

# AKENERJI

## SUSTAINABILITY

# REPORT

2018





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For information on Akenerji Sustainability Report;

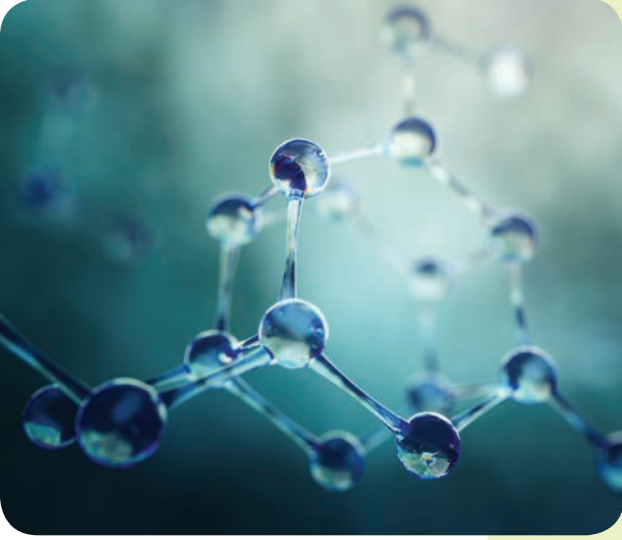
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## OUR REPORT

In this Akenerji Sustainability Report issued for the seventh time this year, we intend to present to you, the esteemed stakeholders, economic, environmental and social aspects of the activities we executed between the dates of January 1st - December 31st of 2018. Unless stated otherwise herein, the financial, environmental, occupational health and safety performance data presented in this Report covers Akenerji itself and all its affiliates, and 9 power plants active in Turkey as of 2018 under the structure thereof, as listed in "Akenerji Group of Companies included in 2018 Sustainability Report" during the reporting period, and the Head Office in İstanbul. There is no external audit for this report. The information about Integrated Management systems and financial informations are audited. This report has been prepared in accordance with the GRI Standards: Core option. Please communicate your inquiries and recommendations on our sustainability performance, practices and the report to us at "info@akenerji.com.tr".

## Akenerji Group of Companies

(included in the 2018 Sustainability Report)



### Operational Companies:

- Akenerji Elektrik Üretim A.Ş.
- [Power Plants: Ayyıldız WPP, Uluabat HEPP, Burç Bendi HEPP, Bulam HEPP, Himmetli HEPP, Gökkaya HEPP, Feka I HEPP, Feka II HEPP]
- Egemer Elektrik Üretim A.Ş.
- [Plant: Erzin Natural Gas Combined Cycle Power Plant (NGCCPP)]

### Investments at Project Phase:

- Ak-EI Kemah Elektrik Üretim A.Ş. (Kemah HEPP)

### Other:

- Akenerji Elektrik Enerjisi İthalat İhracat ve Toptan Tic. A.Ş.

Note: Ak-EI Yalova Elektrik Üretim A.Ş. and Akenerji Doğalgaz İthalat İhracat ve Toptan Tic. A.Ş., the subsidiaries of Akenerji, have not been included in the report as they were not active in 2018.

## THE MESSAGE FROM THE CEO



Serhan GENCER

Akenerji continues to generate energy for Turkey at its 30<sup>th</sup> anniversary. It manages its 1 natural gas combined cycle power plant, 1 wind power plant and 7 hydroelectric power plants in the direction of “high profitability and high efficiency”. It strengthen Turkey for 30 years. We maintain our leading position in the sector. We diversify our products. We carry out leading energy efficiency projects.

## Esteemed Stakeholders,

We are proud to evaluate the economic, environmental and social aspects of our operations carried out in the last year and share it with you through the sustainability report issued for the seventh time in 2019, the 30<sup>th</sup> anniversary of our incorporation.

The climate change, the global impacts of which are experienced stronger every day, prompted all states towards energy types generated through renewable energy sources with minimum environmental and social impacts. In the course of identifying the energy strategy in Turkey, the focus was on increasing the share of renewable energy types and improving the energy efficiency. As Akenerji, we continued to be one of the most prominent players in one of the most dynamic sectors of Turkey, the energy sector, again in 2018 with our 30-year experience and knowledge on sources, and we increased our total installed capacity to 1,224 MW and increased the share of renewable energy to 26% with the capacity increase in Ayyıldız Wind Power Plant.

Utilization of renewable sources is not only a factor capable of leading to serious breakthroughs in the combat against the climate change, but also became an economic opportunity for our country due to the diversity of the sources available. In order to take one step further in this respect, we are aiming to prevent green house gas emissions amounting up to approximately 1 million ton per year with the help of our renewable power plants. In other words, we are aiming to make contributions equivalent to clean air supplied by approximately 42.2 million trees.

The diminishing available water reserves due to the climate change and unconscious consumption of the sources is of paramount concern for our future. We, however, are using such concern as a driving force for our studies on water, and we are executing our operations in a highly sensitive manner while maintaining our studies on water efficiency. Our efforts on water use are appreciated by CDP, one of the most prestigious water platforms on the global scale, and set an example for other companies in the sector. Again in 2018, we shared our data and strategy on water and climate change with our stakeholders through CDP Water and Climate Change Reports in the light of the principle of transparency.

Akenerji Energy Services represents an innovative step in the sector in this respect in order to raise awareness of the users and utilize available potential for energy efficiency. We are proud to

add value to our customers through our expert staff on energy efficiency also highlighted in our country's policies, and to take the lead in our sector in this respect, bring a breath of fresh air. As Akenerji Energy Services, we continued to be the firm that secured highest rate of energy efficiency in the sector again in 2018 by achieving mean efficiency values of 35% in electrical energy and 55% in the natural gas through the projects we have executed since 2015. We are aware that the quality of our operations will increase proportionally as the competencies and skills of our laborers are improved. We are adopting all precautions against the probable risks in our worksites, and furthermore, we increased the number of occupational health and safety training hours with intentions to allow our employees to attain the competency for taking any necessary action upon discovering any safety risk during work flow.

The fact that we have adopted full compliance principle with respect to our engagement with the local communities in our operation zones represents one of the key factors for our operations' success. As Akenerji we recognize the fact that community health and education of the youth are the most important factors for social life. Aware of this fact, we are once more awarded with "Golden Voltage" reward in recognition of our support to the public scan organization for early diagnosis of breast cancer, the most frequently experiences type of cancer in women.

The sector that we are active is highly prone to changes by definition, and changes in line with the status quo of the national economy. We are maintaining close contact with various stakeholders in order to inform the sector about the added values we create and to closely monitor the ongoing changes in the sector. In this respect, we offered our support in 2018 by acting as sponsor at Energy Supply Summit ISTRADE, The Energy Efficiency Forum and Fair in addition to active participation. Moreover, we made contributions to the "Report on Sustainable Energy for a Sustainable Future" issued by TÜSİAD Energy Group in support of the studies for eliminating the deficiency for references on sustainability, one of the most fundamental needs of the sector.

Our affection of our job, working in harmony with each other, and endeavoring for a better future despite how challenging the conditions might be has carried us to this position that we proudly occupy. I believe that we will manage to achieve greater success again in 2019 by virtue of the sustainability culture we implement.

# OUR SUSTAINABILITY JOURNEY



## 2010

- We were included in the Global Compact Principles Progression Statement covering 2008-2009 after Akkök Holding becomes signatory to the United Nations Global Compact in 2007.
- We issued the very first and most comprehensive Environment, Occupational Health and Safety Report, disseminating to all stakeholders.

## 2012

- We became the first Turkish power company receiving IIP (Investors in People) Certification.
- We took part in the studies for IMKB Sustainability Index Project.

## 2014

- We raised our CDP report disclosure score, which presents the greenhouse gas emission values and our climate change strategy, from 69 to 85 after the review for year 2014.
- We launched new products and services capable of responding to the needs of our customers concerning energy through our Smart Electricity approach, improving our customer satisfaction ratings and achieving a competitive advantage.

- We joined the Carbon Disclosure Project - CDP Turkey reporting process, becoming one of the two companies in Turkey involved in such reporting process.
- We became the first Turkish power company starting to implement EFET (European Federation of Energy Traders) general contract in Turkey.

- We issued our first sustainability report for 2012 operation year accordance with Global Reporting Initiative (GRI) Sustainability Reporting Principles to the review of our stakeholders.
- We launched Carbon Management Project operations at all our plants.

## 2013

## 2011



## 2016

- ISO 9001:2015 Quality, ISO 14001:2015 Environment Management Systems certifications are received for Akenerji - Egemer Head Office, Ayyıldız WPP, Uluabat HEPP, Burç HEPP, Bulam HEPP, Feke I HEPP, Feke II HEPP, Himmetli HEPP, Gökçaya HEPP and Erzin NGCCP through 2015 revision of ISO 9001 Quality management systems and ISO 14001 Environment management systems standards. We secured perpetuity of OHSAS 18001:2007 Occupational Health
- and Safety and ISO 27001 Information Security Management Systems certifications.
- We raised our CDP Turkey 2016 Climate Change Score to "B".
- We raised our CDP Turkey Water Program Score to "B", where we continued to be the sole energy firm.
- We became the first company in Turkey implementing virtual plant bidding process for the first time.

## 2018

- We became the first energy company to issue a sustainability report that has been prepared in accordance with the "GRI Standards" in Turkey.
- As in 2017, this year we are again listed on the index which lists the companies that are traded at Borsa İstanbul and that have highest corporate sustainability performance ratings.
- The greenhouse gas emissions of Erzin Natural Gas Combined Cycle Plant for year 2017 have been verified by the authorized notified body, and reported to the Ministry of Environment and Urban Planning as stipulated in the Legislation on Monitoring the Greenhouse Gas Emissions.
- We continued our HEPP awareness rising campaigns at the rural schools at the areas where hydroelectric power plants are constructed. We managed to reach 1721 students and 111 teachers through the trainings conducted in Adana, Adıyaman and Bursa.
- We ranked first in "energy category" at "ONE AWARDS", wherein the most credible companies of Turkey receive awards.
- We are nominated for and awarded with, the "Golden Voltage" award on Corporate Social Responsibility in the 9th Turkey Energy Summit.

- We became the first and sole energy company committed to reporting as from the very onset of CDP Turkey Water Program.
- We raised our 2015 CDP disclosure score to 88.
- We became the first energy company in Turkey by issuing our 2014 Sustainability Report drafted in compliance with GRI C4 Guide. Furthermore, this report also marks the occasion where we started to share, transparently, our strategic sustainability objectives, including the achievement status of said objectives, with our stakeholders.
- We completed all management system certification processes in all fields of activity after Erzin Natural Gas Combined Cycle power plant is awarded with ISO 9001:2008 Quality, ISO 14001:2004 Environment and OHSAS 18001:2007 Occupational Health and Safety Management Systems certifications.
- We were awarded with ISO 27001 Information Security Management Systems Certification for the Head Office, Uluabat HEPP and Erzin NGCCP.
- We initiated supplier audits in order to ensure a sustainable work management.

- We took the step into digitalization by acquiring "Operation Optimization" software for improving the efficiency of Erzin Natural Gas Combined Cycle Plant.
- We are listed on "BIST Sustainability Index" which lists the companies that are traded at Borsa İstanbul and that have highest corporate sustainability performance ratings.
- We aligned our objectives set in accordance with our sustainability strategies and sustainability priorities to be in line with the UN Sustainable Development Goals.
- We were awarded with A- rating score under the CDP (Carbon Disclosure Project) Water Program and CDP Turkey 2017 Water Leadership award.

## 2017

## 2015



# AWARDS

---

We are awarded to be the “Most Credible Energy Company of the Year” in ONE AWARDS.

We are nominated, and then awarded, as the “energy company that built up its credibility the most by employing the corporate communication in the best manner in 2017” in the energy category of THE ONE AWARDS, awarded to the companies with highest increase in credibility.

The brands capable of improving their corporate creditability the most are identified through “creditability and brand value performance review” process executed by Akademetre through one on one interviews with 1200 individuals in 12 cities. Akenerji managed to outstrip his rivals, the prominent actors in the energy sector, with a high score margin.

We are, once more, awarded with the “Golden Voltage Award” on Corporate Social Responsibility in the 9<sup>th</sup> Turkey Energy Summit.

We are once more awarded with the Golden Voltage prize on social responsibility in the 9<sup>th</sup> Turkey Energy Summit. The project deemed worthy of an award is the breast cancer scan co-executed with Adana Provincial Directorate of Health. We are honored to make contributions to the health of our women residing in the influence area of our plants by supporting the breast cancer scanning process executed by Adana Provincial Directorate of Health. Mammography scans were acquired from 1530 women for early diagnosis of breast cancer using mobile cancer scan vehicle in FEKE borough where FEKE-1 and FEKE-2 Hydroelectric power plants are erected. Akenerji facilitated the service by offering transportation support to the women residing in FEKE borough and surrounding rural areas. Akenerji will continue to carry out further social responsibility projects in the plant impact areas.



# ABOUT AKENERJI

Akenerji Elektrik Üretim A.Ş. was incorporated in 1989 by Akkök Holding. The actual scope of activity of Akenerji covers construction, commissioning, and renting of electric energy generation plants, generation of electric energy, and sale of electric energy and/or capacity so generated to the respective customers. As from May 14<sup>th</sup>, 2009, Akenerji has been transformed into partnership subject to joint management between Akkök Holding A.Ş. and ÇEZ a.s.



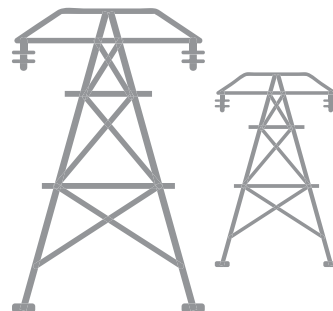
We are Turkey's energy  
with 30 year experience...



<http://www.akenerji.com.tr/>

Our company has engaged with the energy operations in 1989 as a subsidiary Akkök Group Companies. Acting under the status of private power producer company since 2005, Akenerji has become one of the most prominent companies of Turkey in the energy sector as of the end of 2018.

Standing out as a role model in the energy sector with the knowledge extending back for 30 years, Akenerji managed to achieve diversity in portfolio on the basis of both resources and geography with 1 natural gas combined cycle power plant, 1 wind power plant and 7 hydroelectric power plants. 26% of the installed capacity of the company, 1,224 MW as of the end of 2018, comes from renewable energy resources.





### *We are Akenerji*

*We are the most dynamic company of Turkey keeping our 30-year experience young through innovative vision. We are the first energy generation firm under the autoproducer group status in Turkey. We were among the first energy companies listed in the stock exchange in 2000 in order to dedicate our presence for our homeland and to earn altogether. Under collaboration of Akk k Holding and  EZ Group, the investments made since 2009 amounts approximately USD 1.7 Billion.*

*We supply 3% of the energy demand of Turkey singlehandedly. Our source of inspiration and breath of life comes from our commitment to work. We endeavor to bequeath a legacy of more habitable earth to the future generations.*

*The ISO 9001 Quality, ISO 14001 Environment, OHSAS 18001 Occupational Health and Safety and ISO 27001 Information Security Management System certifications are our sources of pride. Creating a sustainable energy cycle and respect to the environment stand at the very foundation of our operations. We endeavor to add value to our homeland. We are a voluntary party to the Turkey Climate Change reporting process. Our business is also to achieve breakthroughs in the energy sector. We are the very first energy company in Turkey to draft a sustainability report in accordance with GRI Standards. We continue to add value to our country in the economic, social and cultural sense, by undertaking Corporate Social Responsibility projects. We prioritize the safety and security of the local populations residing within the impact zones of our operations through awareness rising and preservation campaigns and programs. We are listed amongst the 500 largest industrial enterprises of Turkey for years. We are working harder each day to maintain our position as the driving force of the economy.*

*We share our power with Turkey by adding value to life.*



# 204

Number of  
Employees

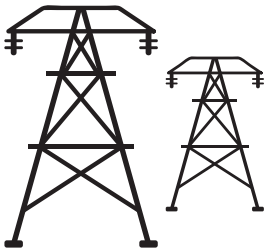
\* average



# 2,216 million TL

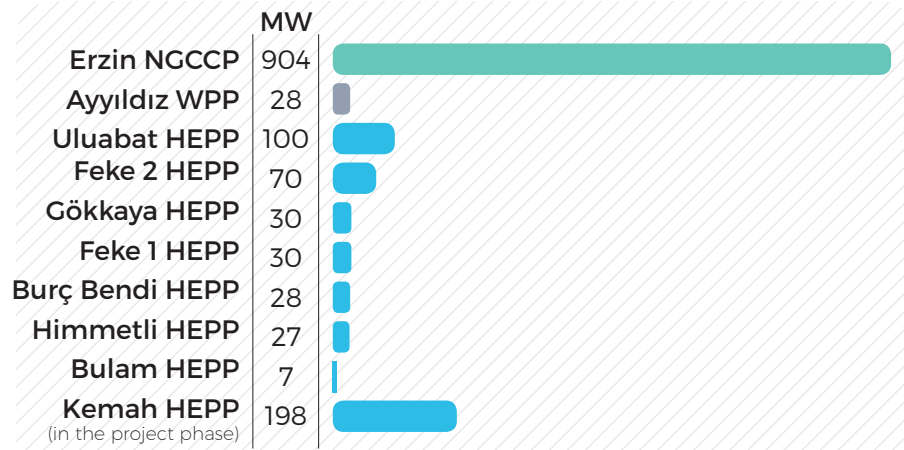
2018 Revenue

We are the first company to implement  
**EFET General Contract.**

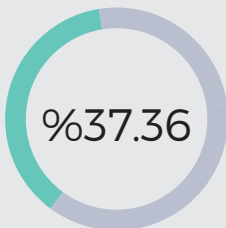


# 1,224 MW

Total Installed Capacity



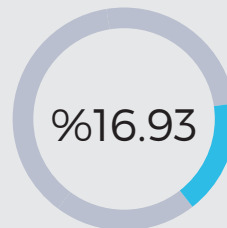
## Shareholding Structure



ÇEZ A.Ş.



Free Float  
(The actual  
circulation  
rate: 52.83 %)



Akarsu Enerji  
Yatırımları San.  
ve Tic. A.Ş.

