plants. With this development, Eşarj aims to support the reduction of carbon emissions.

Please see **Annual Report 2020**



**We contribute to efficiency in energy use via our products and raising awareness in both our customers and society.**

# CUSTOMER SOLUTIONS

## GREEN ENERGY AND ENERGY EFFICIENCY SOLUTIONS

We offer alternative solutions to our customers including green energy certification, energy efficiency solutions and Cogeneration/Trigeneration applications.

**Green Energy Solutions:** With two types of certificates, our customers can reduce or neutralize greenhouse gas emissions caused by their electricity consumption.

- **Renewable Energy Certificate:** The Renewable Energy Certificate is a market-based tool that corresponds to the proprietary rights of environmental, social and other non-power qualities of renewable electricity generation. It certifies each 1 MWh unit of energy that has been generated from a renewable energy source and delivered to the grid. In 2020, we sold 44,000 MWh of renewable energy certificates.
- **Carbon Reduction Certificate:** The Carbon Reduction Certificate refers to the standardized and tradable credit of metric tons of CO<sub>2</sub> claimed by real or legal persons (a business/power plant that generates energy from renewable energy sources). In 2020, Enerjisa sold CO<sub>2</sub> emission reduction certificates equivalent to 7,000 metric tons.

**Energy Efficiency Solutions:** With our energy performance contracting (EPC/ESCO) model, we offer energy efficiency solutions such as waste heat recovery solutions; heating, ventilation and air conditioning (HVAC) pressurized systems; electric motors and lighting. Accordingly, in 2020 we continued to offer solutions especially in the area of lighting via LED transformation projects. These projects will reduce electricity consumption by more than 1,600 MWh annually and eliminate at least 870 metric tons of CO<sub>2</sub> emissions. As of end of 2020, LED projects implemented are expected to reduce 3,300 MWh electricity consumption annually.

**Cogeneration (CHP) and Trigeneration (CCHP) Solutions:** Thanks to the efficiency provided by the cogeneration and trigeneration systems delivered turn-key, total energy costs decrease significantly, and the decline in primary energy consumption enables a reduction in carbon emissions. Accordingly, at least 30,000 tons of CO<sub>2</sub> emission within the next decade is expected to be eliminated via the efficiency of the cogeneration and trigeneration systems built at Sabancı University, Hilton Adana and Hilton Ankara premises.

## DISTRIBUTED GENERATION SOLUTIONS

Power grids around the world are becoming more decentralized, resulting in distributed energy resources that are transforming energy markets.<sup>18</sup> Distributed energy helps to reduce losses and costs in electricity production, transmission and distribution, ensure supply security, lower foreign dependency, decrease greenhouse gas emissions, promote renewable energy sources and ensure regional development. It helps to combat climate change on both the local and global scale by using renewable energy resources.

In order to play a role in combatting the climate crisis, we are working on distributed generation in parallel to the centralized energy model. Distributed generation refers to a variety of technologies that generate and store electricity at or relatively close to the point of consumption.

**Renewable Energy Solutions - Solar Power Plants (SPP):** In view of customers' needs, we offer reliable solar power plant solutions with innovative business and financial models. SPP solutions are suitable for all types of industrial, commercial and public facilities. We offer end-to-end solar energy solutions by providing project design, turn-key installation and maintenance services. As part of these services, we provide professional engineering support services along with administrative processes regarding permit and connection procedures, turn-key installation, maintenance services during the contract term,

and performance and product warranty during the contract term. We provide integrated end-to-end solutions that include energy storage and electric vehicle charging infrastructures as required.

At the end of 2020, the total capacity of SPPs served in this regard was 9 MWp. We aim to increase this capacity to over 100 MWp by the end of 2025. In 2020, we signed two roof-top SPP projects with a total installed capacity of 3.2 MWp which will supply electricity for the customers' self-consumption. These projects will eliminate at least 2,200 metric tons of CO<sub>2</sub> emissions.

### Ibrahim Tahmaz

Operation and Affiliates Manager/ Ümraniye Municipality

As the Municipality of Ümraniye, we attach importance to sustainable cities and infrastructure. We broke new ground in the sector with the Energy Performance Contracting Model Agreement we signed with Enerjisa Enerji to improve our energy efficiency. Within the scope of this project, with the replacement of 2,981 lighting fixtures in Ümraniye Municipality building and parking lots with new LED fixtures, we aim to reduce electricity consumption by 67% in the total lighting group and 13% in total electricity consumption annually.

<sup>18</sup> Distributed Energy Resources: Making the Modern Grid, BCG



ABOUT THE REPORT

STATEMENTS FROM  
MANAGEMENT

COMPANY PROFILE

ESG STRATEGY

RELIABLE PUBLIC  
SERVICE

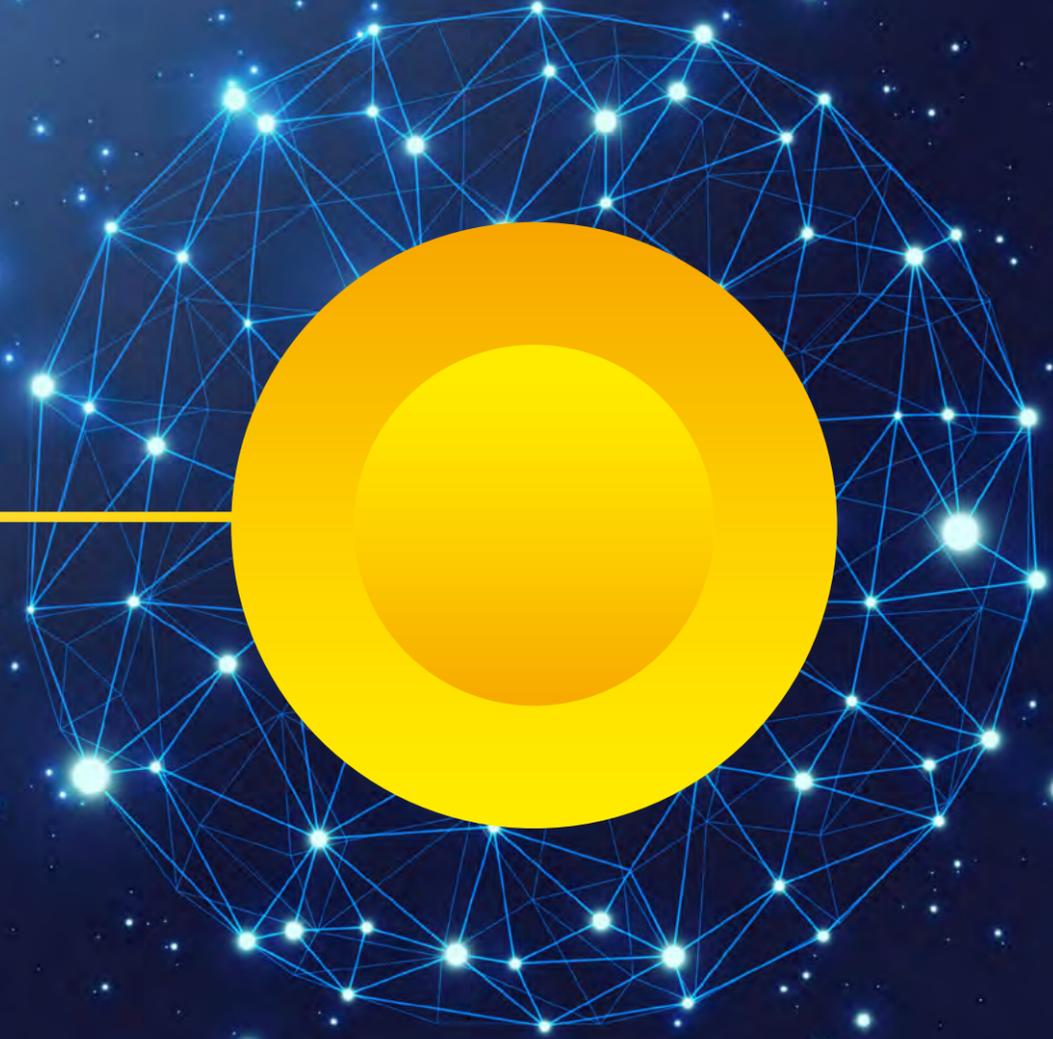
ROLE MODEL WITHIN  
THE SECTOR

SHAPING THE NEW  
ENERGY WORLD

ANNEX



# ANNEX



# ANNEX I: LIMITED ASSURANCE REPORT



## Limited Assurance Report To the Board of Directors of Enerjisa Enerji A.Ş.

We have been engaged by Enerjisa Enerji A.Ş. ("Enerjisa" or the "Company") to perform an independent limited assurance engagement in respect of the Selected Sustainability Information ("Selected Information") stated in Enerjisa 2020 Sustainability Report ("2020 Sustainability Report") for the year ended 31 December 2020 listed below.