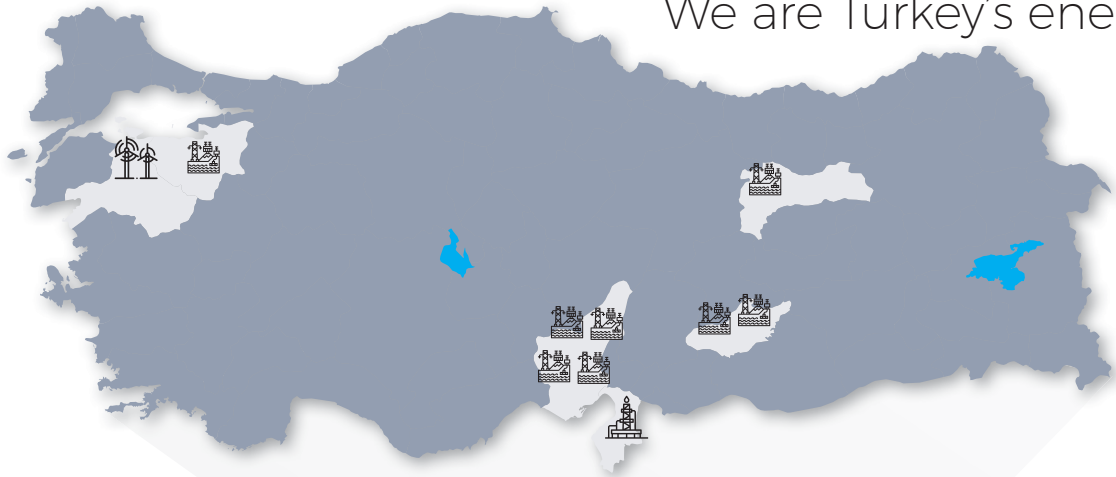


Akkök Holding  
A.Ş.




## Operation Map

We are Turkey's energy.



 Hydroelectric

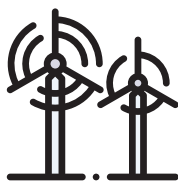
 Natural Gas

 Wind

We are also the first company to register to **"National Carbon Registry"**

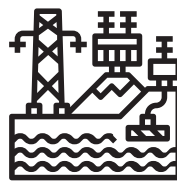
We are the first energy company involved in **CDP Water Program.**

### Distribution of the Installed Capacity by Source



**2%**

Wind



**24%**

Hydroelectric

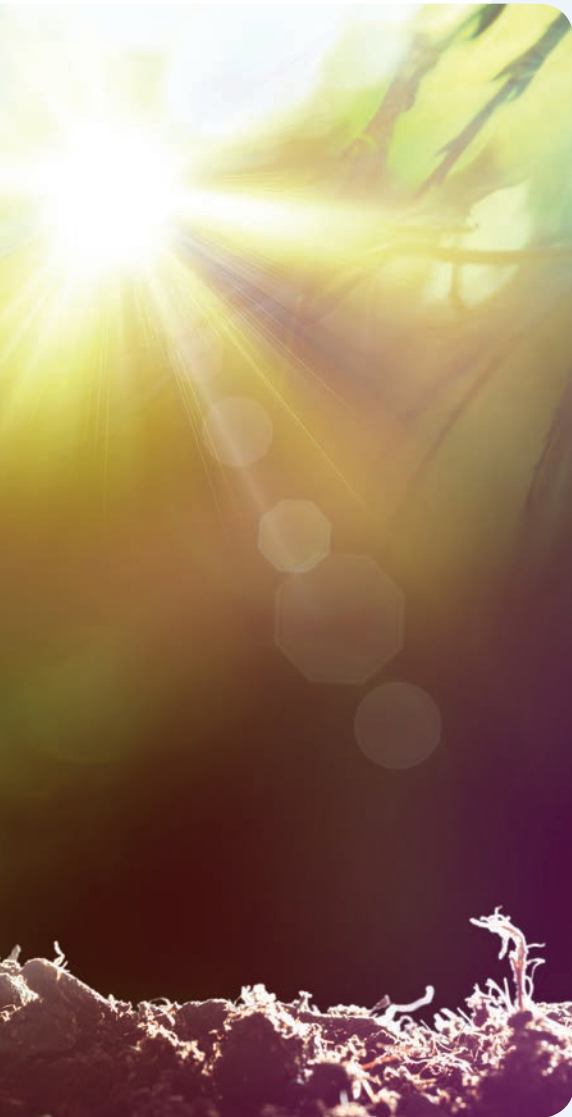


**74%**

Natural Gas







## Vision

To maintain its leading position in the Turkish energy sector, and become one of the largest integrated companies that shape the industry.



## Mission

To make reliable and long-term contributions to Turkey's energy needs by operating with a quality-focused approach at every stage of the energy sector value chain.



## Corporate Values

Reliability, Integrity, Accountability, Transparency, Customer Satisfaction, and Social Responsibility.



## Competencies of Akenerji Employees

Communication, Persuasion, Result-Oriented, Creating Collaboration, Planning and Organization, Decision Making, Customer Orientation





# **CORPORATE GOVERNANCE**



## CORPORATE GOVERNANCE

We are investing on energy based on experience, expertise and resolution that shapes the future.

Akenerji Board of Directors and senior management fulfill their functions as fully aware of the accountability to the legal entity and the shareholders of the company and by prioritizing the profitability of the company and the interests of its shareholders. Besides, due to its sensitivity with respect to transparency, Akenerji releases all financial and non-financial information, except for the trade secret information and information not yet disclosed to the public in an accurate, comprehensible, interpretable and readily accessible manner.

In addition to overseeing continuity in customer satisfaction through sustainable quality and superior service insight, we also add value to the regions, where the company is active, in a society- and environment-sensitive approach.



**Ahmet Cemal DÖRDÜNCÜ**  
Chairman of the Board of Directors



**Tomas PLESKAC**  
Vice Chairman of the Board of Directors



**Özlem ATAÜNAL**  
Member of the Board of Directors



**Petr DOKLADAL\***  
Member of the Board of Directors/Deputy General Manager

\* Also have functions in the Executive Committee.

## Board of Directors

The Board of Directors is the supreme governance body in Akenerji, responsible for functions such as defining strategic objectives; designating the Corporate Governance; identifying necessary human and financial resources, supervising the performance of the management, overseeing conformity of the Company operations to the legislation, Company's Articles of Association, and internal regulations and the policies set at the company.

As of December 31st, 2018, the board of directors is comprised of eight members, two of whom are independent members and three of whom are members of the executive committee, Chairman of Akenerji Board of Directors, Ahmet Cemal DÖRDÜNCÜ, Vice Chairman of the Board of Directors Tomas PLESKAC, Member of Board of Directors, Peter DOKLADAL, and the Independent Member of the Board of Directors, Yahya Mehmet İzzet ÖZBERKİ, have been elected at the general assembly dated 26.04.2016 for a term of office of 3 years. The remaining Members of the Board of Directors, Özlem ATAÜNAL, Serhan GENCER, and Jaroslav MACEK, on the other hand, have been appointed by the Board of Directors on 26.04.2016 as replacements of the vacant positions at the Board of Directors in order to complete the term of office of their predecessors elected for a term of office of 3 years. Peter KALAS, one of the Independent Members, has been elected on 26.03.2018 for a term that covers the remaining term of office of other members of the Board of Directors. The composition of Akenerji Board of Directors, as of December 31st, 2018, is as follows:

The Board of Directors takes part in settlement and resolving of any disputes that might be experienced, and maintaining active communications between the Company and the shareholders, and, for this purpose, acts in collaboration with the Corporate Governance Committee and the Investor Relations Department.



**Serhan GENÇER\***  
Member of the Board  
of Directors/General  
Manager



**Jaroslav MACEK**  
Member of the Board  
of Directors



**Yahya Mehmet İzzet  
ÖZBERKİ**  
Independent Member  
of the Board of  
Directors



**Peter KALAS**  
Independent Member  
of the Board of  
Directors

The Board of Directors comprises members that have and do not have commissions on the Executive Committee. The members who don't have commissions on the Executive Committee are elected from individuals with no administrative function in the Company, except for membership to the Board of Directors, and not involved in daily workflow and ordinary operations at the company. 5 members of the Board of Directors have no commissions on the Executive Committee. Two independent members capable of performing their functions without any influence are present in the Board of Directors. No incident that leads to any change in status of the independent members has occurred in 2018.

In accordance with the Company's Articles of Association, the Board of Directors convenes at times as necessitated by the Company business, and, in any case, at least four times per year. Each member of the Board of Directors has one right to vote. No member of the Board of Directors has casted any dissenting vote for any resolution discussed during the meetings in 2018.

The Members of the Board of Directors reserve sufficient time for the businesses of the Company. In the event where the member also acts as an executive at, or is a member of the Board of Directors of, another company, or delivers consultancy service to another company, then it is essential that such functions doesn't lead to any conflict of interest, and that the member is not in negligence of his/her function at Akenerji. The resumes of the Members of the Board of Directors are available in the General Assembly information document, and are submitted to the attention of the shareholders.

Although not included in the Articles of Association, the functions and authorities of the Chairman of the Board of Directors and the Company CEO are clearly defined and dissociated on the organizational chart. The

CEO and the Chairman of the Board of Directors are distinct individuals, and the CEO is also a Member of the Board of Directors.

The Board of Directors takes part in settlement and resolving of any disputes that might be experienced, and maintaining active communications between the Company and the shareholders, and, for this purpose, acts in collaboration with the Corporate Governance Committee and the Investor Relations Department.

All performance indicators identified in the Company are monitored and reviewed. The achievements of the Board of Directors, the ultimate management body, are reviewed by monitoring the extent of achievements at the primary business objectives in accordance with the corporate goals, and the success of the strategies implemented. As the performance indicators of the primary business objectives are an outcome of the basic performance indicators of all senior processes, including the sustainability management process, the ultimate governance body also reviews its respective performance particularly with respect to the economic, environmental and social performances.

The Members of the Board of Directors, the ultimate governance body vested with the capacities to carry out actions on behalf of the Company, and to represent and bind the company, must be fully competent. The Members of the Board of Directors are elected from the professionals with adequate competencies and expertise capable of steering the economic, environmental and social strategies of Akenerji, taking into account the past experience and education. The Board of Directors of the Company is elected and fulfills its functions in compliance with the regulations on Corporate Governance as stipulated by the Capital Markets Board.



### Gender Distribution in the Board of Directors (number of members)



2018

1



7



2017

1



7



2016

0

8



### Age Distribution in the Board of Directors (number of members)

Above 50	6	
Between 30-50	2	
Under 30	0	

Above 50	8	
Between 30-50	0	
Under 30	0	

Above 50	7	
Between 30-50	1	
Under 30	0	

## The Committees Affiliated to the Board of Directors

The Board of Directors carries out its functions in a fair and responsible manner and by respecting the principles of transparency and accountability. Establishing internal supervision systems that include the risk management and information systems and processes capable of minimizing the impact of the risks that might affect the interests of the Company, in particular the shareholders in consultation and consideration with the Board of Directors committees is one of the functions of the Board of Directors. In this respect, an Audit Committee, a Corporate Governance Committee and Early Detection of Risk Committee, all affiliated to the Board of Directors, have been established in compliance with the regulations of the Capital Market.

The information on the Members of the Committees affiliated to Akenerji Board of Directors as of December 31<sup>st</sup>, 2018 is as follows:

### The Corporate Governance Committee

Peter KALAS  
Chairman

Yahya Mehmet İzzet ÖZBERKİ  
Member

Özge ÖZEN AKSOY  
Member

Ondrej DVORAK  
Member

### The Audit Committee

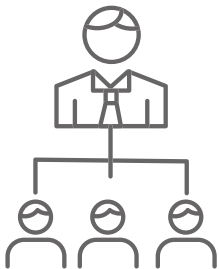
Yahya Mehmet İzzet ÖZBERKİ  
Chairman

Peter KALAS  
Member

### The Early Detection of Risk Committee

Yahya Mehmet İzzet ÖZBERKİ  
Chairman

Peter KALAS  
Member





## 1

## The Corporate Governance Committee

The Corporate Governance Committee is established in order to monitor the Company's conformity to the Corporate Governance Principles, to conduct studies on improvements in this respect, and to present recommendations to the Board of Directors. The Committee comprises of four members in total, two Independent Members of the Board of Directors, and two employees of the Company, one of whom is at executive level assigned to the Executive Committee of the Company. The Chairman of the Corporate Governance Committee is also a member to the Audit Committee and the Early Detection of Risk Committee. Akenerji Corporate Governance Committee carries out the functions set forth in the applicable legislation, as well as the functions and responsibilities of the Nomination Committee and the Wage Committee.

<http://www.akenerji.com.tr/en/board-committees>

## 2

## The Audit Committee

The available internal audit system concerning, in particular, the matters on improvement of the operational efficiency and effectiveness of the Company, on ascertaining reliability with respect to the financial reporting, and conformity to the applicable laws and regulations, are audited by the Audit Group available under the structure of the main partners, Akkök Holding A.Ş. and CEZ a.ş., pursuant to the annual internal audit plan, and the outcomes thereof are reported to the Audit Committee. In said annual internal audit plan, the risks that become prominent pursuant to the corporate risk management are prioritized. The effectiveness of the internal audit operations is reviewed by the Audit Committee at the meetings held at least four times per year. At said meetings, the opinions of the internal auditor, the external auditors or other executives of the Company are also sought, if required.

The Board of Directors reviews the effectiveness of the risk management and internal control systems at least once per year. Information is provided in the activity report concerning the availability, functioning and effectiveness of the internal controls and the internal audit processes.

<http://www.akenerji.com.tr/en/board-committees>

## 3

## The Early Detection of Risk Committee

The Committee endeavors for early detection of the risk, and then adapts the precautions related to such as required, thus ensuring management of the risk. The Independent Members of Akenerji Board of Directors, Mr. Yahya Mehmet İzzet Özberk, is assigned as the Chairman of the Committee, while Mr. Peter Kalas is assigned as the Member of the Committee, reporting to the Board of Directors bimonthly for the purpose of execution of the Committee assignments and responsibilities. The Strategic Planning and Risk Management Directorate identifies and assesses the risks in compliance with the Company's applicable risk procedure and limits and in collaboration with the Unit Risk Officers appointed for each unit.

<http://www.akenerji.com.tr/en/board-committees>

We strictly abide by the principles of regulatory compliance, transparency, responsibility and accountability in all our operations.

## Shareholder's Participation to the Company Management

The shareholders of Akenerji are capable of exercising their means of advice and instructions to the ultimate governance body of the company at the General Assembly meetings at the broadest sense. In order for offering such opportunity to all shareholders, the "General Assembly Acknowledgement Documents" that contain the matters set forth in the Corporate Governance Communiqué issued by the Capital Markets Board prior to the General Assembly meetings.

Our shareholders are entitled to notify, in written, the matters they wish to be included on the agenda of the General Assembly meetings to the Investor Relations Department. The Members of the Board of Directors, other respective individuals, the executives liable from drafting the financial statements, and the auditors all attend to the General Assembly meetings of the Company in order to deliver briefings as required on significant items of the agenda and to respond to the questions directed by the assembly.

Each shareholder is entitled to acquire and review all kinds of non-confidential information pursuant to the regulations in force. All shareholders, including the minority and foreign shareholders, receive equal treatment. The right to demand and review information is not abolished or restricted by the Articles of Association or through any resolution adopted by any organ of the Company.

Furthermore, our web site is set up and updated in compliance with the Turkish Commerce Code and the Corporate Governance Communiqué by the Capital Markets Board. Moreover, the beneficiaries wishing to be in contact with the company are able to contact respective officers via the following e-mail address: [info@akenerji.com.tr](mailto:info@akenerji.com.tr), or by completing the Contact Form available on: <http://www.akenerji.com.tr/en/iletisim-formu>. The rudiments on the web site are available also in English for the international investors.

## Corporate Governance Principles

Akenerji is well aware of the significance presented by the quality of Corporate Governance as well as the financial performance in this environment harboring tough competition and change, as high quality Corporate Governance leads to positive outcomes such as low capital costs, additional finance opportunities and enhanced liquidity, and strengthens the competitive power of the institutions. As per our Corporate Governance approach, we pay utmost care for implementing the principles set out in the Corporate Governance Principles by the Capital Markets Board (CMB).

## Relations with the Shareholders and Investors

The relations with the shareholders and the investors are executed by the Investor Relations Department. Said Department plays an active role in facilitating preservation and exercising of the shareholding rights, in particular the right to demand and review information. Responses, either written or oral, are provided to all inquiries communicated to the department, excluding any information that qualifies as confidential and commercial secret, by interviews with the highest ranking person in charge of respective topic.

We organize periodical briefings by establishing an accessible and transparent communication platform with all stakeholders, conduct independent meetings upon request, and respond to the inquiries received via e-mail. The requests from the mediators, investor agencies and individual investors are reviewed and replied on quarterly periods, periodically and at interim periods, by holding meetings if so requested and/or via e-mail. Any requests for information, either oral and/or written, by the shareholders, the prospective shareholders, the analysts conducting analyses on Akenerji, the academicians and students conducting research on the company and the sector, excluding any undisclosed, confidential information and commercial secrets, are fulfilled as soon as possible via aforementioned channels.

The details on the information covering Investor Relations and presented in this Report, and the contact info for Investor Relations Department are available on our web site.

## Public Disclosure Policy

Akenerji Disclosure Policy regulates matters such as which information to be disclosed to public apart from the information stipulated by the legislation, the mode, frequency and channels for such information disclosure, the frequency of the press meetings to be held by the Board of Directors or the executives, the frequency of the public disclosure meetings, the method applicable for responding to the inquiries received by our Company, etc.

Akenerji discloses the information via following online channels in due time and in an accurate, complete, interpretable and readily accessible via low cost in order to facilitate the decision-making process for the individuals and the enterprises that will take advantage of such disclosure:

### Public Disclosure Platform:

<http://www.kap.org.tr>

### Company's web site:

<http://www.akenerji.com.tr>

### Central Securities Depository e-YÖNET Corporate Governance and Investor Relations Portal:

<https://www.mkk.com.tr/wps/portal/MKK/>

## Risk Management

The risk management process involves identification and evaluation of the risks and opportunities that might affect the objectives set by the company, establishment of systems required for management of such risks and opportunities pursuant to the policies set by the Board of Directors, and taking respective actions and monitoring thereof. The Enterprise Risk Management (ERM) project launched in 2012 was completed in June 2013, and accordingly a corporate-wide risk inventory was created and regular reporting and monitoring processes were initiated by defining the roles and responsibilities in the ERM process.

The Early Detection of Risk Committee under supervision of Akenerji Board of Directors was established on September 24, 2013 in order to ensure compliance with article 378 of Turkish Code of Commerce No. 6102 enacted in July 2012. The Committee is responsible for early detection of the risk and ensures that all necessary measures concerning the identified risk are adopted as required and that the risks are managed. The Independent Members of Akenerji Board of Directors, Mr. Yahya Mehmet İzzet Özberki has been assigned as the Chairman of the Committee and Mr. Peter Kalas has been assigned as the Member of the Committee, and the Committee reports to the Board of Directors on bimonthly basis in order for execution of the functions and responsibilities.

The Risk Management Committee was established in March 2015 in order to allow swift decision-making in order to be able to act quickly due to variable and competitive market conditions, while managing the risks pursuant to the Corporate Risk Management. The members of the Committee comprise of the CEO, Deputy CEO, CFO, the Directors, and the Strategic Planning and Risk Manager. The Risk Management Committee convenes monthly and discusses the risks that the company is/might be exposed in order to take necessary actions, and reports to the Board of Directors on bimonthly basis.

The Company risk appetite statement, approved by the Board of Directors and updated in line with the sectorial and institutional developments, acts as a guideline for implementation of risk mitigation actions by all business units.

The Strategic Planning and Risk Management Directorate identifies and evaluates the risks, prioritizes the same in accordance with the Company risk appetite, and reports and monitors in collaboration with the Unit's Risk Officer appointed for each unit in compliance with the Company's risk procedure and limits.

Risk management in Akenerji is executed towards preservation of the company assets and values in respect of the basic principles. Therefore, risk management further incorporates the sustainability principles, where the factors that involve the intangible assets of the Company are addressed as a whole. Based on this insight, the economic, environmental, social and governance risks of the Company are identified, which are then managed accordingly. Endeavors are made to create value in these domains by employing a perspective that rather surpasses the efforts for elimination of the risks. The public awareness rising campaigns on the local communities residing at the impact zones of the hydroelectric power plants, the trainings offered to the laborers for preventing occupational and vehicle accidents are merely some examples to the actions we take with intentions to prevent and mitigate the environmental and social risks.

**In Akenerji, the risks are reviewed and monitored with 5 main headlines:**

- 01 Reputational risks**
- 02 Compliance risks**
- 03 Strategic risks**
- 04 Operational risks**
- 05 Financial risks**



# ETHICS PRACTICES

The Ethical Principles that must be observed by all employees of Akenerji irrespective of their tier and function are released on the Document Management System readily accessible by all employees. The Ethical Principles compiled in consideration of the global best practices and in compliance with the Turkish legislation and rule of law are implemented and monitored in the company by means of the Ethical Principles Policy and the Personnel Regulations. The Personnel Regulations provided to all employees against signatures thereof provides information on the necessity to observe all Company procedures and directives, including the Ethical Principles; the rules that must be observed at the work environment; and the sanctions in case of failure to do so. The employees who deem to observe any nonconforming act or behavior contradicting to our Ethical Principles are entitled to report their grievance via the following e-mail address: etik@akenerji.com.tr allowing that the matter in question is investigated thoroughly.

## The Ethical Principles

### Honesty, trust and equality:

The most essential principle is to improve consistent and honest treatment and communication based on trust with all individuals and agencies with established business relations.

Sincerity and mutual trust principle is essential for all relations and processes, either in-house or external.

The career development environment that the Company creates is built on equal opportunities for all employees in a robust and safe work environment.

The Company does not discriminate against its employees, and acts in a fair and just manner.

Our employees abstain from any irritating, annoying behaviors towards other colleagues and the third parties with established relations.

### Responsibility

Our company is committed to fulfill its responsibilities towards its customers, employees, suppliers and business partners, rivals, and the environment and the society.

The employees distinguish their beliefs, opinions and political assessments from the work site and the functions and responsibilities fulfilled at the worksite.

The employees are responsible for consolidating and preserving the name and credibility of the company and for efficient use of the resources. They abstain from any representations, acts and actions that impair such responsibility, putting our Company in an awkward position.

In fulfillment of their duties, the employees act in awareness and responsibility of producing more than consumed, thus saving the resources.

We attach importance to sharing the value created through the operations of our Company with the country and the society. In this respect, the donations and sponsored social responsibility projects are disclosed to the public.

## Confidentiality

The confidentiality of all information, commercial and personal, related to the employees and the customers of our company, is essential.

The employees are aware of the confidentiality of the private information not in the public domain concerning the Company, other employees and the stakeholders, and are obliged to keep confidentiality of the same. Such information is used solely for professional purposes as necessitated by the task and assignment at hand, and in compliance with the applicable law and legislation, and disclosed only to the authorized persons in charge in this respect.

The employees are not allowed to make available or disclose any secrets, confidential information, information subject to the intellectual property rights or any documents associated thereto that they learned in relation to their function to any unauthorized third parties or authorities, including the family members thereof, other than the company.

Such obligation survives even after termination of any relationship between our employees and the company.

## Avoiding Conflict of Interest

The employees avoid any conflict of interest, and execute their functions in accordance with the principles of accountability and transparency. Any circumstance where there might be any conflict of interest between the personal interests and the interests of the Company or associated persons and agencies, are pursued and avoided.

The employees do not engage with any personal debt/credit relationship with the parties related to the functions either directly or indirectly; accepts no benefits offered; and use the

credibility of the Company for personal interest.

In fulfillment of their duties, the employees regard the self-interests of the company above all else, and abstain from any and all acts and actions that might imply any benefit to him/her or his/her kin using the corporate resources or credibility.

The employees do not accept or offer any bribe when executing business with the third parties. No flamboyant entertainments are organized and no gifts, etc. are accepted or offered.

## Conformity to the laws and regulations

The company executes its operations in compliance with the Ethical Principles, the law, the statute, legislation and regulations, by observing sustainability principles, and mindful of environment, natural life and public health. The employees also act in the light of these principles.

Our company and its employees abstain from any acts and actions that might damage free and fair competition. They compete only in the legal and ethical domains in an effective manner, and avoid any unfair competition, where attempts that serve to fail competitive nature of the business life are endorsed and encouraged.

## Bookkeeping

Accurate and complete bookkeeping practices are essential in our Company.

Any report, presentation, financial statement and footnotes to be disclosed to public and submitted to the competent authorities by our Company are duly drafted and kept in an accurate, complete, comprehensible manner in compliance with the applicable laws, legislations, in-house directives and the Ethical Principles.









# **SUSTAINABILITY MANAGEMENT**

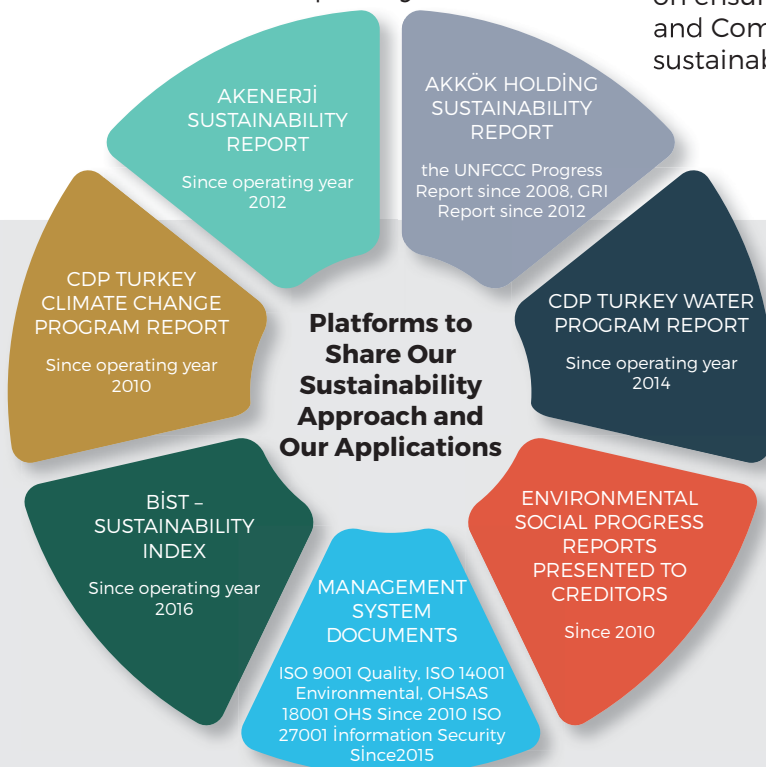
## Sustainability Management

In our perspective, sustainability means creating value for both ourselves and our stakeholders; and in the course of creating such value, minimizing the environmental, social and economic impact of our operations, and, concurrently, endeavoring to eliminate the risks related to all domains that affect our company.

The knowledge, awareness and leadership of the Company senior management is important for integration of the environmental, social and ethical responsibilities to the strategies and the culture of the Company. The Board of Directors is ultimately responsible from management of these topics that has impact on the credibility and profitability of the Company. Through the vision and leadership of the senior management, an effective management model that includes all plants has been adopted for all decision making processes.

The Sustainability Committee is responsible from the sustainability management process under direction of the senior management. The Sustainability Committee was established in 2013 in order to make contributions to management and reporting processes of all matters addressed under the sustainability in a more integrative approach.

The Sustainability Committee closely monitors, and ensures coordination of all sustainability studies executed in Akenerji. Studies focused on ensuring achievement of the objectives, and Company-wide generalization of the sustainability approach, are executed.



The committee also aims to improve the sustainability strategy and implementation tools, by taking advantage of the risks and opportunities, and to ensure active participation of the employees in sustainability efforts through training.

The units set forth hereunder and represented on the Sustainability Committee play key roles in management of the significant and high priority sustainability topics falling under their jurisdiction. Attention is paid specifically for addressing the environmental, social and economic impacts of any actions to be taken holistically when reviewing the risks and opportunities concerning significant and high priority sustainability topics by the respective units.

The Sustainability Committee monitors the sustainability topics throughout the year and endeavors to integrate the performance indicators to the monitoring system with efforts to incorporate into sustainability management process. Moreover, the Committee reports any assessments made during regular meetings and takes action depending on the arising needs.

Our company adheres to the mission of making contributions to the energy demand of Turkey in a reliable and consistent manner by being active at all tiers of the value chain by displaying a quality oriented approach. The common values are adopted by all units and in all business lines. Aware of the fact that trust, sincerity and stability are the indispensable values for the energy sector, we elaborate for sharing accurate and up-to-date information with all stakeholders in an insight of honesty, ethics and professionalism.

The Environment, Quality, Occupational Health and Safety Directorate affiliated to the Production Directorate is responsible from management of all environmental and social aspects of our plants in operation. The units responsible from the project, on the other hand, assume management of the OHS and environmental performance during the period elapsing from project design phase of the plant until commissioning thereof. The key environmental and social performance data

generated at the plants and the protect sites are reported to the Board of Directors. Besides, the annual or periodical environmental and social performance monitoring reports and annual sustainability reports reported to the finance institutions due to the contracts where our company is signatory are also reported to the Board of Directors by the Executive Committee.

Processes such as recruitment, training, performance management, etc. concerning our employees are executed and managed by the Human Resources Unit. Moreover; matters concerning Corporate Governance and business ethics mainly fall under the responsibility of the Corporate Governance Directorate.

Our sustainability strategies and objectives are executed through integrated management systems developed on the basis of the international standards and practices, and the corporate policies and principles developed on the basis thereof. In this respect, our company's most important tools in business practices are the Quality, Environment, and OHS, Information Security and HR policies and Ethical Principles.

### **The Units Represented on Akenerji Sustainability Committee:**

- Environment, Quality and OHS
- Trade
- Energy Services
- Law
- Human Resources
- Corporate Communication
- Accounting and Tax Management
- Projects
- Procurement
- Strategic Planning and Risk Management
- Natural Gas Supply and Trade

# THE QUALITY POLICY



As one of the largest private power generation companies in Turkey, Akenerji and group companies provide with reliable, economic, environmentally friendly energy to national energy demand, while meeting increasing demands and expectations with high productivity, via its quality-focused approach. We are committed to;

## Diversity of Energy Sources

Becoming the leading company in the competitive market by diversifying fuel sources in line with changing global and domestic conditions,

## Technology Choice

Improving our generation efficiency and company performance in accordance with sectorial developments, by integrating latest technology products into our processes,

## Legal Compliance

Generating and supplying power in accordance with applicable laws by closely monitoring the changing conditions in the energy sector and our country,

## Employee Value

Considering each and every employee as the greatest “source of energy”, we are committed to encourage employees to become team members who are able to develop and refresh themselves in multiple aspects,

Believing that this team approach will allow Akenerji to create a quality workforce that will attract top talent and set an example for the sector,

## Subcontractors And Suppliers

Selecting, evaluating, approving according to the criteria we specify and working collaboratively to support their continuous development,

## Processes

Effectively managing risks to ensure continuity of business processes and continuous improvement in line with company objectives,

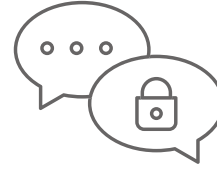
## Sustainable Development Goals

To improve our processes in the direction of the United Nations Sustainable Development Goals,

## Our Stakeholders

Offering each of our stakeholders the privilege of working for a transparent and reliable company.

# THE INFORMATION SECURITY POLICY



As one of the largest private power generation companies in Turkey, Akenerji and group companies, to manage any risk for our business continuity and information assets; We are committed;

## Standard Compliance

To establish and implement an Information Security Management System according to ISO/ IEC 27001 standard (outlines the procedural approach for establishing, implementing, monitoring, maintaining, sustaining and developing of Information Security Management System),

## Legal Compliance

To comply with all legislation related to information security and contractual obligations,

## Risk Assessment

To manage risks of information assets by assessing according to confidentiality, integrity, availability,

## Awareness

In order to increase the awareness of information security, performing trainings and activities to develop technical and social skills and being an exemplary organization in the Akkok Group in terms of information security,

## Subcontractors and Suppliers

Provide appropriate awareness training about organizational policies and procedures related to their business functions, deciding with the supplier the information security requirements to reduce the risks about the supplier's access to assets of company,

## Continuous Improvement

Creating a continuously improving and developing structure that does not allow the emergence of new risks and managing information security in an integrated way with other management systems in accordance with company targets.

## Integrated Management Systems

A significant portion of our efforts on Sustainability are carried out through the management systems listed hereunder:

ISO 9001: 2015 Quality Management System

ISO 14001: 2015 Environmental Management System






























OHSAS 18001: 2007 Occupational Health and Safety Management System

ISO 27001: 2013 Information Security Management System

The 2<sup>nd</sup> interim control audits have been successfully performed under the scope of ISO 9001: 2015 Quality Management System, ISO 14001: 2015 Environment Management System, and OHSAS 18001: 2007 Occupational Health and Safety Management System standards at all plants, where continuity of the certifications are ensured. Likewise, ISO 27001: 2013 certification audits for the Head Office, Erzin NGCCP and Uluabat Hydroelectric Power Plants have been successfully completed, where continuity of the certifications are ensured. After abolishment of OHSAS 18001: 2007 standard and enactment of ISO 45001: 2018 standard, the revision efforts in the occupational health and safety management system have been initiated.










Moreover, we delivered 600 person.hour internal auditor training and 175 person.hour awareness rising training to our employees in 2018 under the scope of the integrated management systems.

### Locations with certificates within Akenerji Elektrik Üretim A.Ş.:

Location/Standard	ISO 9001	ISO 14001	OHSAS 18001	ISO 27001
Head Office				
Ayyıldız Wind Power Plant				
Uluabat Hydroelectric Power Plant				
Burç Bendi Hydroelectric Power Plant				
Bulam Hydroelectric Power Plant				
Feke I Hydroelectric Power Plant				
Feke II Hydroelectric Power Plant				
Himmetli Hydroelectric Power Plant				
Gökkaya Hydroelectric Power Plant				

### Locations with certificates within Egemer Elektrik Üretim A.Ş.:

Erzin Natural Gas Combined Cycle Power Plant

Location/Standard	ISO 9001	ISO 14001	OHSAS 18001	ISO 27001	ISO 14064-1
Head Office					
Erzin Natural Gas Combined Cycle Power Plant					

## Relations with the Stakeholders

We are defining any and all kinds of individuals and institutions that have an impact on, or influenced by, the operations of Akenerji as our stakeholders. Under the scope of our sustainability strategy, we are prioritizing our stakeholders and evaluate the dialogue platforms and the communication frequency each year through diligent endeavors executed by the sustainability committee. We have categorized our stakeholders based on the extent of interaction in order to better manage our communication with the awareness that the stakeholders represent the factor that has direct impact on our achievements. Moreover, we are constantly improving the dialogue platforms in order to secure an effective communication environment in recognition of the significance of the opinions and feedbacks of the stakeholders concerning our operations.

As is customary each year, the stakeholders, who are affected by our operations at the most, and have highest impact on our corporate achievements, have been reviewed by the Sustainability Committee and the Senior Management in 2018.



The stakeholders who are affected by our operations at the most, and have highest impact on our corporate achievements:

**The employees, the Investors, the Creditors, the Suppliers, the Society, and the Customers**

01



The stakeholders who are affected by our operations at intermediate levels, and have medium impact on our corporate achievements:

**Local Communitites, the Competitors, the Private Sector, and the Regulatory Bodies**

02



The stakeholders who are affected by our operations at minimum, and have minimum impact on our corporate achievements:

**The NGOs, the Sectorial Associations, the Universities, the Local Authorities, and the Media**

03





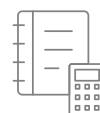
## The Communication Frequency and Dialog Platforms with the Stakeholders



### Our Employees



### Customers



### Creditors



### Investors

#### Stakeholder Dialogue Platform

Quality, Environment and OHS Recommendation System

Personal Recommendation System

Customer Visits and publicity leaflets

Annual follow-up reports

Meetings, expository correspondences and presentations to the investors

#### Content/ Application

The staff at the plant is able to communicate their ideas and improvement recommendations particularly on the technical aspects of operation using this system.

A platform where our employees are able to share their opinions is established, and the recommendations so received are reviewed, electing the ones capable of making contributions to our Company, and the respective individuals making such recommendations receive symbolic awards.

The products offered by Akenerji Energy Services are promoted and publicity leaflets are distributed during the site visits to the customer premises.

The follow-up reports presenting our environmental and social performances are regularly submitted to the creditors.

Any inquiries directed by responsible investors concerning Akenerji's performance and practices are duly replied.

The Akenerji Sustainability Report and annual reports under the scope of CDP Climate Change and Water Programs are drafted and published publicly.

#### Time Interval of the Dialogue

The recommendations are reviewed during the monthly Quality-Environment-OHS Committee Meetings.

All recommendations are reviewed and evaluated by the Social Committee, so-called "Akenerjik".

During the customer visits.

Constant information sharing and on-site visits.

Up-to-date information is available on the "Investor Relations" tab on the Company web page at all times.

Furthermore, any inquiries made to [info@akenerji.com.tr](mailto:info@akenerji.com.tr) address are duly replied.





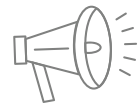
### Local Communities and Local Authorities



### Regulatory Bodies and Sector Associations



### Suppliers



### Society and the Media

#### Stakeholder Dialogue Platform

Face-to-face meetings

Information leaflets and trainings

Meetings, opinion statements

Supplier assessment

Press releases and interviews

#### Content/ Application

The local communities and the authorities are informed on the practices and any developments at the provinces where are plants are in operations.

Posters, leaflets and presentations describing the probable hazards arising from the plants, and means of protection are published. Trainings are organized for the local communities residing at the impact zone and surrounding area of the plant, and all inquiries are duly responded.

Studies are executed on improvement and liberalization of the Energy markets, and for fair and effective implementation of the regulations in the sector.

Whether the supplier implements any Quality, Environment and OHS Management System represents an integral part of the review process in the course of supplier endorsement process. Service procurement contracts are reviewed by the HSEQ department, and the conditions stipulated on the environment, quality, OHS and Information Security are inserted as required.

Press releases presenting our current practices and performances on sustainability are released, and interviews are made with the TVs, newspapers, and periodicals.

#### Time Interval of the Dialogue

Regular and constant information sharing.

Annual trainings are performed for each plant. Informative leaflets and posters are provided to the schools where such educations are undertaken.

Dialogue is maintained with the regulatory bodies, such as EPDK, Ministry of Energy, etc., and respective associations.