### Selected Information

The scope of the Selected Information for the year ended 31 December 2020, which is subject to our independent limited assurance work, set out in the pages 34, 48, 89, 90, 91, 92, 94 and 96 of the 2020 Sustainability Report with the sign is summarised below:

- Social Indicators
  - Occupational Health and Safety
    - The Number of Critical Accidents
    - Total Recordable Incident Frequency (excluding slip, trip and fall (STF) incidents) (TRIF w/o STF)
    - Total Recordable Incident Frequency (TRIF)
    - Lost Time Incident Severity Rate (LTISR)
    - Number of Fatal Accidents
    - Total Working Hours
  - Gender Distribution of Employees
    - Gender Distribution of Employees in Managing Bodies (Leader and Higher Level)
    - Gender Distribution of Employees in Managerial Income-Generating Roles
    - Gender Distribution of Employees in STEM Roles
- Environmental Indicators
  - Energy Consumption
    - Renewable Energy Consumption (MWh)
    - Electricity Consumption (kWh)
    - Natural Gas Consumption (m<sup>3</sup>)
    - Diesel Consumption (l)
    - Gasoline Consumption (l)
  - Water Consumption
    - Water Withdrawal and Discharge by Source (m<sup>3</sup>)
  - Waste Management
    - Total Hazardous and Non-Hazardous Waste by Type and Management Method (tonne)

- Scope 1, 2 and 3 Emissions
  - Direct (Scope 1) Greenhouse Gas Emissions (tCO<sub>2</sub>e)
  - Energy-related Indirect (Scope 2) Greenhouse Gas Emissions (tCO<sub>2</sub>e)
  - Other Indirect (Scope 3) Greenhouse Gas Emissions (tCO<sub>2</sub>e)
- Financial Indicators
  - Environmental Investments and Expenditures
    - Environmental Investments (TL)
    - Environmental Expenditures (TL)
  - Vulnerable Groups Reached Through Inclusion Programs
  - Sustainable Business Model
    - Number of Sustainable Products and Services (#)
    - Amount of Income from Sustainable Products and Services (TL)
    - Sustainability-Focused R&D and Innovation Investment (TL)
- Governance Indicators
  - Anti-Bribery and Anti-Corruption
    - Communication and Training on Code of Conduct
    - Confirmed Incidents of Corruption and Actions Taken

Our independent limited assurance was with respect to the year ended 31 December 2020 information only and we have not performed any procedures with respect to earlier periods, any information other than Selected Information marked with in the 2020 Sustainability Report, any other elements included in the 2020 Sustainability Report and, therefore, do not express any conclusion thereon.

### Criteria

The criteria used by the Company to prepare the Selected Information is set out in section "Enerjisa 2020 Sustainability Report – Reporting Guidance" (the "Reporting Guidance") on 82-86 pages of 2020 Sustainability Report.

### The Company's Responsibility

The Company is responsible for the content of 2020 Sustainability Report and the preparation of the Selected Information in accordance with the Reporting Guidance. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Selected Information that is free from material misstatement, whether due to fraud or error.

# ANNEX I: LIMITED ASSURANCE REPORT



## Inherent Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Selected Information in the context of the Reporting Guidance.

In particular, the conversion of different energy measures to megawatt-hour (MWh) and energy used to carbon emissions is based upon, inter alia, information and factors generated internally and/or derived by independent third parties as explained in the Reporting Guidance. Our assurance work has not included examination of the derivation of those factors and other third-party information.

## Our Independence and Quality Control

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

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

## Our Responsibility

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that the Selected Information has not been properly prepared in all material respects in accordance with the Reporting Guidance. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 and ISAE 3410. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.



Given the circumstances of the engagement, in performing the procedures listed above we:

- making inquiries of the persons responsible for the Selected Information;
- understanding the process for collecting and reporting the Selected Information. This included analysing the key processes and controls for managing and reporting the Selected Information;
- evaluating the source data used to prepare the Selected Information and re-performed selected examples of calculation;
- performing limited substantive testing on a selective basis of the preparation and collation of the Selected Information prepared by the Company and;
- undertaking analytical procedures over the reported data.

## Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's Selected Information for the year ended 31 December 2020, is not properly prepared, in all material respects, in accordance with the Reporting Guidance.

This report, including the conclusion, has been prepared for the Directors of the Company as a body, to assist the Directors in reporting the Enerjisa Enerji A.Ş.'s performance and activities related to the Selected Information. We permit the disclosure of this report within 2020 Sustainability Report for the year ended 31 December 2020, to enable the Directors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors as a body and Enerjisa Enerji A.Ş. for our work or this report save where terms are expressly agreed and with our prior consent in writing.

PwC Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Mehmet Cenk Uslu, SMMM  
Partner

Istanbul, 5 July 2021

# ANNEX II: REPORTING GUIDANCE

This reporting guidance ("Guidance") provides information on the data preparation and reporting methodologies of indicators within the scope of the independent audit process of Enerjisa Enerji A.Ş. ("Enerjisa", "Company") for the 2020 Enerjisa Sustainability Report. The indicators include **social indicators** (occupational health and safety, gender distribution of employees), **environmental indicators** (energy consumption, water consumption, waste management, scope 1, 2 and 3 emissions), **financial indicators** (environmental investments and expenditures, vulnerable groups reached through inclusion programs, sustainable business model) and **governance indicators** (anti-bribery and anti-corruption). The Company Management is responsible for ensuring that appropriate procedures are in place to prepare the indicators mentioned above in line with, in all material respects, the Guidance.

The data included in this guidance is for the FY 20 (01 January – 31 December 2020), fiscal year ended December 31, 2020, and as detailed in the "Key Definitions and Reporting Scope" section, it covers the relevant operations and subsidiaries in Turkey and excludes information about subcontractors unless otherwise stated.

## GENERAL REPORTING PRINCIPLES

In preparing this guidance document, consideration has been given to the following principles:

- Preparation of Information – to highlight to users of the information the primary principles of relevance and reliability of information; and
- Preparation of the Report – to highlight the primary principles of comparability / consistency with other data including prior year and understandability / transparency providing clarity to users.

## KEY DEFINITIONS AND REPORTING SCOPE

For the purpose of this report, the Company defines:

Type	Indicator	Scope
Social Indicators	<b>Occupational Health and Safety</b>	
	The Number of Critical Accidents	This indicator includes the accidents resulting from; <ul style="list-style-type: none"> <li>• falling from a height of more than 1.8 meters with loss of working days,</li> <li>• electric shock accidents with loss of working days,</li> <li>• electric arc accidents with loss of working days,</li> <li>• traffic accidents with the loss of more than 10 working days,</li> <li>• lifting and conveying accidents with the loss of working days,</li> <li>• accidents requiring treatment in the intensive care unit and injuries resulting from accidents resulting in limb loss occurred during the reporting period.</li> </ul> This indicator includes the Company, its affiliates and subcontractors.
	Total Recordable Accident Frequency (excluding slip, trip and fall (STF) incidents) (TRIF w/o STF)	This indicator reflects total recordable incident frequency (TRIF) excluding slip, trip and fall (STF) accidents, occurred during the reporting period. This indicator includes the Company, its affiliates and subcontractors.
	Total Recordable Incident Frequency (TRIF)	This indicator reflects total recordable incident frequency (TRIF). This is the ratio of injuries of a certain severity (termed recordable injuries) to hours worked. This indicator includes the Company, its affiliates and subcontractors.
	Lost Time Incident Severity Rate (LTISR)	This indicator reflects the severity rate of all incidents that occurred during the reporting period, resulting in lost workdays. This indicator includes the Company, its subsidiaries and subcontractors.
	Number of Fatal Accidents	This indicator reflects the number of fatal accidents resulted in one or more deaths, occurred during the reporting period. This indicator includes the Company, its subsidiaries and subcontractors.
	Total Working Hours	This indicator reflects total working hours of the reporting period. This indicator includes the Company, its affiliates and subcontractors.
	<b>Gender Distribution of Employees</b>	
Gender Distribution of Employees in Managing Bodies (Leader and Higher Level)	This indicator reflects the number of male and female employees of the Company in managing bodies (leader and higher level) by gender. Managing bodies are categorized as senior management, director, manager and leader at the Company.	



# ANNEX II: REPORTING GUIDANCE

Type	Indicator	Scope
Social Indicators	Gender Distribution of Employees in Managerial Income-Generating Roles	This indicator reflects the number of male and female employees of the Company in managerial income-generating roles by gender. Income-generating roles are categorized as roles from R&D and Innovation Group Management, Distribution Directorates (Ayedaş, Başkent, Toroslar), Free Market Group Directorate, Regulated Market Group Directorate, Energy Management Directorate, Investment Planning Directorate. Managing bodies are categorized as senior management, director, manager and leader at the Company.
	Gender Distribution of Employees in STEM Roles	This indicator reflects the number of women employees of the Company in STEM roles by gender. STEM roles are categorized as roles related with Distribution Directorate, Information Technology, Sales Directorate (Corporate Solutions & Large Scale Customers), Grid and System Operations Directorate and Construction Works Directorate.
Environmental Indicators	<b>Energy Consumption</b>	
	Renewable Energy Consumption (MWh)	This indicator reflects the Company's renewable energy consumption, at the relevant locations of the Company during the reporting period.
	Electricity Consumption (kWh)	This indicator reflects the total purchased electricity consumption used for air conditioning, lighting, electrical equipment uses and other business operations that require electricity, at the relevant locations of the Company during the reporting period. It is reported in MWh on a consolidated basis.
	Natural Gas Consumption (m <sup>3</sup> )	This indicator reflects the total purchased natural gas (volume – m <sup>3</sup> ) consumption used for heating, cooking and other business operations that require natural gas, at the relevant locations of the Company during the reporting period. It is reported in MWh on a consolidated basis.
	Diesel Consumption (l)	This indicator reflects the total purchased diesel (volume – l) consumption used for generators and company-owned cars at the relevant locations of the Company during the reporting period. It is reported in MWh on a consolidated basis.
	Gasoline Consumption (l)	This indicator reflects the total purchased gasoline (volume – l) consumption used for company-owned cars at the relevant locations of the Company during the reporting period. It is reported in MWh on a consolidated basis.
	<b>Water Consumption</b>	
	Water Withdrawal and Discharge by Source (m <sup>3</sup> )	This indicator reflects the total water withdrawal and discharge by source (volume – m <sup>3</sup> ) at the relevant locations of the Company during the reporting period.
	<b>Waste Management</b>	
	Total Hazardous and Non-Hazardous Waste by Type and Management Method (ton)	This indicator refers the total amount of waste (by weight – ton) based on the type and disposal method in the places where the Company's operations take place during the reporting period. Hazardous waste means the waste that contain substances that are dangerous for human health and the environment and that have the potential to be harmful, while non-hazardous waste means the waste that do not cause any harm to human health and the environment.
	<b>Scope 1, 2 and 3 Emissions</b>	
	Direct (Scope 1) Greenhouse Gas Emissions (tCO <sub>2</sub> e)	This indicator reflects the emissions of greenhouse gases due to the use of natural gas, diesel, gasoline consumption, SF <sub>6</sub> and refrigerant gases and fire extinguishing devices at the relevant locations of the Company during the reporting period.
Energy-related Indirect (Scope 2) Greenhouse Gas Emissions (tCO <sub>2</sub> e)	This indicator reflects the emissions of greenhouse gases due to the use of purchased electricity at the relevant locations of the Company during the reporting period.	
Other Indirect (Scope 3) Greenhouse Gas Emissions (tCO <sub>2</sub> e)	This indicator reflects the emissions of greenhouse gases due to non-company and non-directly controlled sources such as waste disposal, business travel and purchased goods and services, which are not considered under Scope 1 and Scope 2 during the reporting period.	

# ANNEX II: REPORTING GUIDANCE

Type	Indicator	Scope
Financial Indicators	<b>Environmental Investments and Expenditures</b>	
	Environmental Investments (TL)	This indicator reflects the investments made by the Company as a reduction and facilitator during the reporting period.
	Environmental Expenditures (TL)	This indicator reflects the legally mandatory and non-legally mandatory expenditures of the Company during the reporting period.
	<b>Vulnerable Groups Reached Through Inclusion Programs</b>	This indicator reflects the number of people within the vulnerable groups (youth, women and disabled people, etc.) reached by the Company through inclusion programs during the reporting period. This indicator covers the following customer groups: families of martyrs, veterans and disabled veterans, customers over the age of 65, and device dependent customer group in the "Hasta Var" Program, during the reporting period.
	<b>Sustainable Business Model</b>	
	Number of Sustainable Products and Services (#)	This indicator reflects the number of sustainable products and services that the Company has provided during the reporting period.
	Amount of Income from Sustainable Products and Services (TL)	This indicator reflects the amount of income from sustainable products and services that the Company has provided during the reporting period.
Governance Indicators	Sustainability-Focused R&D and Innovation Investment (TL)	This indicator states the amount of Company's sustainability-focused R&D and innovation investments during the reporting period.
	<b>Anti-Bribery and Anti-Corruption</b>	
	Communication and Training on Code of Conduct	This indicator reflects the communication and training documents prepared and used by the Company on Code of Conduct in the reporting period.
	Confirmed Incidents of Corruption and Actions Taken	This indicator reflects the number of corruption cases that were identified, investigated and concluded during the reporting period.

## DATA PREPARATION

### Social Indicators

#### Occupational Health and Safety (OHS) Indicators

The following definitions and formulas are used in the calculation of OHS data.

#### Formulas:

Definition	Formula
Total Recordable Incident Frequency (excluding slip, trip and fall incidents) (TRIF w/o STF)	(Accidents resulting in fatality, lost workdays, medical treatment; excluding flat slip, trip and fall accidents) x 1,000,000 / Total working hours
Total Recordable Incident Frequency (TRIF)	(Total number of fatal, lost workday, medical intervention work accidents) x 1,000,000 / Total work-ing hours
Lost Time Incident Severity Rate (LTISR)	(Total number of lost workdays due to work accidents) x 1,000,000 / Total working hours

# ANNEX II: REPORTING GUIDANCE

## Environmental Indicators

### Energy Consumption

Energy consumption data are reported for electricity and primary fuel sources, which comprise natural gas, diesel and gasoline.

Electricity and natural gas consumption data are obtained from supplier meters and service provider invoices. Diesel consumption for the use of generators and company owned vehicles are obtained from service provider invoices. Gasoline consumption for the use of company owned cars data are obtained from service provider invoices.