Implemented during each procurement process.

When required depending on the agenda of the company and the market.

## Collaboration with the Stakeholders and the Memberships

As the signatory to, and a member of, both national and international initiatives, we are endeavoring, with remarkable effort, to incorporate and internalize the sustainability perceptive as the primary aspect of our corporate profile.

### The Initiatives We Actively Participate

We participated to CDP Turkey Climate Change and Water Program again in 2018.

Pursuant to the Carbon Disclosure Project-CDP, the Climate Change Program that we were involved in 2011, we are voluntarily and publicly disclosing the strategies for adapting to the climate change and greenhouse gas emission management voluntarily.

We took part in the CDP Water Program, which aims to mobilize the private sector to assume responsibility on mitigating the global risk concerning water sources, and which offers the companies a platform where they can openly disclose their respective water consumption figures and associated risks and strategies on water, since 2015 when the initiative is first launched in Turkey.

Furthermore, Akenerji has been the first enterprise registering to the National Carbon Registry application launched in 2011 by the Republic of Turkey Ministry of Environment and Urban Planning in order to create a registry of the projects developed and executed in Turkey on voluntary carbon markets.

Moreover, Akenerji takes an active part in the environment and energy work groups established by Turkish Industry and Business Association (TÜSİAD), endorsing the sectorial growth by fighting the climate change.

This year, Akenerji is again listed on the index that lists the companies that are traded at Borsa İstanbul and that have highest corporate sustainability performance ratings. This index exposes the approach of the listed companies concerning sustainability, such as the global warming, depletion of the natural resources, diminishing water sources, health, safety, employment, etc.

### Memberships to the Associations and Work Committees

Akenerji is currently a standing member to the associations and institutions listed hereunder, which are concentrated on distinct domains:

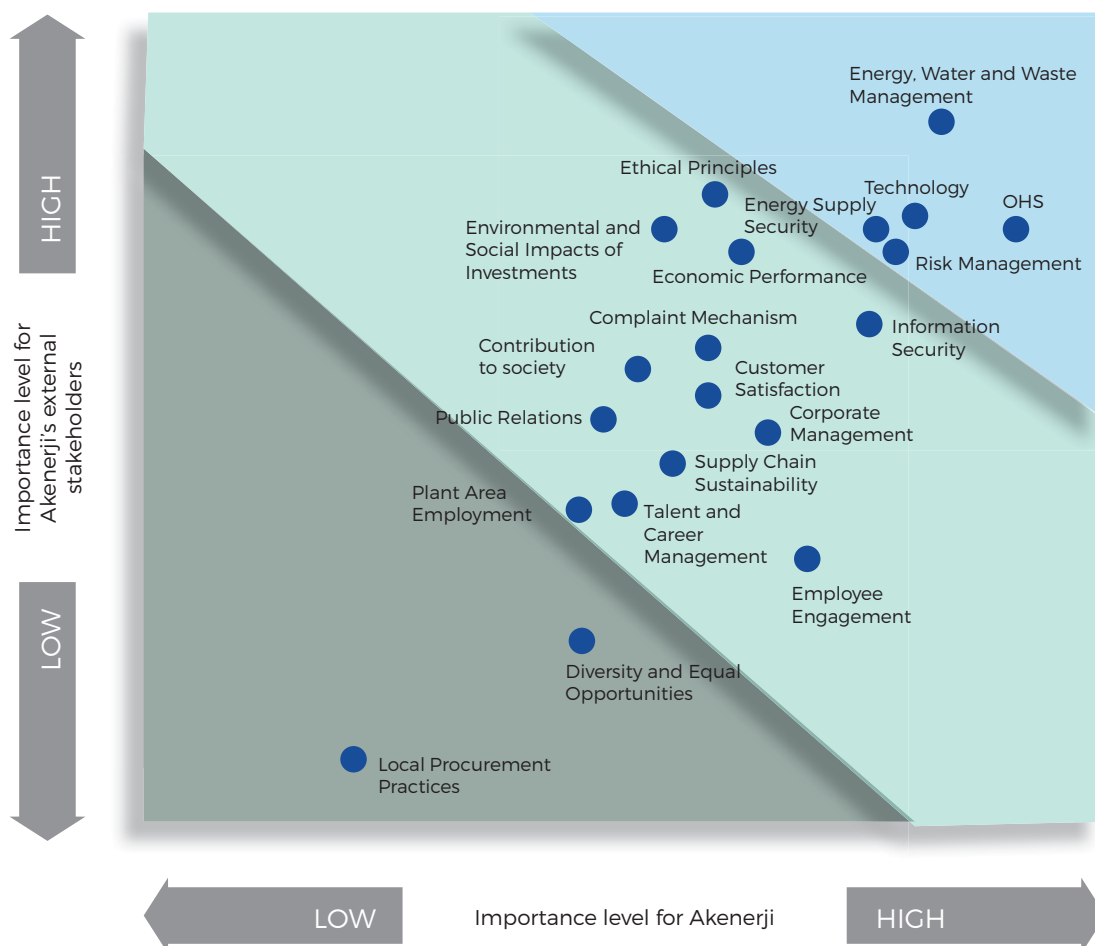
- World Energy Council Turkish National Committee (DEK-TMK)
  - Electricity Producers Association (EÜD)
  - Energy Trade Association (ETD)
- Hydroelectric Power Plant Industry and Businessmen Association (HESİAD)
  - Petroleum Platform Association (PETFORM)
- Wind Power and Hydropower Plants Businessmen's Association (RESSİAD)
  - Association of Turkish Electricity Industry (TESAB)
- Turkish Association of Human Resources Management (PERYÖN)
  - Turkish Wind Energy Association (TÜREB)
- Turkish Industry and Business Association (TÜSİAD)
  - International Investors Association (YASED)
- The Union of Chambers and Commodity Exchanges of Turkey (TOBB)
  - Turkish Investor Relations Society(TÜYİD)
- Istanbul Minerals and Metals Exporters Association (İMMİB)

## Prioritizing the Sustainability Objectives

As Akenerji, we heed the opinions of the key stakeholders when setting our strategies in economic, social and environmental aspects, and accordingly our objectives each year, and we endeavor to create our future plans in conjunction with our stakeholders. In early 2018, we have conducted studies for updating the sustainability priorities of our company with our key stakeholders and employees under direction of the Sustainability Committee. The opinion and feedback of 204 stakeholders in total, 26 external stakeholders, and 178 Akenerji employees, has been sought through face-to-face interviews, workshops and questionnaires.

We sub-categorized the sustainability topics of the company under 3 categories in order to improve the performance efficiency, and to concentrate on these topics more comprehensively.

The sustainability priorities matrix provided hereunder illustrates the high priority issues with respect to both the stakeholders and Akenerji.



Please find the performances we achieved during the respective reporting period concerning the priority issues in respective chapters of the present report.







## **RESPONSIBILITY IN OUR VALUE CHAIN**

## Responsibility in Our Value Chain

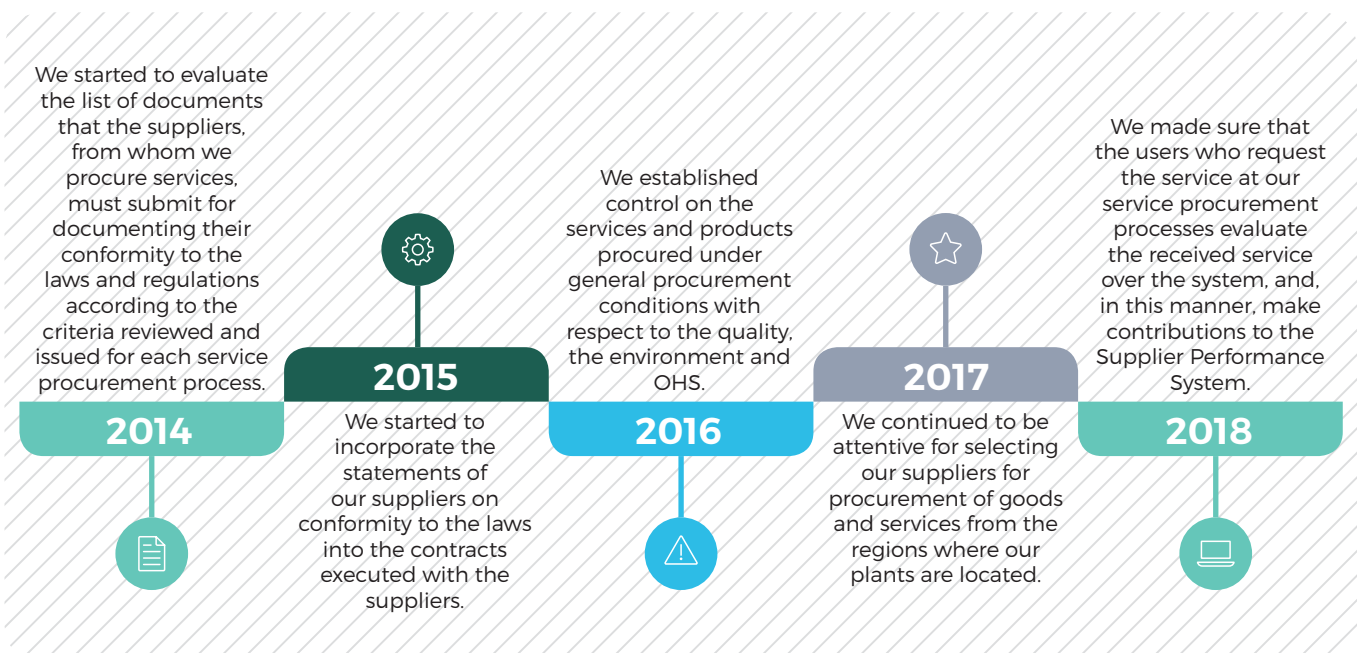
All processes from preproduction operations up to the aftersales services are covered by the value chain. We consider and handle the production, business places and employee performance reviews as well as the works co-executed with the customers and the suppliers as our responsibility in the value chain.

The supplier and the customer links in the value chain are directly influenced by their respective sustainability practices; therefore the performance of one link is determinative in the success of the other link. Such an interactive success solicits higher sustainability performance by distinct suppliers at different phases of the projects. We are endorsing our suppliers for furthering their sustainability performances by delivering smart electricity solutions.

## Sustainability in the Supply Chain

It is our top priority to establish relations, and execute operations, with our suppliers in compliance with the applicable laws and the contracts. We are nominating and selecting the suppliers for our good and service procurements as per the Supplier Selection and Assessment Procedure predetermined with regard to both national and the international standards. When implementing said procedure, we look into criteria such as conformity to Akenerji specifications and delivery periods, the price and the method of payment, as well as availability of the studies on Quality, Environment and OHS Management Systems. We anticipate from our suppliers to share our responsible approach vision concerning the Occupational Health and Safety and the environment, and we give preference to the suppliers holding ISO 9001, ISO 14001 and OHSAS 18001 certifications out of the suppliers that have equal scores concerning the applicable selection criteria. After completing the goods and services procurement process, we reevaluate the suppliers with respect to quality, conformity to the delivery times, the method of payment, and the price criteria, and whether the supplier works in conformity with Akenerji, and if said evaluation produces affirmative results, we incorporate respective supplier to the list of “confirmed suppliers”.

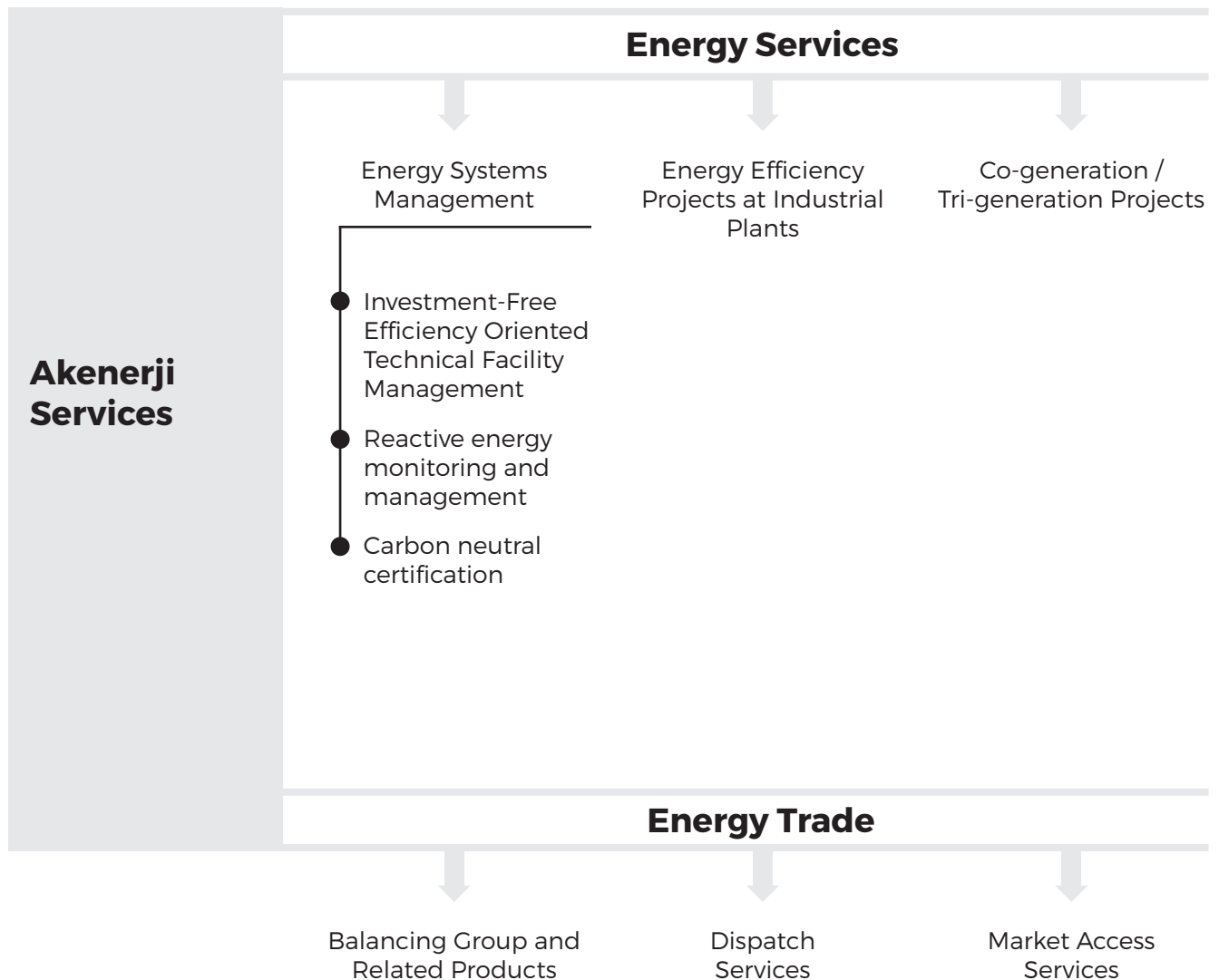
We continued to improve the sustainability practices concerning the suppliers, one of the major links in our value chain, by incorporating new practices each year.





## Value Added to Our Customers

As Akenerji, we are gaining more experience with each passing day, and, concurrently, we are adapting to the ever-changing conditions of our country and the world with our products and services through an innovative perspective. Besides power generation, we continue to make a difference in our sector with the services we deliver to our clients.





## Energy Services

In 2015, we have taken an innovative step in our sector by introducing a novel service entitled “Energy Services” for our customers. We clearly demonstrated to the sector that we are committed for progressing with swift, innovative, competitive and also sustainable steps by means of the successful projects we have executed in the energy efficiency field. We provide cost free surveys and engineering studies to the commercial buildings under the scope of the investment-free and guaranteed energy efficiency services. Herewith such studies, we propose our customers service models that suit the structure of the enterprise and that would provide maximum benefit for both parties. Moreover, we strengthened our service package and sustainability targets by providing Survey and Reporting, Analysis and Consultancy, Project Development, Financing, Maintenance, Operation and Verification services, depending on the needs and requirements of the enterprises, with integrated performance warranty.

As Akenerji, we continue to add value to our customers and, therefore, to our country through energy systems optimization and management services in order to raise awareness of the private sector and to utilize the energy efficiency potential. The services we developed in compliance with the sustainable profitability objectives ensure significant carbon emission reduction of our customers through conscious use of the resources, which also represents another top priority issue for our country. In addition to the energy efficiency we created through such studies, we brought comfort standards of the enterprises to the optimum level, and we added various sustainable values to the facilities we operate by reducing operational maintenance costs and improving the service life of the technical devices.

As Akenerji Energy Services, we continued to be the firm that provides highest rate of energy efficiency in the sector again in 2018, by achieving average efficiency values of 35% in electricity and 55% in natural gas through the projects we have executed since 2015



We took the first steps as Akenerji Energy Services in 2018 to carry out our activities to the public sector within the scope of the National Energy Efficiency Action Plan to be implemented between 2017- 2023 and the Sustainable Development Targets of our country.

As Akenerji Energy Services, we offer certified emission reduction certificates from international institutions that we obtain through our renewable energy investments to our customers who wish to have carbon neutral electricity. Hereby, we make contributions to the sustainability targets of our customers who are highly sensitive to the environment, and who intend to diminish or even “eliminate” their carbon footprint due to energy consumption etc.

## Energy Trade

We are successfully maintaining the Virtual Plant Tender, Plant Management Services, and Market Access Services that we launched in 2016 by adopting innovative approaches in order to fulfill the needs and demands of our country and our stakeholders through effective methods.

### Virtual Power Plant

We started to implement the very first virtual plant tender of Turkey by contracting certain portions of the production capacity rights of Erzin Natural Gas Combined Cycle Plant out for disposal of the consumers during the specified periods. Through this system, we aimed to increase the market volume by offering option product to the participants during the period where volume of the over-the-counter market declines and projections reduce. In addition to introducing a novel product to the market, we ensured that market rates of the peak /off-peak products, which are not excessively preferred due to the nature of the product, are generated.

Our customers, who qualify to exercise the right to use the production capacity through virtual plant tender for the specified periods, as free from plant erection costs, malfunctions, maintenance operations and crises, further leases the efficiency and resilience of the state-of-the-art plant. The firm vested with the right to use should simply state, one day in advance, the period of time that he desires generation of electricity. Moreover, the risks experienced by the firm, such as "buy or pay", which is mandatory in the natural gas market, are also eliminated.

Another significant advantage of the firms using this product is that the allocated capacity is available every hour during the supply period. In the event of any natural gas crisis that might be experienced due to the existing energy generation portfolio of the country, the allocated capacity is available for the Virtual Plant users at all times for the supply period even if the plants that generate power using Natural Gas suffer from any blackout.

Moreover, the Virtual Plant users can also take advantage of low "Day-Ahead Prices" by use of allocated capacity during the periods where the rates are low, and in this manner has rate projection by taking the advantage of the day-ahead rates that are higher compared to the agreed upon date as a result of the Turkey's electricity market rates which present high price volatility.