The company uses the following conversion factors in its energy consumption calculations:

- Since the electricity supply unit is billed in kWh, a conversion factor of 1 kWh=0.0036 GJ is used for conversion to GJ;
- Since the natural gas supply unit is billed in m<sup>3</sup>, a conversion factor [1m<sup>3</sup> \* (34.52) MJ/m<sup>3</sup>]/1000 is used;
- Since the diesel supply unit is billed in liters, the conversion factor [1l / (1204.82) l/ton \* (42.68) GJ/ton] is used for conversion to GJ;
- Since the gasoline supply unit is billed in liters, the conversion factor [1l / (1360.54) l/tons \* (43.51) GJ/tons] is used for conversion to GJ;
- Since the unit of all fuel consumption is reported as MWh, a conversion factor of 1GJ=0.277777 MWh is used for conversion to GJ.

### Other Environmental Performance Data

Water withdrawal and discharge by source within the scope of other environmental performance data includes groundwater and mains water. It is assumed that all of the water withdrawn from the network is discharged to municipal wastewater. It is assumed that all of the water withdrawn from the groundwater is discharged to groundwater.

### Scope 1, 2 and 3 Emissions

Scope 1, Scope 2 and Scope 3 emissions have been calculated in accordance with ISO 14064-1, with the principle of operational control within the framework of the "Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard". In the calculations, CO<sub>2</sub> equivalent factors consisting of CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs (SF<sub>6</sub> and refrigerant gas) CO<sub>2</sub> equivalent emission factors were used. The emission factors used are detailed in the table below. Global Warming Potential (GWP) coefficients are from 5<sup>th</sup> Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) and Greenhouse Gas Protocol (<https://www.gov.uk/government/publications/greenhouse-gasreporting-conversion-factors-2020>) and the resultant ton CO<sub>2</sub>e value is calculated by multiplying with the appropriate coefficients.

Well-to-tank energy emissions and waste management factors used in Scope 3 calculations are taken from the UK DEFRA 2020 Emission Factors list. ICAO Carbon Emission Calculator has been used to calculate emissions from flights.

Emission Factors – Scope 1	Total Carbon Factor (kg CO <sub>2</sub> -e)
Natural Gas (kg/m <sup>3</sup> )	2.0263
Diesel – stationary (kg/l)	2.6403
Diesel – mobile (kg/l)	2.6652
Gasoline – mobile (kg/l)	2.2731
HFC – SF <sub>6</sub> (kg)	23,500.00
Refrigerant Gases – R410A (kg)	1,923.50
<b>Emission Factors – Scope 2</b>	<b>kg CO<sub>2</sub>-e/kWh</b>
Electricity Energy (from renewable energy resources)	0.0000
Turkey Electricity (from grid)	0.4919

Emission Factors, Well-to-Tank – Scope 3	Total Carbon Factor (kg CO <sub>2</sub> -e)
Natural Gas (kg/m <sup>3</sup> )	0.02649
Diesel (kg/lt)	0.62611
Gasoline (kg/lt)	0.59732



# ANNEX II: REPORTING GUIDANCE

## Economic Indicators

The following definitions and formulas are used in the calculation of economic indicators.

### *Environmental Investments and Expenditures*

This indicator reflects the environmental investments and expenditures of the Company during the reporting period.

Environmental investments are reported as mitigation and enabler investments. The total amount reported in these indicators are formed from the expenditures made within the approved budget of the Company.

- Mitigation investments include investments within the scope of energy efficiency and cogeneration solutions.
- Enabler investments include investments related to Eşarj, SCADA, OSOS and voltage transformation projects.

Environmental expenditures include legally mandatory and non-mandatory expenditures.

### *Vulnerable Groups Reached Through Inclusion Programs*

Vulnerable groups reached through inclusion programs indicator represents the number of people within the vulnerable groups (youth, women and disabled people, etc.).

This indicator covers the following customer groups: families of martyrs, veterans and disabled veterans, customers over the age of 65, and device dependent customer group in the "Hasta Var" Program, during the reporting period. As of 31 December 2020, the total number of following groups have been checked from the databases and the relevant official documents were also examined:

- Number of customers from families of martyrs, veterans and disabled veterans.
- Number of customers over the age of 65: Represents the number of customers whose date of birth is 1956 and above.
- The number of customers of device dependent customer group in the "Hasta Var" Program.

### *Sustainable Business Model*

The sustainable products and services revenue were determined through the sales lists followed under;

- Mitigation projects Green Energy Certificates (Renewable Energy Certificate, Carbon Reduction Certificate), Cogeneration, energy efficiency products, Solar Power Plant projects and
- Enabler projects (Eşarj AC, Eşarj DC). The total revenue generated from the sales lists tracked on a project basis is reported within the scope of this indicator.

R&D investments mainly include the R&D investments within the scope of investments incurred within the limits set as part of revenue requirement for distribution companies. The sustainability-focused R&D and innovation investments include sustainability-focused investments among the total R&D and innovation investments.

## Governance Indicators

The following definitions and formulas are used to calculate governance indicators.

### *Anti-Bribery and Anti-Corruption*

Communication and training documents prepared and used by the Company on Code of Conduct were audited by examining the relevant procedure documents and screen sharing of the training materials. The number of detected and precautionary corruption cases was controlled by examining the opened and concluded corruption case reports.

## RESTATEMENT

The measuring and reporting of sustainability-related data inevitably involves a degree of estimation. Restatements are considered where there is a change in the data of greater than 5 percent at the Company level.



# ANNEX III: COMMUNICATION WITH STAKEHOLDERS

Stakeholder Group	Stakeholder Type	Stakeholder Communication Platforms and Methods	Communication Frequency	Targets and Successful Self-Evaluation Criteria
<b>Analysts</b>	External	Meetings conferences, phone calls, quarterly investor teleconferences, analyst informing activities, podcasts, webcasts, Investor Relations website	Continuous	<ul style="list-style-type: none"> <li>Increasing transparency</li> <li>Informing market about the Company</li> <li>Company valuation reports reflecting the fair value</li> <li>Increasing Company credibility</li> <li>Financial sustainability</li> </ul>
<b>Press</b>	External	Email campaigns, Sponsorships and sectoral events (excluding the pandemic period) Regular/irregular press releases, press conferences, interviews	Year-round	<ul style="list-style-type: none"> <li>Informing public accurately</li> <li>Increasing Company reputation and brand value</li> <li>Building strong relations with press members</li> </ul>
<b>Credit Rating Agencies</b>	External	Meetings, teleconferences and phone calls, Email	Once a year	<ul style="list-style-type: none"> <li>Increasing transparency</li> <li>Generating a fair value for Company's equity</li> <li>Increasing Company credibility</li> <li>Financial sustainability</li> </ul>
<b>Financial Institutions</b>	External	Meetings, teleconferences and phone calls	Continuous	<ul style="list-style-type: none"> <li>Increasing transparency</li> <li>Increasing Company credibility</li> <li>Financial sustainability</li> </ul>
<b>Shareholders</b>	External	Meetings, teleconferences and phone calls	Continuous	<ul style="list-style-type: none"> <li>Managing sustainability risks</li> <li>Adopting a target-oriented management approach</li> <li>Sharing environmental performance transparently</li> <li>Compliance with Corporate Governance Principals</li> <li>Financial sustainability</li> </ul>
<b>Government Agencies and Regulatory Bodies</b>	External	Meetings, teleconferences and phone calls	Continuous	<ul style="list-style-type: none"> <li>Improving stakeholder engagement</li> <li>Increasing transparency in customer communication</li> <li>Financial sustainability</li> </ul>
<b>Project Affected People (landowners/ users, local community)</b>	External	Face to face meetings (email, phone calls, communication through SMS, Mobile App, e-mail, website)	Continuous	<ul style="list-style-type: none"> <li>Managing social risks of the projects and mitigate the adverse impacts</li> <li>Informing PAPS accurately Improving stakeholder engagement</li> </ul>
<b>Related directly impacted experts (electricians/ electrical engineers)</b>	External	Face to face meetings, phone calls, communication through SMS, Mobile App, e-mail, website and other channels of Enerjisa, authorization trainings for electricians	Continuous	<ul style="list-style-type: none"> <li>Improving stakeholder engagement</li> <li>To support capacity building and improvement of knowledge (project design, changed legislations, etc)</li> <li>Engagement and cooperation with authorized electricians and electrical engineers</li> </ul>
<b>Customers</b>	External	Customer Service Centers, Enerjisa Operation Centers alternative sales channels, call centers, digital channels (Mobile application, website), customer representatives social media channels, SMS and customer satisfaction surveys	Continuous	<ul style="list-style-type: none"> <li>Developing customer- oriented solutions</li> <li>Increasing customer satisfaction</li> <li>Enabling a continuous supply of energy from renewable energy sources</li> <li>Ensuring data security</li> <li>Increasing smart technologies</li> </ul>