As is customary in the previous years, we successfully managed our tenders and trading operations, and actively realized our operations. By moving our bidding processes to the electronic media, we offered this product to our stakeholders during the second quarter of 2018.







## Balancing Group

As is customary in the previous years, in 2018 we again attached significant importance to our endeavors to minimize the costs arising from energy instabilities in order to enhance profitability. In this respect, the operations of the Balancing Group executed pursuant to the applicable legislation are further maintained in 2018 with great impetus under leadership of Akenerji Balancing Group.

In 2018, we have not only renewed the contracts with all participants of the Balancing Group, but also incorporated 5 more new stakeholders to this group, which are considered to be largest industrial enterprises of our country from different sectors and which are market participants engaged with production activities utilizing distinct resources. In this manner, we managed to increase both the volume and the synergy of the Balancing Group significantly when compared to the previous years.

As the Balancing Group, we utilized the added value that we have created through synergy sharing business model for reducing the costs of energy instability. This model has been one of the most significant elements that made vital contribution for improving the profitability of our company.

## Dispatch Services

By definition, the energy sector is a domain with ever-increasing competition levels and with constantly changing regulations, product diversities, commercial platforms, and dynamics. As Akenerji, we have adopted the mission of becoming the company that caters for the needs of the sector and fulfill its requirements, and to cover the requests of our partners and stakeholders through both standard and specifically designed derivative products.

The Dispatch Services that we put into practice in 2016 based on the broad experience we gained through our long service record in the sector aims to offer support to our stakeholders active in the market and thus increase their monthly fixed income by exploiting the knowledge and experience of the personnel skilled in the art. The stakeholders taking advantage of the Dispatch Services put their trust in Akenerji based on their 29-year long extensive experience and the sector-leading position.

Under the scope of the Dispatch Services, the commercial management of the plants owned by our stakeholders is executed by our team of experts by focusing on the fundamental principles of maximum profitability, minimum instability costs and transparency. In the meantime, 7/24 access to the Intra-Day Market is available to the stakeholders receiving this service. In this context, the collaboration with the stakeholders who occupy an important position in the industry of our country has been successfully maintained also in 2018 through renewed contracts.





## Market Access Services

The purpose of the Market Access Service channel is to prevent any time loss suffered especially by the foreign firms active in the Turkish energy market due to intensive in-company processes concerning execution of the contract with other market player firms, obtaining credit approvals, etc., to eliminate potential credit risks, and to ensure easy and reliable access of such firms to the electricity markets. The customers receiving market access service from our company are able to minimize the counterparty risk to a single company through our mediation. Such customers further have the opportunity to diminish the operational burdens, and get easy access to the over-the-counter market rates. In this manner, the customers enjoying this service are capable of increasing the number of firms they can transact with, thus are able to find buyers for the products they have launched in the market.

In 2018, the Market Access Service is not restricted only with the domestic market, but we started to deliver the service also to the foreign countries. In this manner we have not only ensured foreign exchange inflow, but also paved the way for participation of the foreign market players to the volume of the inland commerce.

The Market Access Services provides for an increase at the market liquidity.

## Investment at Project Phase

- Kemah Dam and Hydroelectric Power Plant Kemah HEPP project, the final designs for which are approved by the State Hydraulic Works (DSİ) in 2017, has particular importance for our company because of the fact that it is the largest hydroelectric power plant in our portfolio with its installed capacity of 198 MW. The investment studies for the plant, with an anticipated electricity generation figure of 560 GWh per year, are still in progress.





# **ENVIRONMENTAL AWARENESS**

# ENVIRONMENTAL POLICY

Akenerji and group companies aim to build a highly efficient and environmentally compatible power generation facilities for sustainable energy and perform operations based on an environmentally sensible approach at all times in order to make our future bright. We are committed to;

## Consumption of Resource

Using energy sources and natural resources in the most efficient manner,

## Gas Emissions

Following, reporting and verifying greenhouse gas emissions by implementing effectively our Carbon Management System,

## Wastes

Minimizing our waste through efficient use of resources and by complying with the applicable regulations in the systematic collection and disposal of waste,

## Waste Water

Discharging our wastewater in the most environmentally friendly manner possible,

## Continuous Improvement

By ensuring the active participation of all our employees through the commitment and leadership demonstrated by our managers; to continuously improve our environmental impact processes through the approach of sustainability, taking into account the prevention of pollution and the protection of the environment,

## Legal Compliance

Fulfilling our legal obligations and responsibilities involving environmental aspects as well as all other conditions and also becoming involved in activities that allow us to set new standards that will guide the future,

## Sustainable Development Goals

To improve our processes in the direction of the United Nations Sustainable Development Goals,

## Raising Awareness

Strive to raise awareness of all stakeholders, especially our employees, about the sustainable environment.



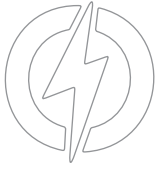
## Environmental sensitivity is our priority when executing our operations ...

As Akenerji, we are shaping the decisions concerning production operations pursuant to the philosophy of respecting the nature. We seek to achieve harmony with the nature through the cutting edge equipment we install, the investments to the renewable energy, and vigilant approach towards the environmental risks. We are invigorating our sensitivity for “executing our operations as sensitive to the environment at all times in order to secure bright futures just like today” through the investments we are undertaking for clean and sustainable energy. We are hereby presenting the environmental performance and the data for the seven hydroelectric power plants, one wind power plant and one natural gas plant in operation during 2018, and the Head Office located at İstanbul Akhan.

## We are adopting the international standards in our environment management insight...

We are implementing ISO 14001:2015 Environment Management System in order to measure, reduce and manage our impact on the environment, and our company holds valid certification in this respect obtained through external audit. We are executing studies through Environment Representatives appointed in all of our plants, who hold valid Quality, Environment and OHS Management Systems internal auditor certifications and who receive regular trainings in this respect, under supervision of the Environment, Quality and OHS Directorate in order to fulfill our liabilities concerning the Environmental Legislation and regulations. Moreover, an Integrated Management Systems Specialist is delegated at Adana Plant, and an Environment, Quality and OHS Specialist is delegated at Erzin Plant in this respect. The Environment, Quality and OHS Directorate is responsible from ensuring that each unit functions in compliance with the legislation, and all units assume an equal responsibility with respect to identification and diminishment of the environmental impacts that arise during such operations.



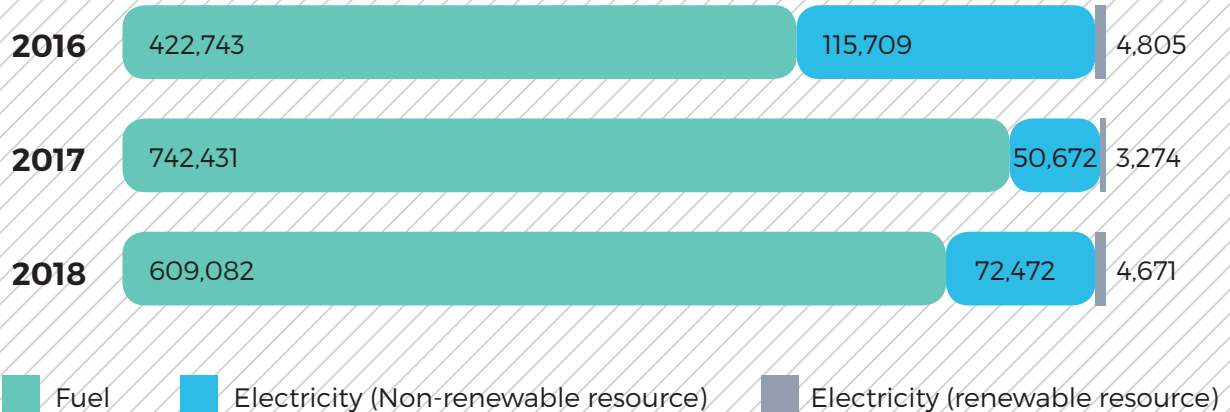


## Our Energy Management

As Akenerji, we are utilizing the natural gas energy for our in-house demands (heating, etc.) and for generation of electricity at Erzin Natural Gas Combined Cycle Plant. The natural gas represents the resource that has largest share in our overall energy consumption.

We have gathered our energy consumption data under two categories for detailed analysis thereof: non-renewable and renewable sources. We have included the natural gas as well as the electrical power that we purchase from external sources and utilize for our internal consumption into the non-renewable energy category. The renewable energy consumption figures of our company cover the electrical power generated at the hydroelectric and wind power plants and used for internal consumption.

### Internal Energy Consumption (GJ)





## Our Water Management

The water required for our operations are supplied from the spring waters, sea water and municipal water depending on the geographical conditions of the locations where we are executing our operations. Erzin NGCCP, holding the highest share concerning the water consumption quantities, supplies the cooling water required for its operations from the sea. The water used at high-pressure vapor and turbines is drawn from the sea by employing the reverse osmosis method, and is utilized by means of the cutting edge treatment plant. At the hydroelectric power plants, on the other hand, utilizes the energy of the water drawn from the surface resources, and the water used is then discharged back to the tributary or the stream without any loss of water in principle. Moreover, we are also consuming water at the Head Office and at the plants for our basic needs such as hygiene and cleaning. When we look into such consumption figures, the highest water consumption rate is at Erzin NGCCP.

In the course of the project design phase of the HEPP's carried out in Adana region, we have conducted flow rate measures in order to identify the ecological characteristics of the water taking into consideration the spots where the risk of altering the hydrological characteristics of the water is high (low flow rate) that are determined through surface water quality measurements conducted during Cumulative Impact Assessment study executed outside the legal responsibilities.

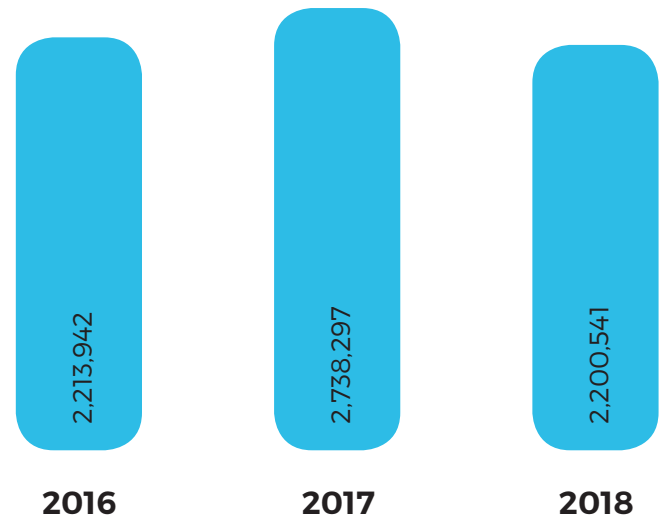
Downstream Water Rights Reports\*, which were prepared within the scope of the "Regulation on the Procedures and Principles for the Signing of the Water Usage Treaty for Production in the Electricity Market" and approved for the hydroelectric power plants in operation in 2014 were renewed due to the merger of Akenerji Elektrik Üretim A.Ş. with Akkur Enerji Üretim Ticaret ve Sanayi A.Ş. and Mem Enerji Elektrik Üretim San. and Tic. A.Ş. in 2016. We will continue to observe the water quantities specified in aforementioned reports as long as our plant is in operation.

\*The purpose of procuring such reports is to calculate the water quantities that must be released from the hydroelectric power plants in order to preserve the natural habitat, as well as identifying and calculating the water use at the ducts such as the fish farms, mills, arable lands, etc. within the region where the plant is located. In the course of drafting of such reports, site visits have been conducted and the opinions of the institutions such as Provincial Special Administrations, Provincial Directorate of Food, Agriculture and Livestock, the Municipality, the Bank of Provinces, etc., responsible from such area have been sought.



The projects for saving from water are currently implemented at our plants pursuant to the efficiency objectives set for consumption of raw water.

### Water Consumption (m<sup>3</sup>)



Data of 2016 and 2017 were updated, because of failure of cooling tower total feeding meter. The update was completed according to the assumption that water balance of cooling tower blowdown was taken 25% more than design values. Start-up conditions (based "100% CC load at design ambient conditions" case with some changes)

Air Temperature: 19°C

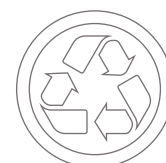
Relative humidity: 60%

## Our Waste Management

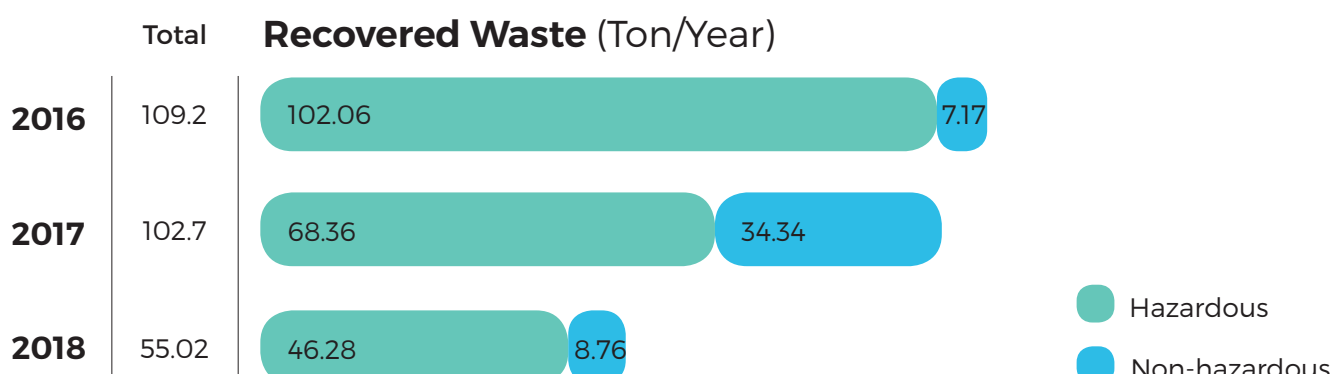
In order to prevent excessive resource use and pollution, the wastes and waste waters generated by our operations are managed as per the legal legislations, and the waste management at the plants and the Head Office are implemented according to the Waste Management Procedure in accordance with the waste management plan. Under the scope of the Waste Management Procedure, the waste registers are completed on monthly basis by the environment representatives appointed at the sites and the registers are then communicated to and followed up by the Environment, Quality and OHS Directorate at the Head Office within the knowledge of the Plant Manager. The wastes are temporarily stored at the waste sites constructed in compliance with the Environmental Legislation, and when the wastes so storied reaches to certain quantities, the wastes are then transferred to licensed waste firms using vehicles licensed by the Republic of Turkey Ministry of Environment and Urbanization.

The waste sites at our plants are designed in compliance with the Environmental Legislation, and are subjected to internal audits in order to ensure that such sites maintain their vital characteristics, and are subjected to complementary studies depending on the outcomes of the inspections. An independent compound is allocated for each type of waste at our plants. Each compound states the name of the respective waste to be stored, and the storage compounds are positioned on completely enclosed reinforced concrete floors, and are equipped with fire extinguishers and warning signs for any emergency. Moreover, pool shaped gratings are available for any leaks, spills and splashes, and absorbent substances are provided for instant response to any accidental releases.

The wastes are sorted as per the categories set by the laws, and then disposed of with the most adequate methods depending on the characteristics of the waste. The recyclable wastes, on the other hand, are forwarded to the institutions licensed by the Republic of Turkey Ministry of Environment and Urbanization under supervision of the Environment Management Unit in order to re-use, recycle or recover such wastes. The wastes not suitable for recycling are disposed of through incineration and regular storage. The waste quantities are monitored regularly, and respective Environment and Urbanization Directorates are informed concerning shipment of the wastes to the institutions licensed by the Republic of Turkey Ministry of Environment and Urbanization.



We ensured recovery and disposal of 55 tons of waste in 2018 through our waste management efforts.





## Waste Recovery and Disposal

In 2018, approximately 9 tons of paper and packing materials are collected at Akhan and all Akenerji plants and delivered to the recycling firm and the municipality.

As a result of the studies executed at Akhan and the plants in 2018, we managed to collect and send 26 kg of waste batteries to the Portable Battery Producers and Exporters Association (TAP).

The overall paper consumption at the plants in operation and at the Head Office in 2018 was 2112,5 kg, and the paper wastes sorted and stored temporarily by our employees were picked by the municipality and forwarded to recovery process through the contracted licensed recovery firm of the municipality.

The 3 years Waste Management Plans of Uluabat, Feke I, Himmetli and Gökaya have been submitted to the Provincial Directorate of Environment and Urbanisation approval, and the Provincial Directorate of Environment and Urbanisation has performed an on-site visit in order to inspect the temporary waste storage areas. During such visits, no deficiencies or nonconformities have been identified by the officials, and the respective Waste Management Plans were approved.





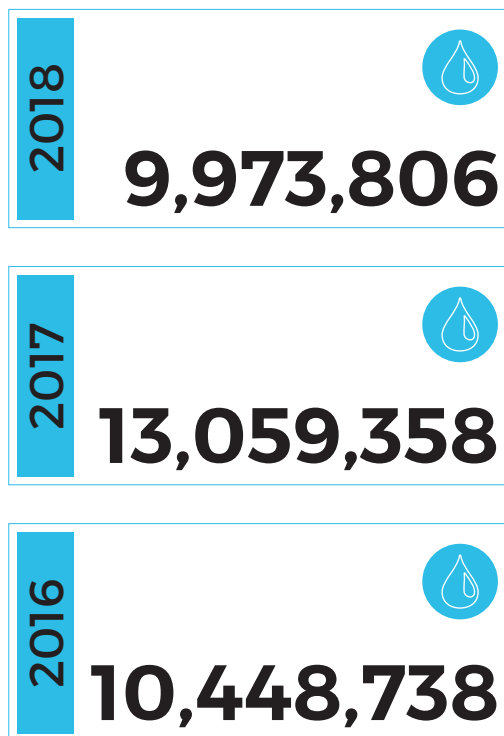
## Waste Water Management

The waste waters are discharged in accordance with criteria and methods set out in the regulations. The household waste waters generated by the plants, except for Erzin NGCCP, are accumulated in septic tanks, and are discharged by the sewage trucks deployed by the municipalities or competent firms. Apart from this, the waste waters containing antifreeze agents and the waste waters containing turbine washing chemicals, generated at variable rates by years, are transported to the licensed disposal facilities as per the applicable regulations.

At Erzin Natural Gas Combined Cycle Plant, on the other hand, the waste waters coming from the household waste water treatment plant, cooling water blow-off, industrial waste water treatment plant, sea water reverse osmosis system are combined at the discharge pit and discharged by observing the deep sea discharge parameter limit values. Moreover, the plant is also equipped with remote waste water monitoring station, and the discharged water is monitored concurrently by the Republic of Turkey Ministry of Environment and Urban Planning. In addition to the foregoing, we waste water internal monitoring processes are conducted by legislation-compliant competent laboratories under the scope of the Environmental Permit on Air Emission and Deep Sea Discharge and are reported to the local administrations. The approval for the "Continuous Waste Water Monitoring Station" was obtained from the Republic of Turkey Ministry of Environment and Urban Planning in 2016, and frequency of the cooling blow-off water monitoring process, the internal monitoring and analysis of which was conducted on weekly basis, has been extended to quarterly period. Since 2017, the monitoring in this context has continued in 2018 as well.

In May 2018, a monitoring operation was performed by the divers in order to check the deep sea discharge line for any leaks, obstruction, etc. as per the Environmental Legislation, and the entire process was recorded using cameras and reported as required.

### Water Discharge (m<sup>3</sup>)\* (Erzin NGCCP)



\* Discharge Location: Mediterranean Sea

Data of 2016 and 2017 were updated, because of failure of cooling tower total feeding meter. The update was completed according to the assumption that water balance of cooling tower blowdown was taken 25% more than design values.





## Climate Change Management

We are combatting the climate change through use of modern and environmentally friendly technologies...

Aware of the significance of the energy sector in combatting the climate change, we have developed an environment and climate change strategy, and we are performing our operations based on this strategy. Under the scope of this strategy, we are focused on the endeavors for using modern and environmentally friendly technologies, investing to the renewable resources, and supplying carbon-neutral power to our customers aiming to reduce or neutralize their emissions. We are setting objectives for each plant by overseeing the high efficiency and low emission principle, and we are aiming highest possible operational efficiency through use of modern and environmentally friendly technologies, and we are committed to innovations at the existing systems pursuant to our strategy.

The most prominent endeavor in this respect is the advanced technology incineration system that we installed at Erzin Natural Gas Combined Cycle Plant. We are aiming to achieve an efficiency rate as high as 58% through use of this system at our plant that feature high electrical energy generation capacity. This system allows us to reduce greenhouse gas emission values on one hand, and provide savings from our natural gas consumption figures on the other hand. Moreover, the "Close Monitoring System" employed at this plant allows us to monitor the functioning of the entire operations, and we are capable of detecting and responding to any energy surges instantly.

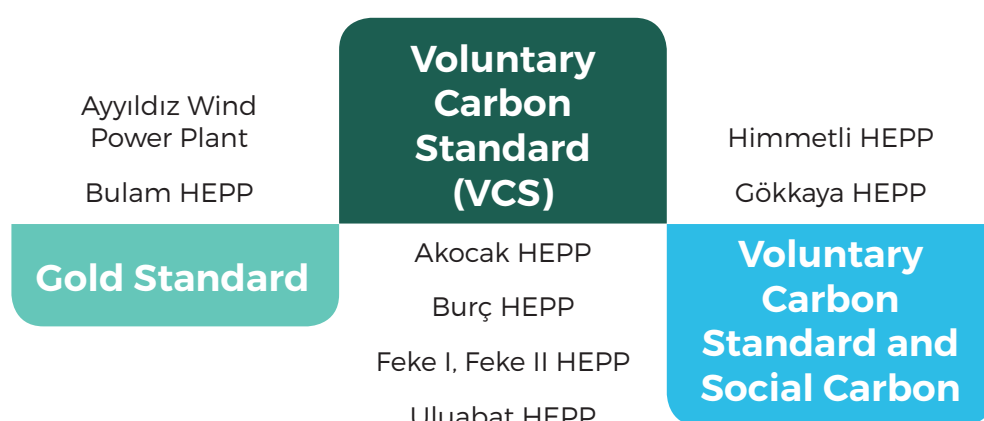


We increased the share of the renewable energy in our overall installed capacity up to 26% as of the end of 2018 in our renewable energy voyage we set off in 2005 by taking part in the first hydroelectric power plant tenders initiated by the Energy Market Regulatory Authority (EPDK).



## Carbon Certification and Emission Trade

We are at the leading position at the sector also in the field of emission trade where our company is active. We are currently executing carbon certification processes for all of our renewable energy plants.



Out of the plants listed hereinabove, Uluabat HEPP is the largest hydroelectric power plant with a dam registered according to the Voluntary Carbon Standard (VCS) in Turkey as of the date of registration. We are actively trading the registered emission reduction certificates of Ayyıldız, Akocak, Feke II and Uluabat Plants on the market.

On the basis of the overall production capacities of our existing renewable energy plants, we are aiming to prevent greenhouse gas emissions amounting up to approx. 1 million ton per year; in other words, we are aiming to make contributions equivalent to clean air supplied by approximately 42.2 million trees.

Plant	Quantity of the Sold Certificates in 2018 (t-CO <sub>2</sub> -e)	Approx. Amount of the Electricity Consumption corresponding the Quantity (kWh)	Type of Certificate
Akocak	1,811	322,377	VCS
Uluabat	23,859	42,453,737	VCS

## Energy Efficiency Consultancy

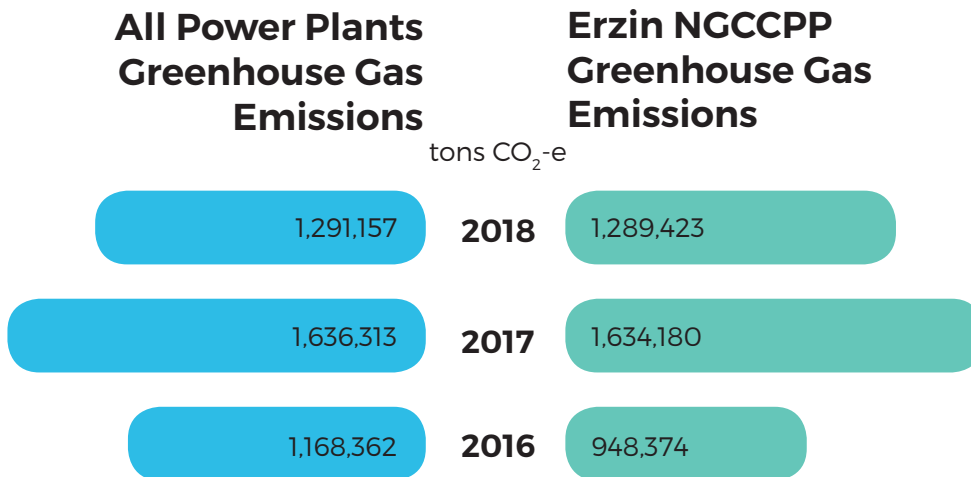
As Akenerji, we are offering Energy Efficiency Consultancy service to the firms in order to reduce the unit energy consumption figures of the firms, thus reducing the energy consumption which represents the significant portion of the costs. The companies aiming to reduce their energy consumption amounts are filing applications to the energy consultancy firms we collaborate in order to procure execution of energy scan, and then consider their options from the energy consumption reduction alternates offered depending on the scan results.





## Greenhouse Gas Management

Year 2018 emissions for Erzin NGCCP has been verified under ISO 14064-1 Standard on Greenhouse Gas Emissions Monitoring and Reporting, and are as follows:

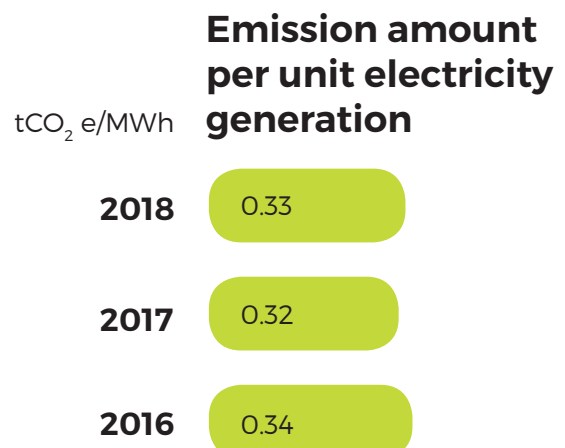


Note: Emission values base on the data contained in reports issued by Akenerji under CDP Climate Change Program. Scope 1 greenhouse gas emission values include emissions arising from internal consumption and from all fuels used for power generation.

Note: Emissions due to flights forming 2016 Scope 3 emissions were calculated by employing EPA Climate Leaders: Optional Emissions from Employee Commuting, Business Travel and Product Transport May 2008 methodology

The greenhouse gas emission quantities generated by our operations are presented in foregoing chart in terms of ton CO<sub>2</sub>-equivalent. Almost the entire Scope 1 greenhouse gas emissions are generated by the natural gas consumed in Erzin NGCC Plant. Moreover, the diesel and gasoline fuels consumed by the vehicles rented for the employees and the natural has used for heating at buildings also induces Scope 1 emissions, although in less quantities. Scope 2 emissions, on the other hand, are generated by the electric power consumed at the Registered Office at İstanbul, and the electric power consumed at the plants and purchased externally. The greenhouse gas emission quantities dye to natural gas supply used at kombi and boilers at the gas heating unit at RMS station during supply of natural gas to Erzin NGCC Plant are reported under Scope 3. The emission performance generated by Erzin NGCCP, the sole natural gas plant in operation in 2018 and representing almost all of Scope 1 emission is satisfactory. Generation from renewable resources increased by almost 41%

due to increased flow rate in 2018 compared to the flow rate measured in previous year. Such increase in the amount of power generated from renewable resources lead to reduced consumption of natural gas, which, in turn, reduced overall emissions by 345.156 CO<sub>2</sub>-e (tons).





## Biodiversity Studies

We are observing the legal processes by adopting necessary precautions as required during both the investment and operation phases as per the EIA regulation in order to minimize the probable negative impacts of the plants on the ecosystem. In 2018, we have carried out the sea water quality measurements, which represent an ongoing liability under the scope of the EIA Commitments that we must fulfill for the entire operation phase of the plant, in June and December. In this manner, we will continue to monitor the requirements that the Plant must fulfill under the scope of the Environmental Legislation, as well as the impacts of the Plant on the environment.

We have carried out the environmental monitoring studies as set out in the "Environment Impact Assessment Report" and the "International Environmental and Social Impact Assessment Report" for Erzin Plant, which have been executed so as to cover the pre-construction phase since March 2011, and accordingly we have performed analyses as required and reviewed and evaluated the outcomes thereof, and further conducted studies for determining the environmental and biological factors during this period as well as noise, air quality and water quality measurement in order to monitor the impacts arising from the construction activities. Moreover, in addition to the foregoing studies, we have drafted assessment reports and management and monitoring plans in order to provide guidance for the construction and operation phases.

We have planted trees in order to recharge the wildlife and afforest the land at the areas where our plants are constructed, and we further carried out environment rehabilitation studies in addition to afforestation efforts in majority of the sites.

We increased the installed capacity of Ayyıldız Wind Power Plant from 15 MW to 28.2 MW through addition of 4 new turbines to the existing 5 turbines. Therefore, we have made a pledge to the Republic of Turkey Ministry of Forestry and Water Affairs General Directorate of Nature Conservation and National Parks on drafting of an Ornithological and Mammal Monitoring Report for the purpose of determining the impact of the capacity increase on the avian species either inhabiting at or migrating from the region, and the mammalian species inhabiting the area. In order to produce said report, we have conducted studies that cover 4 periods starting in autumn 2016 and ending in spring 2018, the migration periods of the migratory birds. Then, we have drafted the "Ornithological and Mammal Monitoring Report" based on the data obtained acquired from the 15-day field studies conducted at the region, and submitted the report to the concerned official authorities.

Upon request, we have conducted a carcass monitoring study during autumn 2018, and we are planning to carry out an ornithological monitoring study in spring 2019.



## Environmental Trainings

As Akenerji, we are providing trainings on the environment, wastes, energy and efficiency in order to improve the level of knowledge of our employees, raise their awareness and improve their performances. In 2018, we performed total of 196 person.hours of trainings are delivered to the employees on environment, and environmental drills are performed at all sites in order to clarify how the process will progress in case of any emergency environmental accident. Moreover, in 2018, we provided awareness rising trainings in all of our plants, on Environmental Impact Assessment (Environmental Aspect Tables) tables and Environmental Accidents and associated procedures. As a result of such trainings, modifications are anticipated at the existing environmental aspect tables of all plants in 2019. Furthermore, we organized an awareness rising training on environment for our Head Office staff, communicating information on the environmental legislation practices and waste management within Akhan Building. Moreover, we also organized briefings for the recently recruited colleagues on the practices under the scope of the Environmental Legislation during the orientation training.

Environmental drills are performed at all sites in order to clarify how the process will progress in case of any emergency environmental accident.



**196**  
**person.hours**  
trainings









# **OCCUPATIONAL HEALTH AND SAFETY**

# OCCUPATIONAL HEALTH AND SAFETY POLICY

Akenerji and group companies attach the utmost importance to workers' health and safety on every level of its operations based on approach that embraces the principle of "People First".

We are committed to;

## Legal And Technological Compliance

Preventing occupational accidents and health risks by creating a healthy and safe workplace in accordance with all legal obligations and other relevant conditions and technical developments.

## Training and Raising Awareness

Providing of our stakeholders with an awareness of possible risks in order to take the necessary measures required to protect themselves against these risks,

Conducting trainings to increase the level of awareness, knowledge and experience of employees to perform the job tasks in a safe manner,

## Emergency Procedures

Reviewing possible emergency procedures and preparing necessary action plans to ensure the safety of our stakeholders,

## Sustainable Development Goals

To improve our processes in the direction of the United Nations Sustainable Development Goals,

## Continuous Improvement

With commitment and leadership of our managers and effective participation of our employees; promoting physical and mental wellbeing of our employees and working conditions, conducting regular risk assessments to continuously improve our performance on occupational health and safety and achieve "Zero Accident" goal.



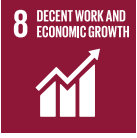
It is our primary focus to deliver a safe work environment for our employees...

When carrying out our operations, we put the occupational health and safety at the focus of our attention and we continue to work with an institutional conception which seizes the philosophy: "People First".

We are exercising the occupational health and safety practices as set out by the laws in order to ensure that the employees work in a safe environment starting from the moment they enter to our plants and return home content, tranquil and healthy. We are aiming to achieve the highest possible OHS performance through integration of such practices into our business conduct. We are executing studies such as training and awareness rising campaigns, risk assessment, hazard prevention and control studies, monthly environment and OHS committee meetings at the plants, change management and in-house and external audits, etc. in order to achieve the highest possible occupational health and safety performance objectives.

The occupational health and safety studies at the Head Office and the plants are executed in the light of OHSAS 18001 Occupational Health and Safety Management System. The Occupational Health and Safety is overseen in all kinds of activities, and is defined as the responsibility present in the terms of reference of every employee and lead by the senior management in our company. In our Company, the communication and coordination under the scope of the Occupational Health and Safety is ensured by the Environment, Quality and OHS Directorate employees affiliated to the Production Directorate, and by the Health and Safety Representatives elected by the Plant Directorates at each plant and the assistants thereof. Moreover, there is an OHS committee at each plant and an OHS Board at the Head Office.





## OHS Management in Supply Chain

Our sensitivity with respect to the matters on the Occupational Health and Safety is also applicable for the employees working at the firms rendering service for us. In this respect, prior to commencing the service procurement process, we request from the contractor firms the documents such as the risk analyses, the OHS trainings delivered to the employees, the professional competencies of the employees, the medical reports of the employees, the personal protective equipment, the record of debit for such equipment, the material safety data sheets of the chemical substances used by the employees and the periodical inspection documents of the engineering vehicles operated by the employees in compliance with the articles of the Law On Protection of Personal Data. In this manner, we are aiming to nourish development of an occupational health and safety culture not at the corporate level, but also at the regional sense. In addition to this obligation, in order to align the OHS standards implemented by the subcontractor firms and Akenerji, the Joint Health and Safety Unit (JHSU) services and all OHS processes are organized and followed directly by Akenerji Environment, Quality and OHS Directorate, and, in this respect, the OHS services of the subcontractor firms, OHS trainings of their employees, accident reporting procedures, and organization and follow-up for the vocational trainings are executed by our company.

### OHS Site Visits

The Environment, Quality and OHS Directorate of our Company makes informed or uninformed OHS audit visits to the plants, both in operation and at the design phase, in order to follow-up, evaluate and improve the endeavors carried out under the scope of OHS principles in an objective manner, and to integrate such endeavors into the business plan. 92.2% of the findings discovered during the site audits conducted with respect to OHS have been resolved and closed as of the end of 2018.

### Risk Assessments under OHS

We have established Risk Assessment Teams and developed a Risk Assessment procedure in 2013 in order to assess the potential OHS risks at our Plants and at the Head Office building and to adopt necessary measures as required. In 2018, we revised the Risk Assessments for Erzincan NGCCP, Ayyıldız WPP, Uluabat HEPP, Burç and Bulam HEPP and Feke I, Feke II, Himmetli and Gökkaya HEPP and the Head Office. Moreover, the Risk Assessment for the Testing Team is also completed and published.

### Emergency Management

As Akenerji, we are taking into consideration probable emergencies such as fire, natural gas leak, earthquake, major chemical releases, bomb calls, and leaks at the water structures, and we develop Emergency Plans in this respect and organize regular drills each year. Moreover, 3-5-day trainings on firefighting, the search-rescue-evacuation and first aid are delivered to the employees recruited to the Emergency Team.

In 2018, the number of members on the First Aid Teams have been increased by addition of new employees and we have organized emergency drills in the Head Office building and at all plants.





## OHS Trainings

We are organizing informative and instructive trainings for protecting the health and safety of our employees, suppliers and the local communities who reside at the impact zone of the plants.

### Trainings for the Employees

In addition to the trainings stipulated by the laws, Akenerji organizes and provides various trainings (safe driving techniques, orientation trainings, employee representative training, and first aider trainings) to our employees intended for developing their performance besides the legal limits. Moreover, we are aiming to achieve competency sufficient enough to prevent probable risks at the source by providing OHS trainings particularly to the employees at the plants. In line with this objective, trainings such as work-specific work at heights, hygiene, basic first aid and emergency team trainings are organized in addition to the Basic OHS training. In addition to the general OHS trainings, dedicated trainings intended for the executives at the plants and the senior executives are also organized. Moreover, the senior management also attends to the basic OHS trainings. The new recruits of the company, on the other hand, are briefed on OHS during the orientation process. Moreover, we are also conducting studies for the executives at the plants in order to allow them to develop competencies that would reflect the sensitivities of Akenerji with respect to OHS to the site in the administrative terms. As the energy sector is intrinsically prone to various crises, the senior management attaches importance to OHS driven crisis management and communication, and to constant improvement of the skills in this respect.

### Overall Training Hours on OHS Provided to the Employees

Year	2016	2017	2018
Overall Training Hours	3,211	2,994	2,856
Annual Mean Training Hours Per Capita	15.4	15.5	16.2





## OHS Trainings at the Supply Chain

We are ascertaining that the contractors and subcontractors, who will carry out any work within our areas of activity, have received the OHS trainings as required especially prior to commencement to the work, and we are informing our employees by means of the 15-minute long informative training video, in Turkish and English, on the rules applicable on the site.

We performed total of 1,799 person.hour of training in 2017 and total of 1,581 person.hour of training in 2018 to our subcontractors contracted at the plants.