Stakeholder Group	Stakeholder Type	Stakeholder Communication Platforms and Methods	Communication Frequency	Targets and Successful Self-Evaluation Criteria
<b>Unions</b>	External	Face to face meetings	Once a year	<ul style="list-style-type: none"> <li>Providing uninterrupted and accessible energy</li> <li>Ensuring leadership on energy efficiency and increasing awareness</li> </ul>
<b>Non-Governmental Organisations</b>	External	Conferences (after the pandemic period), management meetings, focus group activities	Continuous	<ul style="list-style-type: none"> <li>Ensuring leadership on and energy efficiency increasing awareness</li> </ul>
<b>Suppliers and Business Partners</b>	External	Joint projects	Continuous	<ul style="list-style-type: none"> <li>Establishing alternative supply infrastructures for uninterrupted energy in distribution regions</li> <li>Ensuring customer satisfaction and continuous energy supply</li> </ul>
<b>International Organisations and Initiatives</b>	External	Joint projects	Continuous	<ul style="list-style-type: none"> <li>Ensuring leadership on energy efficiency and increasing awareness</li> </ul>
<b>Universities</b>	External	Joint projects	At least four times a year	<ul style="list-style-type: none"> <li>Stakeholder collaboration</li> <li>Attracting qualified talents</li> <li>Investment on R&amp;D</li> </ul>
<b>Investors</b>	External	Roadshows, meetings teleconferences, quarterly investor teleconferences, podcasts, webcasts, General Assembly, Investor Relations website, online surveys	Continuous	<ul style="list-style-type: none"> <li>Managing sustainability risks</li> <li>Adopting a target-oriented management approach</li> <li>Sharing environmental performance transparently</li> <li>Compliance with Corporate Governance Principals</li> <li>Financial sustainability</li> </ul>
<b>Local governments/ Muhtars</b>	External	WhatsApp Muhtar Support Line, regular meetings with the muhtars	Continuous	<ul style="list-style-type: none"> <li>Building stakeholder dialogue</li> <li>Transparency in customer communication</li> </ul>
<b>Employees</b>	Internal	İKON, mobile applications, Intranet, employee engagement focus groups, team leaders information meetings, CEO briefing meetings, management meetings, human resources meetings (happy hour), Trend Talks	Continuous	<ul style="list-style-type: none"> <li>Attracting qualified talent</li> <li>Broadening the knowledge and skills of employees, primarily blue-collar employees</li> <li>Increasing employee loyalty</li> <li>Investing in smart technologies</li> <li>Increasing OHS investments</li> </ul>
<b>Subsidiaries</b>	Internal	Meetings, Board meetings	Continuous	<ul style="list-style-type: none"> <li>Promoting leadership in the use of new technologies</li> <li>Managing sustainability risks</li> <li>Financial sustainability</li> </ul>

# ANNEX IV: MEMBER ORGANIZATIONS

UN Women's Empowerment Principles (WEPs)

In support of

WOMEN'S  
EMPOWERMENT  
PRINCIPLES

UN Global Compact



Association of Electricity Distribution System Operators (ELDER)



Turkey Ethic and Reputation Association (TEİD)



EUROGIA2020



Solar Energy Investors Association (GÜYAD)



The Business Plastic Initiative (IPG)



Business Council for Sustainable Development Turkey (BCSD)



Women's Technology Empowerment Center (WTEC)



Turkey Cogeneration Association (TÜRKOTED)



The Corporate Governance Association of Turkey (TKYD)



Turkish Industry and Business Association (TÜSİAD)



Global Investor Relations Associations (TÜYİD)



Transparency International Turkey



International Investors Association (YASED)



Turkey Quality Association (KALDER)



The Institute of Internal Auditing - Turkey (TİDE)



Energy Regulators Regional Association (ERRA)



Artificial Intelligence and Technology Association



Learning and Development Platform Association



Corporate Communication Professionals Association (KİD)



# ANNEX V: ENVIRONMENTAL PERFORMANCE INDICATORS

Assured data

Energy Consumption (MWh)	2018	2019	2019 restated <sup>19</sup>	2020
<b>Non-electricity energy consumption</b>	105,312	111,688	111,566	✓ 110,561
Natural gas	4,693	7,958	6,725	✓ 6,728
Emergency power units	-	6	146,77	✓ 913
Vehicle fleet	100,619	103,724	104,694	✓ 102,920
<b>Electricity consumption</b>	18,883	17,861	14,650	✓ 14,744
Non-renewable electricity consumption	18,883	16,872	13,661	✓ 0
Renewable electricity purchased	0	989	989	✓ 14,744
<b>Total net energy consumption</b>	124,195	129,549	126,216	✓ 125,305
<b>Energy intensity (MWh/million TL)</b>	<b>6.76</b>	<b>6.65</b>	<b>6.48</b>	<b>5.75</b>

Greenhouse Gas Emissions <sup>20</sup> (ton CO <sub>2</sub> e)	2018	2019	2019 restated	2020
<b>Scope 1</b>	<b>28,206</b>	<b>29,851</b>	<b>38,933</b>	✓ <b>44,482</b>
Vehicles	27,255	28,096	28,321	✓ 27,867
F-gases & SF6	-	141	9,151	✓ 14,949
Fuels used inside the buildings	951	1,612	1,421	✓ 1,422
Generators (Diesel)	-	2	39	✓ 245
<b>Scope 2</b>	<b>9,566</b>	<b>8,668</b>	<b>1,775,386</b>	✓ <b>1,837,853</b>
Electricity consumption - location based	9,566	8,668	7,206	✓ 7,252
Electricity consumption - market based	-	-	6,719	✓ 0
Distribution losses	-	-	1,768,180	✓ 1,830,600
<b>Scope 3</b>	<b>-</b>	<b>1,286</b>	<b>21,343,689</b>	✓ <b>21,561,367</b>
Fuel and energy related activities	-	-	21,343,147	✓ 21,560,658
<i>Emissions from electricity sold to customers</i>	-	-	21,335,282	✓ 21,553,880
<i>Well-to-tank emissions of consumed fuels</i>	-	-	6,865	✓ 6,778
Service vehicles	-	364	364	✓ 250
Business travel	-	922	922	✓ 196
Waste	-	-	257	✓ 263
<b>Total</b>	<b>37,722</b>	<b>38,804</b>	<b>23,158,008</b>	✓ <b>23,443,702</b>
<b>Emission intensity<sup>21</sup></b>	<b>2.06*</b>	<b>2.05*</b>	<b>1.19**</b>	<b>1.08**</b>

<sup>19</sup> 2019 energy consumption figures have been restated. The main differences are due to:

- Natural Gas and Purchased Electricity Consumption: Methodology change in monitoring bills. With the new methodology, it is now possible to track detailed breakdowns for natural gas and electricity usage.

- Emergency Power Units: Methodology change in monitoring data.

<sup>20</sup> Greenhouse gas emissions were calculated in line with the Greenhouse Gas Protocol. Emission factors were taken from '2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories' report and the Global Warming Potential (GWP) figures were taken from the IPCC 5<sup>th</sup> Assessment Report.

<sup>21</sup> Emission intensity is the level of GHG emissions per unit of economic activity (revenue).

\* tonCO<sub>2</sub> / million TL

\*\* kgCO<sub>2</sub> / TL

# ANNEX V: ENVIRONMENTAL PERFORMANCE INDICATORS

Assured data

Water Consumption (m <sup>3</sup> )	2018	2019	2019 restated	2020
Municipal water	97,182	101,000	97,875	✓ 92,504
Ground water	-	-	3,967	✓ 6,150
Surface water	-	-	0	✓ 0
<b>Total Water Consumption (m<sup>3</sup>)</b>	<b>97,182</b>	<b>101,000</b>	<b>101,842</b>	<b>✓ 98,654</b>
Discharged to municipal wastewater system	97,182	101,000	97,875	✓ 92,504
Discharged to ground water	-	-	3,967	✓ 6,150

Total Waste Amount (ton) <sup>22</sup>	2018	2019	2019 restated	2020
Hazardous waste	6,395	5,563	4,418	✓ 3,922
Recycled hazardous waste	6,380	-	4,401	✓ 3,880
Non-hazardous waste	12,894	6,675	7,785	✓ 8,727
Recycled non-hazardous waste	12,894	6,675	7,785	✓ 8,727
<b>Total waste</b>	<b>19,289</b>	<b>12,238</b>	<b>12,203</b>	<b>✓ 12,649</b>

Environmental Investments and Expenditures (TL million)	2018	2019	2020
<b>Amount of total environmental investments</b>			
Mitigation investments	2.2	0	✓ 2.2
Enabler investments	110.9	73.9	✓ 113.7
<b>Amount of total environmental expenditures</b>	<b>1.7</b>	<b>2.2</b>	<b>✓ 2.0</b>

<sup>22</sup>Waste amounts by type for 2018 and 2019 have been restated in accordance to Mobile Hazardous Waste Monitoring System and improvements in our waste management system in compliance with ISO 14001. Mobile Hazardous Waste Monitoring System is an online system launched by Republic of Turkey Ministry of Environment and Urbanization to track entire waste life cycle from waste generator site to waste processing plants.

# ANNEX VI: OCCUPATIONAL HEALTH AND SAFETY INDICATORS

Assured data

Occupational Health and Safety Performance	2018			2019			2020		
	Enerjisa	Contractors	Consolidated	Enerjisa	Contractors	Consolidated	Enerjisa	Contractors	Consolidated
Number of critical accidents	36	14	50	21	8	29	23	11	34
TRIF (w/o STF)	6.9	5.6	6.5	5.1	4.8	5.0	4.5	4.5	4.5
TRIF	11.8	6.4	10.0	9.6	4.9	8.2	9.0	5.6	7.9
LTISR <sup>23</sup>	104.3	67.3	84.6	106.4	113	100.7	81.3	146.6	103.0
The number of fatalities due to work-related injury	3	1	4	2	0	2	1	1	2

	2018	2019	2020
OHS Investments (TL million)	81.5	128.9	53.6

<sup>23</sup> For 2019 and 2020, we have revised our approach for LTISR. We started including extension of sick leaves in our calculation, while our previous method included only the first-time sick leave period following incidents without accounting for extensions.

GRI 102-41

# ANNEX VII: SOCIAL PERFORMANCE INDICATORS

Assured data

Employees Per Category	2018		2019		2020	
	Female	Male	Female	Male	Female	Male
Total number of employees	1,075	8,656	1,106	9,124	1,131	9,282
White-collar employees	1,020	2,084	1,048	2,170	1,076	2,225
Blue-collar employees	55	6,572	58	6,954	55	7,057
Employees covered by collective bargaining agreements	55	65,72	58	6,954	55	7,057
<b>Total</b>	9,731		10,230		10,415	

Employees by Employment Types	2018		2019		2020	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
White-collar employees	3,104	0	3,218	0	3,303	0
Blue-collar employees	6,627	0	7,012	0	7,112	0
Employees with disabilities	289		304		306	
<b>Total</b>	9,731		10,230		10,415	

Employees by Age	2018		2019		2020	
	Female	Male	Female	Male	Female	Male
<30 years old	369	2,521	345	2,038	385	2,280
31-49 years old	698	5,938	755	6,927	737	6,729
>50 years old	8	197	6	159	11	273
<b>Total</b>	9,731		10,230		10,415	

Employees in Management by Gender and Age	2018		2019		2020	
	Female	Male	Female	Male	Female	Male
<30 years old	9	9	1	10	7	7
31-49 years old	95	291	128	372	170	432
>50 years old	1	19	2	24	3	33
Board members	2	6	2	6	2	6

Employees in All Management Positions	2018		2019		2020	
	Female	Male	Female	Male	Female	Male
Employees in junior management	98	310	104	302	✓ 124	✓ 306
Employees in middle management	53	119	50	126	✓ 53	✓ 142
Employees in senior management	3	20	1	19	✓ 3	✓ 19
Executives	2	3	1	3	✓ 0	✓ 5
<b>Total</b>	156	452	156	450	✓ 180	✓ 472

Revenue Generating Roles	2018		2019		2020	
	Female	Male	Female	Male	Female	Male
Managers in revenue generating functions	19	68	17	63	✓ 24	✓ 87
Employees in STEM (IT, engineering, etc.) roles	71	311	80	331	✓ 105	✓ 354

# ANNEX VII: SOCIAL PERFORMANCE INDICATORS

## 1. ENERJISA

	2018		2019		2020	
	Female	Male	Female	Male	Female	Male
<b>Parental Leave</b>						
Employees entitled to parental leave	76	746	88	699	133	766
Employees who returned to work following parental leave	72	746	85	699	133	766

	2018		2019		2020	
	Female	Male	Female	Male	Female	Male
<b>Employees Who Left Work by Gender and Age</b>						
<30 years old	55	188	37	150	21	95
31-49 years old	107	341	67	249	39	180
>50 years old	4	67	2	42	0	37
<b>Total</b>	<b>166</b>	<b>596</b>	<b>106</b>	<b>441</b>	<b>61</b>	<b>312</b>
Employee turnover	3.9%		3.2%		2.4%	

	2018		2019		2020	
	Female	Male	Female	Male	Female	Male
<b>New Employee Hires by Gender and Age</b>						
<30 years old	90	445	93	640	52	342
31-49 years old	45	253	41	272	34	133
>50 years old	0	1	0	0	0	1
<b>Total</b>	<b>135</b>	<b>699</b>	<b>134</b>	<b>912</b>	<b>86</b>	<b>476</b>

## 2. CONTRACTORS

Contractors by Service Type	2018	2019	2020
<b>Number of contractors</b>	<b>4,821</b>	<b>4,996</b>	<b>5,119</b>
<i>Administrative affairs</i>	971	939	1,010
<i>Construction works</i>	2,390	2,298	2,742
<i>Fault repair and maintenance</i>	485	747	522
<i>Call Center</i>	975	1,012	845

## ANNEX VIII: SUSTAINABLE BUSINESS MODEL INDICATORS

Assured data

Sustainable Business Model	2018	2019	2020
The number of sustainable products and services (number)	4	4	✓ 7
Amount of sustainable product and service revenues (TL million)	13.3	15.9	✓ 23.5
Sustainability focused R&D and innovation investments (TL million)	3.8	3.5	✓ 6.7

## ANNEX IX: DIGITALIZATION AND INNOVATION INDICATORS

Digitalization and Innovation	Metrics	2018	2019	2020
<b>Innovation management</b>	Number of R&D positions	13	13	13
	Number of Innovation positions	6	6	4
	Number of ideas collected with NAR	68	249	160
<b>Smart technology development and digitalization of the grid</b>	Meters covered by OSOS	72,075	75,607	79,658
	Number of sensors on SCADA system	466,884	595,548	716,608