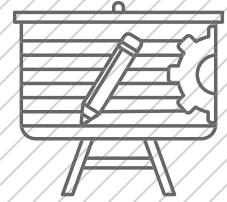
## Local People Awareness-raising Activities

We are organizing awareness rising campaigns at the regions where are plants are in operation in order to raise awareness of the local communities who reside within the impact zone of our operations with respect to the means of protection against probable hazards that might arise from the HEPPs. We are also producing and handing out leaflets and posters, which are also published on our website. Under the scope of these campaigns, we paid visits to the schools in the vicinity of the plants in Adana, Adiyaman and Bursa, reaching to total of 1,721 students and 111 teachers in 2018. We explained operation of Burç and Bulam HEPPs active in Adiyaman; Uluabat HEPP active in Bursa, and Fekeler I, Fekeler II, Himmethli and Gökaya HEPPs active in Adana, and specified the safety measures that should be taken by the populace in general concerning the hydroelectric power plants, and further provided information on renewable energy and power generation processes. We managed to reach out to total of 7,880 students and 461 teachers through the awareness rising trainings conducted since 2013.

We visited to the schools in the vicinity of the plants in Adana, Adiyaman and Bursa, reaching to total of 1,721 students and 111 teachers in 2018.



# 2018



# 1.581

person.hour

of OHS training to  
our subcontractors

# OHS Performance

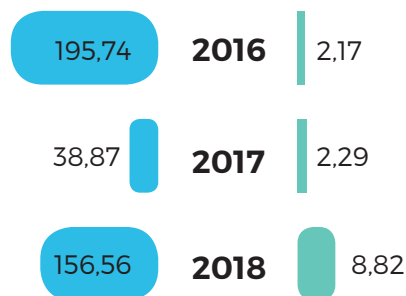
We have designated achievement of the highest standards by constantly improving our performance with respect to the occupational health and safety, one of our sustainability priorities, by ensuring that the occupational health and safety is fully embraced by all employees as a corporate culture as the priority objective. We are constantly monitoring the indicators, such as lost day, occupational accidents, traffic accidents and OHS performance during the scheduled maintenance periods, and we are integrating into our business plans, and implementing, the precautions required for improving our OHS performance.

## Occupational Accidents

We are keeping regular records of the frequency and weight velocities of all occupational accidents that occur at our plants. In 2018, total of 4 occupational accidents occurred involving the employees of Akenerji and its affiliates, including the Head Office and Plant staff. The actions to be taken for adopting necessary measures have been identified as a result of the accident investigations conducted after such accidents, and such precautions were implemented accordingly. The frequency and weight velocity of the occupational accidents that occurred in the last three years are as provided in the following table.

## Severity Rates of Occupational Accidents and Frequency of Occupational Accidents

### Severity Rates of Occupational Accidents      Frequency of Occupational Accidents



Employees of the Akenerji Affiliates

$$\text{Occupational Accident Frequency} = \frac{\text{Number of accidents with lost time}}{\text{Total Work Hours}} \times 1.000.000$$

$$\text{Occupational Accident Severity Rate} = \frac{\text{Number of days lost due to occupational accidents}}{\text{Total Work Hours}} \times 1.000.000$$



## Vehicle Accidents

The number and ratio of the vehicle accidents represent a risk element that should be monitored for the personnel at the hydroelectric power plants where such personnel is obliged to drive vehicles at harsh terrain conditions due to the nature of the work. No vehicle accidents have occurred in 2015, 2016 and 2017. The total number of vehicle accidents that occurred in 2018, including the data of the Head Office, is 4, where the vehicle accident ratio is 6.

## Lost Day and Absence Rate

The lost days and absence rates of the employees in the last three years where they failed to show up at work due to health problems are specified in the charts given hereunder. The absence rates also include the maternity leaves, and the rate is calculated using the following formula.

$$\text{Absence rate} = \frac{\text{Number of lost days due to health problems}}{\text{Total number of work days}} \times 200.000$$

## Number of Lost Days and Absence Rates at the Plants





## The Performance Data of Scheduled Maintenance

Scheduled maintenance operations are performed at the plants at varying regular intervals in order to ensure the quality and continuity of our operations. The major and critical equipment is subjected to periodical inspection and maintenance operations in order to discover probable sources of the problem, and corrective and preventive actions are taken in order to prevent loss of equipment and performance. As the contractor and the subcontractor conducts operations at the site simultaneously during the scheduled maintenance operations, the number of personnel at the plants can increase up to 10 times. Scheduled maintenance and overhauls can present more specific hazards and higher risks due to time pressure and non-routine nature of the work that are intrinsic to this kind of operations. In 2018, the scheduled maintenance operations conducted at Akenerji plants mainly involved the Akenerji personnel as is the case in previous years. The scheduled maintenance operations involved total of 25,742 hours of operations including the shift of the subcontractor's and the contractor's personnel, and there had been no accident during the maintenance periods involving Akenerji employees.

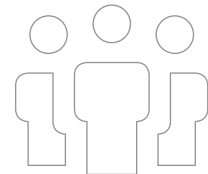
Location / Standard	2016	2017	2018
Total Time of Work (person.hour)	33.464	23.692	25.742
Number of Occupational Accidents (Akenerji)	1	0	0
Number of Occupational Accidents (the Contractor)	0	1	0





**WE VALUE  
PEOPLE**

## WE VALUE PEOPLE



We are constantly improving our relations with our employees through the Human Resources Policy we have established with our business conception where we set the people as our focal point. We believe that being able to provide an equitable, objective, fair, safe and sincere work environment to our employees which we regard as our most significant source of energy is the most critical element for our success.

Our modern Human Resources Policy based on equal opportunities and respect for human rights is further implemented in 2018 with no significant change.

We give everyone equal opportunity.

As a result of the job evaluation we pay fair wages.

We increase productivity by creating motivation and commitment.

We work collaboratively by ensuring the continuity of business peace.

We match the right work with the right person.

We evaluate success with measured performance and exhibited competencies.

We recognize and appreciate each other's successes in time.

We provide timely, accurate, clear and versatile information.



## Our greatest source of energy, our employees...

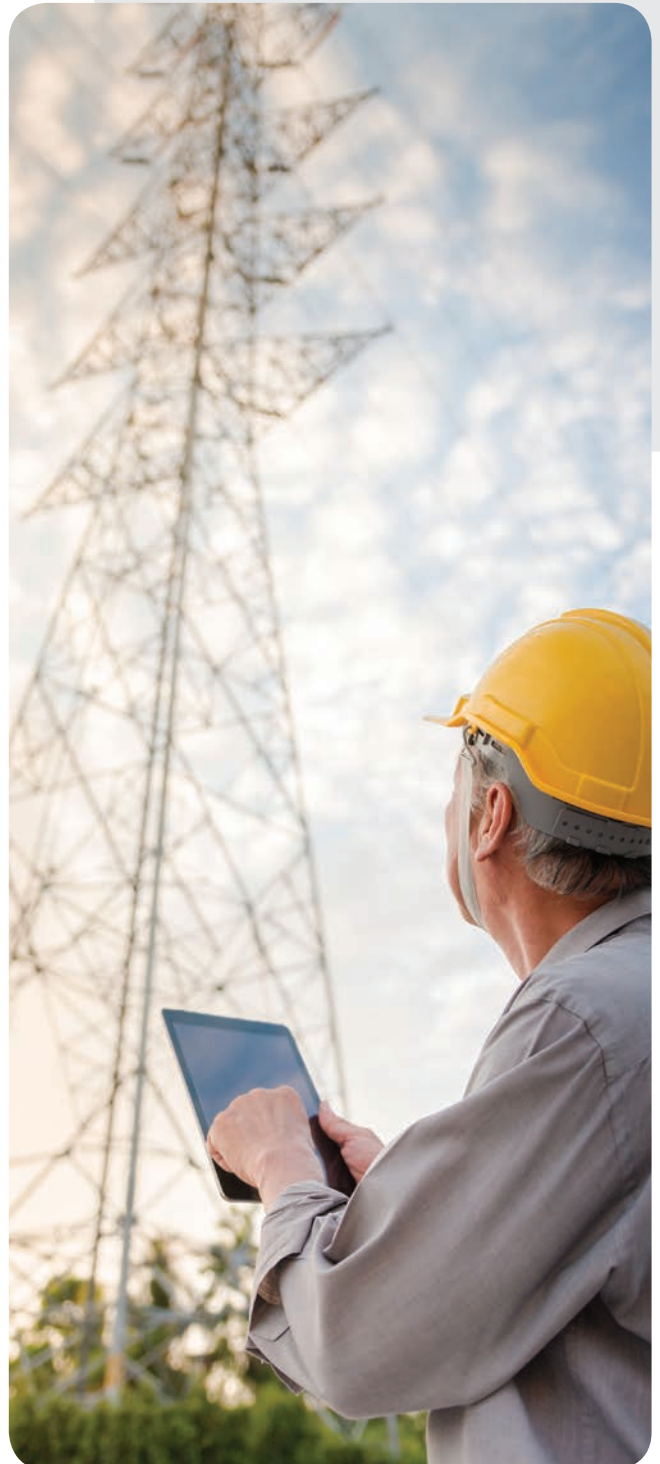
Our employees and the local communities and the community at the locations where we are active are the two major components of our “people-oriented practices”.

The attention we pay to our employees, who are one of our most significant stakeholders and whom we characterize as our “greatest source of energy” makes us one of the most preferred institutions in the sector.

Our contemporary Human Resources Policy based on equality in opportunities respecting the human rights is implemented without any change again in 2018. We make no discrimination, religious, language, race, gender or otherwise, in any process of the business life, including nomination and placement process, and we approach our employees in an equalitarian and fair manner in all processes. Forced labor, involuntary servitude and child labor is strictly prohibited in accordance with the Human Resources Policy, as well as the Laws.

Ensuring that the employees are able to receive the support they require in an adequate and fair manner and creating equality in opportunities with respect to learning and development opportunities which will improve their performances is an indispensable factor for us. Our objective is to implement human resources practices where internationally recognized models and integrated systems are used, and to use systems that ensure generation of contemporary and integrated business outcomes in all processes, from recruitment to the performance management system, from development to salary and leave of employment.

Our company is not affiliated to any syndicate; however there are no obstacles for effective use of the right to for association and right to collective agreement.





## Competencies of Akenerji Employees



### Communication:

Attaching importance to sharing of information and ideas, Akenerji employee benefits from various written and/or oral means of communication for this purpose. The employee ensures that the information conveyed to the individuals and/or groups are clearly comprehended and pursues any relevant developments in this respect.



### Persuasion:

Akenerji employee carries out studies pursuant to the corporate culture for the purpose of ensuring recognition of ideas and plans he/she believes to be accurate. He/she displays adequate behaviors and attitudes by virtue of his/her communication skills when encountering different individuals, situations and tasks.



### Result-oriented:

Always endeavoring for constant improvement, Akenerji employee works steadfastly in order to achieve and even surpass the objectives set for both him/her and for his/her team. He/she regularly measures the progression he/she managed to achieve with respect to the objectives, and develops new strategies.



### Creating Collaboration:

Akenerji employee effectively achieves the business objectives by means of robust collaborations established between his/her domain and other domains, teams, departments and units.



### Planning and Organizing:

Akenerji employee develops action plans intended for both him/her and his/her team in order to be able to complete the work in the best manner available with respect to quality and efficiency.



### Decision-Making:

The first response of Akenerji employee when experiencing any situation is to identify and understand the problems and opportunities. He/she evaluates the data from distinct sources. Then, he/she identifies the best course of action that would lead him/her to the most adequate solution, taking into consideration said data, restrictions and probable consequences, and then acts accordingly.



### Customer Orientation:

Acknowledging the needs and expectation of the customers as the center of all business processes, Akenerji employee pays attention to effectiveness and improvement of customer relations for this purpose.



## Employee Profile

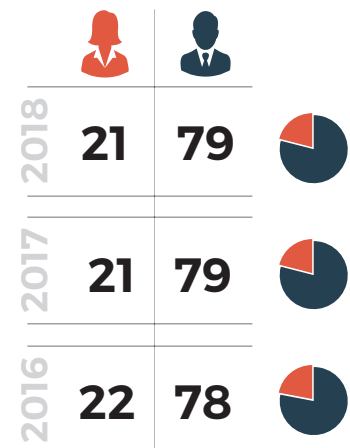
We are presenting a stalwart and trustworthy image at the sector by virtue of our employees who candidly embrace our corporate values. Our employee profile is shaped in accordance with the needs of the sector. Majority of our employees are employed on permanently and full time basis, and there are no part-time employment in our company. In 2018, only 2 out of 200 employees worked under the scope of employment contract of definite duration. The number of disabled employees in the Company represents 3% of the entire permanent staff.

### Number of Employees Per Regions

	2016	2017	2018
Head Office	97	113	82
Plants	112	81	118
<b>Total</b>	<b>209</b>	<b>194</b>	<b>200</b>

Note: The data provided above are applicable as of 31.12.2018, and the Members of the Board of Directors are not involved in the calculation process.

### Gender Distribution of the Employees (%)



We improved the rate of female executives in the senior management up to 33%.

Gender Distribution Per Staff Position	2016				2017				2018			
	Male		Female		Male		Female		Male		Female	
	%	Qty.	%	Qty.	%	Qty.	%	Qty.	%	Qty.	%	Qty.
Top Management *	80	4	20	1	80	4	20	1	67	4	33	2
Mid-Level Management**	68	13	32	6	62	8	38	5	56	9	44	7
Non-Management White Collar***	56	49	44	38	57	45	43	34	60	47	40	31
Operational Level****	99	97	1	1	99	96	1	1	99	99	1	1
<b>Total</b>	<b>78</b>	<b>163</b>	<b>22</b>	<b>46</b>	<b>79</b>	<b>153</b>	<b>21</b>	<b>41</b>	<b>79</b>	<b>159</b>	<b>21</b>	<b>41</b>

Note: The data provided above are applicable as of 31.12.2018, and the Members of the Board of Directors are not involved in the calculation process.

\* Top Management: CEO, Deputy CEO, director

\*\* Mid-Level Management: Manager, coordinator

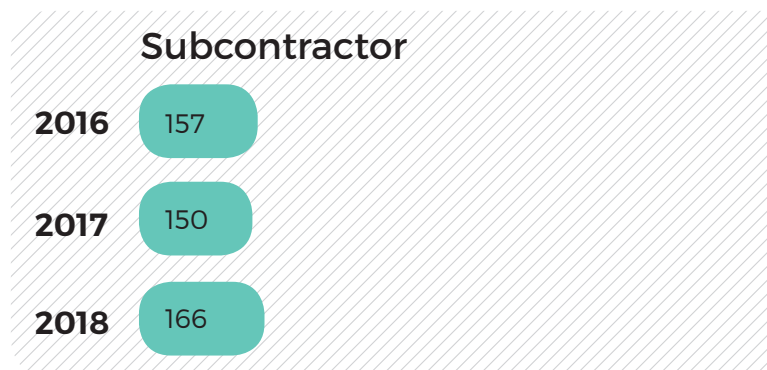
\*\*\* Non-Management White Collar: Deputy Manager, executive, engineer, operation and maintenance officer, senior specialist, specialist, assistant specialist, consultant, operation officer, maintenance officer, administrative affairs officer, assistant

\*\*\*\* Operational Level: Shift Supervisor, warehouse supervisor, operator, mechanic, staff, laboratory assistant, driver

## Number of Employees from Outsourced Services

We are outsourcing the services, such as cleaning, catering and security. The number of employees under the scope of outsourced services is given in the following table.

Note: The fact that the number of personnel employed at the outsourced services is higher than the number of the permanent staff arises from the fact that the plants are located at distinct locations and the fact that such services are required in all plants.



## Distribution of Seniority by Positions

When we consider the seniority distribution of our entire staff; we see that seniority of the majority of the mid-level executives at the company are between 5-10 years and more than 10 years. While majority of the employees at the specialist level are in the seniority range of 0-1 year and 5-10 years, the majority of the operators and technicians employed at the plants are in the seniority range of 5-10 years. The mean seniority of our employees in 2017 was 6.4 years, and as of 2018, the mean seniority is 6.7 years.

Distribution of Seniority per Permanent Staff Positions (%)		2017			
Staff Positions		0 - 3 years (included)	3 - 5 years (included)	5 - 10 years (included)	More than 10 years
Top Management		20.0	20.0	60.0	0.0
Mid-Level Management		7.7	7.7	53.8	30.8
Non-Management White Collar		39.2	16.5	31.6	12.7
Operational Level		33.0	11.3	38.1	17.5
Average		25.0	13.9	45.9	15.2

Distribution of Seniority per Permanent Staff Positions (%)		2018			
Staff Positions		0 - 3 years (included)	3 - 5 years (included)	5 - 10 years (included)	More than 10 years
Top Management		33	17	50	0
Mid-Level Management		6	0	63	31
Non-Management White Collar		35	19	35	12
Operational Level		27	16	39	18
Average		29	16	40	16

Note: The data provided above are applicable as of 31.12.2018, and the Members of the Board of Directors are not involved in the calculation process.



## Labor Turnover Rate

The labor turnover rate at the Head Office and at the plants for the last three years is provided in the following table.

	2016		2017		2018	
	%	Qty.	%	Qty.	%	Qty.
Head Office	21	21	32.4	28	6.6	13
Plants	29	36	12.6	14	2.6	5
<b>Total</b>	<b>25</b>	<b>57</b>	<b>21.2</b>	<b>42</b>	<b>9.2</b>	<b>18</b>

Note: The data provided above are applicable as of 31.12.2018, and the Members of the Board of Directors are not involved in the calculation process.



Labor Turnover Rate per Seniority (%)		2018			
Locations		0 - 3 years (included)	3 - 5 years (included)	5 - 10 years (included)	More than 10 years
Head Office		7.5	3.8	1.3	3.8
Plants		1.7	0.9	1.7	0
Average		4.6	2.3	1.5	1.9

Note: The data provided above are applicable as of 31.12.2018, and the Members of the Board of Directors are not involved in the calculation process.

Labor Turnover Rate per Seniority (%)		2017			
Locations		0 - 3 years (included)	3 - 5 years (included)	5 - 10 years (included)	More than 10 years
Head Office		41.5	29.6	31.7	20.0
Plants		2.9	33.3	10.4	11.1
Average		22.2	31.5	21.1	15.6

Note: The data provided above are applicable as of 31.12.2017, and the Members of the Board of Directors are not involved in the calculation process.

Labor Turnover Rate per Seniority (%)		2016			
Locations		0 - 3 years (included)	3 - 5 years (included)	5 - 10 years (included)	More than 10 years
Head Office		16.13	37.84	25.71	0.0
Plants		30.77	4.44	27.85	48.98
Average		23.45	21.14	26.78	24.49

Note: The data provided above are applicable as of 31.12.2016, and the Members of the Board of Directors are not involved in the calculation process.

The Company monitors the labor turnover rate per age category and gender, however as this data is not categorized as “high priority”, such data is not presented in this report.

## Nomination and Placement

We take into consideration to certain criteria such as conformity of the candidates to our corporate culture and values, whether the candidate possesses the knowledge, skills, experience and competencies necessitated by the assignment and the position, etc. for nominating the candidates that would carry our company a step further pursuant to the strategies and objectives. In the course of nominating the candidates for any position, we are acting on the principle of choosing right employee for the right job by employing the modern assessment systems that would assist us in making an objective decision.