# ANNEX X: OTHER OPERATIONAL INDICATORS

Other Operational Indicators		2018	2019	2020
<b>Enabling high-quality electricity supply through guaranteeing voltage quality and continuity of supply</b>	<b>System Average Interruption Duration Index (SAIDI) (hours)</b>			
	AYEDAŞ	6.9	12.5	8.8
	Başkent	21.4	36.8	30.3
	Toroslar	30.2	62.2	64.2
	<b>System Average Interruption Frequency Index (SAIFI) (number)</b>			
	AYEDAŞ	3.9	10.6	7.4
	Başkent	10.5	23.3	19.0
	Toroslar	9.9	27.1	33.5
	<b>Customer Average Interruption Duration Index (CAIDI) (SAIDI/SAIFI)</b>			
	AYEDAŞ	1.77	1.18	1.19
	Başkent	2.04	1.58	1.59
	Toroslar	3.05	2.30	1.92
<b>Investing in technologies balancing generation and consumption</b>	Installed capacity of renewables and off-grid solutions connected to grid (MW)	346.7	187.7	210.2
<b>Customer Satisfaction</b>		<b>2018</b>	<b>2019</b>	<b>2020</b>
CSAT (over 5)		3.90	3.98	4.08
NPS (-100 to +100)		-16	-4	+5

# ANNEX XI: CORPORATE GOVERNANCE INDICATORS

Assured data

	2018	2019	2020
Political Contributions (TL million)	0	0	0
The number of bribery and corruption cases that were identified, investigated and concluded	26	19	14
The number of definitive convictions the company was subject to in relation to breach of employee rights	29	47	36
The number of definitive convictions the company is subject to in relation to health and safety measures	13	5	4

# ANNEX XII: MANAGEMENT SYSTEMS STANDARDS

Management Systems Standards	Coverage Rate	Calculation Methodology
ISO 9001 Quality Management System	100%	Location
ISO 45001 Occupational Health and Safety Management System	100%	Location
ISO 14001 Environmental Management System	100%	Location
ISO 10002 Customer Satisfaction Management System	100%	Location
ISO 22301 Business Continuity Management Systems	11%	Employee
ISO 27001 Information Security Management System	4%	Employee



# ANNEX XIII: TCFD DISCLOSURE

Core Elements	Area		Recommendations	Relevant Report Section (page)
<b>Governance</b>	Disclose the organization's governance around climate-related risks and opportunities.	a	Describe the board's oversight of climate-related risks and opportunities.	ESG Management, 26
		b	Describe management's role in assessing and managing climate-related risks and opportunities.	ESG Management, 26
<b>Strategy</b>	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Trends and Impacts on our Business, 23-24
		b	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Trends and Impacts on our Business, 23-24
		c	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Climate Change and Energy Management, 55
<b>Risk Management</b>	Disclose how the organization identifies, assesses, and manages climate-related risks.	a	Describe the organization's processes for identifying and assessing climate-related risks.	Risk Management, 47
		b	Describe the organization's processes for managing climate-related risks.	Risk Management, 47
		c	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Risk Management, 46-47
<b>Metrics and Targets</b>	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Climate Change and Energy Management, 56 Environmental Performance Indicators, 84
		b	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Climate Change and Energy Management, 56 Environmental Performance Indicators, 84
		c	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	2021 Targets, 22 Climate Change and Energy Management, 56 Environmental Performance Indicators, 84



# ANNEX XIV: UNGC & UN WEPs DISCLOSURES

Area	Principles	Relevant Report Section - Subsection
<b>Human Rights</b>	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Role Model within the Sector - Supply Chain Management
	Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	Shaping the New Energy World - Talent Management
<b>Labour</b>	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Role Model within the Sector - Supply Chain Management Shaping the New Energy World - Talent Management
	Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.	
	Principle 5: Businesses should uphold the effective abolition of child labour.	
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	
<b>Environment</b>	Principle 7: Businesses should support a precautionary approach to environmental challenges.	Role Model within the Sector - Environmental Management & Supply Chain Management
	Principle 8: Business should undertake initiatives to promote greater environmental responsibility.	
	Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies.	
<b>Anti-Corruption</b>	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Role Model within the Sector - Corporate Governance

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

# ANNEX XV: AWARDS



## Brand Finance

34<sup>th</sup> Most Valuable Brands in Turkey and 1<sup>st</sup> in Energy Sector.



## CBS News

Enerjisa's CFO Dr. Michael Moser granted Global Thought Leader by CBS Television.



## Corporate Register

2018 Sustainability Report ranked the 2<sup>nd</sup> and the 3<sup>rd</sup> in the categories of The Best Report and Creativity in Communication, and became the first company in Turkey presented these awards.



## Fortune 500

18<sup>th</sup> Largest Company in Turkey.



## Fortune

Dr. Michael Moser, CFO of Enerjisa, has been listed among the 50 Most Effective CFOs in Turkey list of the Fortune Magazine.



## IDC Turkey CIO Awards

"360 CRM Transformation Display" project has been granted the 2<sup>nd</sup> rank in the category of Future of Work - Metrics and KBIs of Future.



## Institutional Investor

Enerjisa Enerji Investor Relations Program was granted the 3<sup>rd</sup> rank in EMEA Utilities Sector in the Institutional Investor Research 2020 Emerging EMEA Executive Team Ranking.



## PRIDA Awards

Exploration Team Project based on moving journey to the Enerjisa Ataşehir office was presented the Prida Award in the category of Internal Communication.



## Most Popular Companies Survey by REALTA Consultancy

Ranked 46<sup>th</sup> in general and first among the Top 50 Companies in the Energy sector.



## Şikayetvar.com

Enerjisa Enerji ranked with three companies that manages the customer complaints best in energy sector in 2019.



## TİM Innovalig Awards

Ranking 3<sup>rd</sup> in the Innovation Strategy category.



## Turkey Reputation Index 2019 Survey

Enerjisa selected The Most Reputable Brand in Turkish Energy Sector for the sixth time.



## TÜBİTAK Threshold Awards

The HORIZON 2020 project application STEMION, which aims a system to control the self-consumption of renewable energy integrated residential/commercial customers connected to the meter, received the threshold award by TÜBİTAK.



## International Stevie Awards

Granted the Bronze Stevie award with "Digital Recruitment Experience" project in the category of Success in Recruitment.



## 2020 ARC Awards

Silver award for 2019 Annual Report in the category of Non-Traditional Annual Reports.



## 11<sup>th</sup> Sabancı Golden Collar Awards

Cankurtaran (Lifeguard) project granted in the Digitalisation category, the Dokunma Bana (Don't Touch Me) project in the Innovation category.



## 2019 LACP Vision Awards

2019 Annual Report was granted seven international awards;

- Silver award in the category of Energy Sector Annual Reports
- Ranked in Best 10 Annual Report of Turkey
- Ranked in Best 40 Annual Reports of Europe, Middle East and Africa
- Gold award in the category of Online Reports
- Ranked in Best 10 Online Report of Turkey
- Ranked in Best 40 Online Reports of Europe, Middle East and Africa
- Best Online Report of Europe, Middle East and Africa Region (Agency) Online Rapor (Ajans)



## 2019/2020 LACP Vision Awards

2019 Annual Report was granted;

- Gold award in the category of Online Annual Reports
- Ranked 30<sup>th</sup> in Global 100 Report
- Bronze award in the category of Letter to Investors



# ANNEX XVI: GRI CONTENT INDEX

GRI Standard	Disclosure	Resources	Omission
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Disclosures 2016	<b>Organizational profile</b>		
	102-1	4	
	102-2	10-13	
	102-3	105	
	102-4	12	
	102-5	16	
	102-6	12, 13	
	102-7	10-13	
	102-8	92	
	102-9	51	
	102-10	There has not been any in the shareholder structure.	
	102-11	46-49	
	102-12	38, 39	
	102-13	88	
	<b>Strategy</b>		
	102-14	6-8	
	<b>Ethics and integrity</b>		
	102-16	12, 36	
	Governance		
	102-18	34	
	<b>Stakeholder engagement</b>		
	102-40	38-39	
	102-41	92	
	102-42	38-39	
102-43	38-39		
102-44	38-39		



# ANNEX XVI: GRI CONTENT INDEX

GRI Standard	Disclosure	Resources	Omission
<b>GRI 102: General Disclosures 2016</b>	<b>Reporting practice</b>		
	102-45	10-11	
	102-46	27-30	
	102-47	27-30	
	102-48	99	
	102-49	27-30	
	102-50	4	
	102-51	01.01.2019 - 31.12.2019 2019 Integrated Sustainability Report	
	102-52	Annually.	
	102-53	4	
	102-54	4	
	102-55	100-104	
102-56	80-81		
<b>GRI 200 Economic Standard Series</b>			
<b>Economic Performance</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	10-11	
	103-2	10-11	
	103-3	10-11	
<b>GRI 201: Economic Performance 2016</b>	201-1	10-11	
	201-2	47, 55-56	
	201-4	2020 Annual Report <a href="https://www.enerjisainvestorrelations.com/Media/Default/pdf/FR/Enerjisa_Annual_Report_2020.pdf">https://www.enerjisainvestorrelations.com/Media/Default/pdf/FR/Enerjisa_Annual_Report_2020.pdf</a>	
<b>GRI 300: Environmental Standard Series</b>			
<b>Energy</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	55	
	103-2	55	
	103-3	55	



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GRI Standard	Disclosure	Resources	Omission
<b>GRI 302: Energy 2016</b>	302-1	89	
	302-3	89	
	302-4	56	
<b>Water and Effluents</b>			
<b>GRI 303: Water and Effluents 2018</b>	303-1	59	
	303-2	59	
	303-3	90	
	303-4	90	
<b>Biodiversity</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	57	
	103-2	57	
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<b>GRI 304: Biodiversity 2016</b>	304-2	57	
<b>Emissions</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	55, 56	
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	103-3	55, 56	
<b>GRI 305: Emissions 2016</b>	305-1	89	
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<b>Waste</b>			
<b>GRI 303: Waste 2020</b>	306-1	58, 59	
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	306-3	90	



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GRI Standard	Disclosure	Resources	Omission
<b>Environmental Compliance</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	55	
	103-2	55	
	103-3	55	
<b>GRI 307: Environmental Compliance 2016</b>	307-1	55	
<b>GRI 400 Social Standards Series</b>			
<b>Employment</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	63	
	103-2	63	
	103-3	63	
<b>GRI 401: Employment 2016</b>	401-1	65, 91	
	401-2	65, 91	
	401-3	91	
<b>Labor/Management Relations</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	63	
	103-2	63	
	103-3	63	
<b>GRI 402: Labor/Management Relations 2016</b>	402-1	Minimum notice periods regarding operational changes are considered.	
<b>Occupational Health and Safety</b>			
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	103-2	52	
	103-3	52	
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1	52	
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GRI Standard	Disclosure	Resources	Omission
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	103-2	63	
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<b>GRI 404: Training and Education 2016</b>	404-1	21, 63	
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<b>Diversity and Equal Opportunity</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	64	
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	103-3	64	
<b>GRI 405: Diversity and Equal Opportunity</b>	405-1	64, 92	
<b>Non-discrimination</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	64	
	103-2	64	
	103-3	64	
<b>GRI 406: Non-discrimination</b>	406-1	64, 92	
<b>Customer Privacy</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	43	
	103-2	43	
	103-3	43	
<b>GRI 418: Customer Privacy 2016</b>	418-1	43	



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## TRADE REGISTRY INFORMATION

### TRADE REGISTRY NUMBER

800865

### TRADE NAME

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### ADDRESS

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Ataşehir 34748 İstanbul

### PAID IN CAPITAL

1,181,068,967.12 TL

### REGISTERED PAID IN CAPITAL

4,000,000,000.00

### TRADE REGISTRY DATE

21/12/2011

### MERSIS NO

0335042909900015



# GLOSSARY

**AGED:** Waste Paper and Recyclers Association

**AMR:** Automatic Meter Reading System

**AYEDAŞ:** Istanbul Anadolu Yakası Elektrik Dağıtım A.Ş.

**AYESAŞ:** Enerjisa Istanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.

**BCSD:** Business Council for Sustainable Development

**BCM:** Business Continuity Management

**BIA:** Business Impact Analysis

**BIST:** Borsa Istanbul Stock Exchange

**CAGR:** Compounded annual growth rate

**CSC:** Customer Service Center

**CRM:** Customer Relationship Management

**CSAT:** Customer Satisfaction

**DSOs:** Distribution System Operators

**EBITDA:** Earnings before interest, taxes, depreciation and amortization

**EBRD:** European Bank for Reconstruction and Development

**EBDR PR:** EBRD Performance Requirements

**EDAŞ:** Elektrik Dağıtım A.Ş.

**EDU:** Executive Development Unit

**EIA:** Environmental Impact Assessment

**ELDER:** Association of Distribution System Operators

**EMRA:** Energy Market Regulatory Authority

**Enetik:** The Enerjisa Code of Business Ethics

**EPSAŞ:** Elektrik Perakende Satış A.Ş.

**Eşarj:** Elektrikli Araçlar Şarj Sistemleri A.Ş.

**ESG:** Environmental, Social and Governance

**ETCs:** Enerjisa Transaction Centers

**GRI:** Global Reporting Initiative

**GÜYAD:** Solar Energy Investors Association

**HVAC:** Heating, ventilation and air conditioning

**IIRC:** International Integrated Reporting Council

**IoT:** Internet of Things

**IICEC:** Sabancı University Istanbul International Center for Energy and Climate

**İTÜ:** Istanbul Technical University

**IVR:** interactive voice response

**KEP:** Registered electronic e-mail

**KPI:** Key Performance Indicators

**LEAP:** Leadership Acceleration Program

**LTISR:** Lost Time Injury Severity Rate

**METU:** Middle East Technical University

**MoEU:** Ministry of Environment and Urbanization

**MTPOD:** Maximum Tolerable Period of Disruption

**NPS:** Net Promoter Score

**OHS:** Occupational Health and Safety

**OREO:** Online Appointment System

**OSC:** Online Services Center

**RERSM:** Renewable Energy Resources Support Mechanism

**RPO:** Recovery Point Objective

**RTO:** Recovery time Objective

**PDLP:** Law on the Protection of Personal Data

**SAIDI:** System Average Interruption Duration Index

**SAIFI:** System Average Interruption Frequency Index

**SAP:** System Analysis and Program Development

**SASB:** Sustainability Accounting Standards Board

**SEP:** Stakeholder Engagement Plan

**TEID:** Turkey Ethic and Reputation Association

**TKYD:** The Corporate Governance Association of Turkey

**TOBB:** The Union of Chambers and Commodity Exchanges of Turkey

**TRIF:** Total Recordable Incident Frequency

**TRIF w/o STF:** Total Recordable Incident Frequency Excluding Slip, Trip and Fall Accidents

**TÜRKOTED:** Turkey Cogeneration Association

**TÜSİAD:** Turkish Industry and Business Association

**TÜYİD:** Turkish Investor Relations Society

**UN:** United Nations

**UNGC:** The United Nations Global Compact

**WEPS:** The Women's Empowerment Principles

**WTEC:** Women's Technology Empowerment Centre

**YASED:** International Investors Association

**YEKDEM:** Renewable Energy Resources Support Mechanism

**ENERJİSA**

Energy of Turkey