Number of New Recruits	2016	2017	2018
White Collar Employment	12	16	17
Blue Collar Employment	6	14	8
<b>Total</b>	<b>18</b>	<b>30</b>	<b>25</b>

The age average of our employees as of 2018 is 37, while the age average of the white collar employees employed in 2018 is 30, and the age average of the blue collar employees is 28.

Total Number Of Recently Recruited Employees Excluding Transitory Personnel and The Subcontractor's Personnel				
Age	Male	Percentage	Female	Percentage
Under 30	12	48	4	16
Between 30-50	7	28	2	8
Above 50	0	0	0	0
<b>Total</b>	<b>19</b>	<b>76</b>	<b>6</b>	<b>24</b>

Number Of Recruited Employees Excluding Transitory Personnel and The Subcontractor's Personnel				
Region	Male	Percentage	Female	Percentage
Head Office	9	36	6	24
Ankara Office	0	0	0	0
Erzin Plant	5	20	0	0
Burç Plant	0	0	0	0
Bulam Plant	0	0	0	0
Ayyıldız Plant	0	0	0	0
Uluabat Plant	0	0	0	0
Feki 1 Plant	0	0	0	0
Feki 2 Plant	0	0	0	0
Gökkaya Plant	0	0	0	0
Himmetli Plant	5	20	0	0
<b>Total</b>	<b>19</b>	<b>76</b>	<b>6</b>	<b>24</b>

In 2018, we offered internship opportunities to total of 51 students, 40 compulsory and 11 voluntary, from various universities and technical/vocational high schools.

Moreover, Akenerji offers internship opportunities to the university and high school students. In 2018, we took part in the Career Days organized by the Middle East Technical University, Yıldız Technical University and İstanbul Technical University under the scope of "Recruitment, Internship Period and Employer Brand" campaign. We came together with the students and collected applications from new graduates and for internship at our company.



## Performance Management

The Performance Management System is a holistic process that aims that the corporate objectives are embraced by the individuals, that leverage the common corporate culture and that cover all employees. The outputs of this process are taken into consideration at the salary determination, training and development, planning and skill management processes. Therefore, we are managing our Human Resources processes in an integrated system.

The employees are reviewed based on the objectives set at the beginning of each year and with respect to the competencies defined for their position. This process varies for some employee groups. For instance, the Team Members and the Administrative Support employees are reviewed solely concerning the competencies, while the staff employed at the plants such as the operator, technician, laboratory assistant, shift supervisor and warehouse supervisor, are reviewed solely with respect to the Objectives.

In 2018, we continued to organize informative trainings on "Internalizing the Competencies" in order to ensure that the competency assessments, which represent a significant portion of the processes, are better embraced by sharing the improvements at the processes and systems we undertake at the objective setting and performance review processes with all employees.

## Development Planning

When planning the development process for our employees, we are aiming to accurately identify the aspects that are in need of development for the current position or the subsequent potential role of the employee in the career planning process and offering guidance to the employee in order to improve such areas in need of development.

In the course of the development planning process, the skills of each employee is evaluated in conjunction their executive. Then, action plans are prepared with respect to the competencies identified to be in need of development. Upon completion of the process, training and development programs are organized with respect to the company objectives, and the knowledge, skills, experience and competencies of the employee.

In 2018, 4 of our executives attended the Multidimensional Leadership training program, which is the first tier executive development program. Moreover, 3 of our executives have attended the development program organized in collaboration with Sabancı University pursuant to the Executive Development Program intended for mid-level executives. 5 of our executives have attended the Market Focus Training, a prerequisite of the Executive Development Program.

19 of our employees from executive and specialist tiers have attended to the finance based simulation program entitled "Managing Today's Business", and to the training program entitled "The Speed of Trust".

In 2018, 5 of our executives have attended the "Boomerang", which was launched in 2015 and which aims to ensure that the executives concentrate on their roles and responsibilities at the Human Resources processes more effectively.

In addition to the personal development and managerial development trainings, we are also supporting our employees through technical trainings/seminars as requested by the employees or their executives, and through MS Office applications trainings and foreign language courses organized as per the emerging needs.

In 2018, we continued to implement our Mentorship program, "Philharmonic", which we launched in 2015 in order to offer our support development of the employees who demonstrate high potential and high level of performance. After identifying the mentors, all of whom are senior executives, and the mentees, we organized the trainings as required for functioning of the program and their roles. The mentees are holding regular meetings with their matched mentors and continue to learn new information on business life and to add value to our company.

Following modifications made at the Finance organization and at the business processes, we organized a training program in order to allow the executives and their team members to better recognize each other. We have completed the executive-specific portion of this training process in 2018, and we are planning to continue the program in 2019 with attendance of all team members.

We launched a project entitled "Inspirational Speeches on Business and Life" in our company that operates with the objective of continuous development together with all concerned parties. With this project, we offered our employees the opportunity to come together with very prominent persons who created differences with their works in their areas of expertise. Organized three times in 2018, Prof. Dr. Özgür Demirtaş, the Author Aret Vartanyan and Prof. Dr. Acar Baltaş attended the "Conversations on Business and Life" sessions, sharing their experience with our employees.



## Talent Management

The Skill Management processes aim to identify the prospective employees that present significant potential and the talented persons within our organization, and to provide the vocational knowledge, skills and development opportunities for such individuals as required.

We are implementing distinct assessment tools in order to discover the talents at different levels. We are performing performance reviews each year in accordance with the competencies and objectives, and we are establishing nine box grids biannually through LPI (Leadership Practices Inventory) practices. The employees identified to have high potential based on these outcomes are evaluated through evaluation center practices and included in the skill pool.

The talents identified through Talent Management process are then subjected to development planning with aim to ensure progression of both the employees and the organization. In this respect, we are aiming to evaluate our employees through a systematic approach, to plan the Human Resources processes accordingly, and to improve and gain loyalty of our employees who will maximize the company performance.





## Training

As Akenerji, we are offering various training opportunities in order to support the technical and personal development of the employees under the scope of the legal obligations and the needs of our employees. Aware of the fact that training is one of the most significant factors for producing high quality and more efficient outcomes, we are providing necessary training support to our employees taking into consideration the needs and resources of the company.

Total Training Duration per Permanent Staff Positions (person.hour)	2016	2017	2018
Top Management	28,5	127	304
Mid-Level Management	466.5	783.5	1,291.5
Non-Management White Collar	2,585	3,254	3,172
Operational Level	4,411	2,450.5	3,890
<b>Total</b>	<b>7,491</b>	<b>6,615</b>	<b>8,657.5</b>

Note: The data provided above are applicable as of 31.12.2018, and the Members of the Board of Directors are not involved in the calculation process.

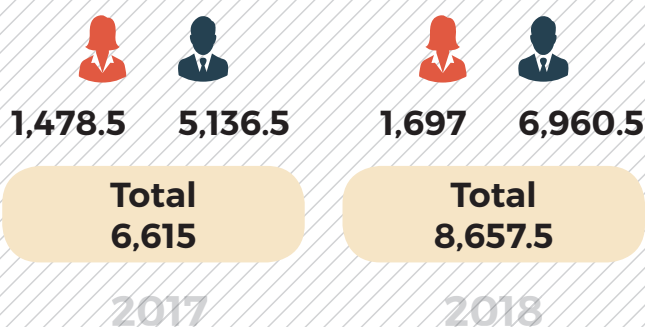
Annual Mean Training Duration Delivered Per Employee (man/hour)	2016	2017	2018
Top Management	6	25	51
Mid-Level Management	25	60	81
Non-Management White Collar	30	41	41
Operational Level	45	25	39
<b>Total</b>	<b>36</b>	<b>34</b>	<b>43</b>

Note: The data provided above are applicable as of 31.12.2018, and the Members of the Board of Directors are not involved in the calculation process.

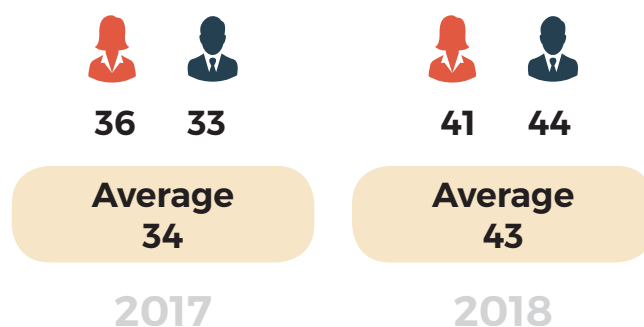


**43**  
**hours**  
In 2018, the  
training  
duration  
per  
employee

### Total Training Duration per Gender (person.hour)



### Total Training Duration per Employee Based on Gender (person.hour)



In 2018, we have launched the Blue Collar Salary and Tier System under the scope of our studies on the salary and fringe benefits.

The trainings provided to the employees in 2018 include the following:

**Technical Trainings:** Transformer Based Operation Technician, Market Management System Software, Improved Efficiency at Vapor Systems, Energy Saving and Energy Recovery, Operation Supervision at High Voltage Installations, Electricity Markets Renewable Energy Technologies Certification Program, Expert Excel, English

**Quality, Environment, Occupational Health and Safety Trainings:** OHS Legislation Trainings, Environmental Legislation and Waste Management, Basic Health, First Aid Trainings, ISO 27001 Information Security.

**Personal Development Trainings:** Managing Today's Enterprise, Mid-Level Executive Development Program, Situational Leadership Experience, Market Focus, The Speed of Trust, Boomerang, Effective Team Dynamics, Inspirational Speeches on Business and Life, Visionary Dialogs, Mentor - Mentee Program, Internalizing the Competencies.

## Employee Benefits

We are employing an internationally recognized and trusted work assessment and salary model for management of wages and fringe benefits at company. Said model is an objective, transparent model that accurately reflects the actual position of both national and international enterprises, which is based on equality and fairness principles and predicates on salary determination according to the executed work. Our employees are not union members.

As Fringe Benefits, we are offering our employees meals, shuttle service, personal accident insurance, as well as private health insurance for the spouses and children of the white collar employees. Moreover, we also provide benefits such as mobile communication devices and/or official staff car depending on the position and title of the employees.

## Employees' Participation to the Company Management

We seek the opinion and feedback of our employees through annual goal setting and performance review meetings, suggestion systems and the in-house meeting we organize at the company.

We have announced that all of our employees are able to submit their requests, wishes and suggestions to the Social Committee Akenerjik, launched in 2015, through Personal Suggestion System procedure. Our employees are capable of communicating their suggestions on various issues by following the methods set out in the mentioned procedure. All suggestions are reviewed by the Akenerjik team on quarterly basis.

The Human Resources Department organizes information meetings at the Head Office units and at the plants. During such meetings, the employees are briefed on policies and procedures that concern our employees, such as work relations, basic human resources processes, etc., the requests and suggestions of the employees are noted and major issues are addressed by the senior management of the company.

## Internal Communication

As Akenerji, we are organizing various communication activities and events in order to increase motivation, improve communication and enhance the efficiency.

- The Development Planning processes are executed collectively by the executive and employees,
- The suggestions and opinions of the employees are obtained and reviewed through Personal Suggestion System,
- Akenerjik, the Social Committee, organizes events at special days such as employee dinner, women's day, mother's day, father's day, birthdays, etc., and "Social meetings"; furthermore, messages are released for special days of the employees such as birthday, decease, birth of an infant, etc.



Akenerjik: is the social committee formed for invigorating the communication between the employees and consolidate their sense of belonging, and organizing social and cultural events.



## Value Added to Community

We are overseeing the needs of the local community at the impact zones of our plants where we are successfully maintaining our operations, and we are taking heed of development of the region, not only in economic terms, but also with respect to social, cultural and environmental aspects. Believing that the future of the society can be secured through well-educated generations, we are making contributions to the education at the impact zones of our operations and we are endorsing and supporting various institutions and agencies in this respect. We are providing sponsorship support to Erzinspor football team since 2013.

We will continue to carry out social responsibility studies with determination at the regions where our plants are located.

The Golden Voltage is awarded to Akenerji “once more”

As Akenerji, we are once more awarded with the Golden Voltage prize awarded in the social responsibility category at 9th Turkey Energy Summit. The project deemed worthy of an award is the breast cancer scan co-executed with Adana Provincial Directorate of Health. We are honored to make contributions to the health of our women residing in the influence area of our plants by supporting the breast cancer scanning process executed by Adana Provincial Directorate of Health. Mammography scans were acquired from 1530 women for early diagnosis of breast cancer using mobile cancer scan vehicle in FEKE borough where FEKE-1 and FEKE-2 Hydroelectric power plants are erected. Akenerji facilitated the service by offering transportation support to the women residing in FEKE borough and surrounding rural areas.

## Akenerji continues to support the students



We have gifted hundreds of books donated with the support of our employees to the little students at Yardibi Village Elementary School in Adana. The joy of the students was worth seeing.







## Our energy is in the sky!



We brought together the children of Adana Saimbeyli Borough, where Himmetli and Gökaya plants are located, at the “kite festival”. Children of all ages released the kites, gifts from Akenerji, merrily to the skies.





## Their “happiness” is our “happiness”

We managed to put a smile to the face of our children, the architects of our future, who resides at the impact zones of Himmetli and Gökkaya power plants by gifting toys we brought to Adana in collaboration with Saimbeyli District Governorship and the Security Chief Office. Seeing the happiness of the children from Himmetli Secondary School and Yardibi Ortaoba Elementary School, and making them smile was worth everything.



## We became the Bronze Sponsor for EVF

The Energy Efficiency Forum and Fair, organized for the 9<sup>th</sup> time this year, was held on 29<sup>th</sup>-30<sup>th</sup> March 2018 at İstanbul Lütü Kirdar International Congress and Exhibition Center. We offered our support to the event as bronze sponsor. The Energy Services department exhibited and disclosed our projects and responded to inquiries on energy efficiency during the fair.

## We took part in ISTRADE

Akenerji was one of the sponsors of ISTRADE, which lasted for 2 days in İstanbul in 2018. 3<sup>rd</sup> Energy Supply Summit, ISTRADE, was organized with the support of EPDK under the auspices of the Republic of Turkey Ministry of Energy and Natural Resources and brought together all actors of the energy supply chain on 9<sup>th</sup>-10<sup>th</sup> of April 2018.



## Contribution to TÜSİAD's Energy Report

The "Report on Sustainable Energy for a Sustainable Future", which is drafted by TÜSİAD Energy Study Group, and which involved our contributions, is disclosed to the public.

## Our Plants continue to welcome the students

We have hosted the students from Kozan Yıldız Technical High School Electricity Department in our Plant at Adana-Himmetli. The technical field trip team comprising of 29 students and 3 teachers had the opportunity to learn about our plant. We offer our thanks to the students and their teachers for their visit.



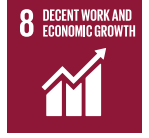
## We celebrated the foundation of Czechoslovakia!

The hundredth anniversary of the foundation of Czechoslovakia was celebrated under sponsorship of Akenerji. Hosted by Petr Mares, the Consulate General of the Czech Republic, the Turkey Youth Philharmonic Orchestra appeared in the concert at the celebration event performing the works of both Czech and Turkish composers.

## Feedback Mechanisms

Our employees are able to communicate their grievances on the environment, ethics, human rights and labor practices as disclosed in "Akenerji Environmental Accident and Grievance Reporting Procedure" and the "Ethical Principles Policy". All employees are subjected to training on functioning of the mentioned procedure and the policy. Moreover, we are also receiving feedbacks of the local communities and other stakeholders residing at the impact zones of our plants on all kinds of issues via diverse set of channels. The most preferred channel in this respect is direct communication with the executives of the respective plant. In this manner, we are aiming to swiftly resolve all kinds of requests, suggestions and grievances. The grievances and feedbacks received at the project sites at investment phase, on the other hand, are managed proactively, and we establish direct contact with the local communities, the NGOs and the local administration bodies during the environmental impact and social impact assessment processes.





## Relations with the Local Communities

### Employment of the Local Communities

We are taking heed of local development and relations with the local population at our operational sites with the conception of contribution to the society. In this respect, we are nominating and employing approximately 100-150 individuals from the local population during plant construction phase. After commissioning of the plant, such personnel are reassigned to positions such as cleaning staff and security officer. Significant amount of our personnel employed at Feke, Himmetli and Gökaya Plants are employed through this method. We are also prioritizing the local businesses in selection of the suppliers for procurement of goods and services pursuant to the conception of a sustainable business.

### Rising Awareness of the Local Communities

Information studies are executed on the environment and OHS legislation as well as power generation to the individuals coming to the plants, such as the subcontractors, visitors and interns, and moreover video trainings are organized for the local communities in order to inform the people about our operations at the Akenerji plant sites.







# **STRATEGIC SUSTAINABILITY GOALS**

## Strategic Sustainability Goals

In accordance with our Policies, an assessment of our 2018 objectives concerning the Sustainability Management; Quality, Environment and OHS; Integrated Management System; and the 'Employees', as well as the objectives set for 2019 are as listed hereunder.

Goal Subject	2018 Goals	2018 Realization Status	2018 Status Evaluation	2019 Goals
<b>Sustainability Management</b>	Drafting Year 2017 operation period sustainability report according to GRI Standards taking into account the United Nations Sustainable Development Goals.	A	Year 2017 operation period sustainability report has been prepared according to GRI Standards taking into account the United Nations Sustainable Development Goals.	Drafting Year 2018 operation period sustainability report according to GRI Standards taking into account the United Nations Sustainable Development Goals.
	Issue the reports for Year 2017 operation period to be reported under the scope of the Carbon Disclosure Project (CDP) Climate Change and Water Program	A	The reports for Year 2017 operation period to be reported under the scope of the Carbon Disclosure Project (CDP) Climate Change and Water Program are published.	Issue the reports for Year 2018 operation period to be reported under the scope of the Carbon Disclosure Project (CDP) Climate Change and Water Program
<b>Management Systems</b>	Achieving minimum 90% closure ratio for Corrective Action Requests (CAR) opened during the internal audit by the end of the year.	A	The closure rate of the Corrective Action Requests (CAR) opened during the internal audit by the end of the year is realized as 94.5%.	Achieving minimum 75% closure ratio for Corrective Action Requests (CAR) opened during the Quality, Environment and OHS internal audits by the end of the year.
	2% reduction at the emission rates per unit power generation at Erzincan NGCC Plant	NA	2% reduction at the emission rates per unit power generation was not achieved. The current status indicates 2% increase.	Achieving minimum 75% closure ratio for Corrective Action Requests (CAR) opened during the Environment internal audits by the end of the year
	Reporting and verification of the greenhouse gas emissions for year 2017 under ISO 14064	A	Reporting and verification of the greenhouse gas emissions for year 2017 under ISO 14064 was completed as of March 19, 2018.	Achieving minimum 75% closure ratio for Corrective Action Requests (CAR) opened during the OHS site visits by the end of the year.
				Receiving certification and fulfilling conditions of ISO 45001: 2018 instead of OHSAS 18001: 2007 which is repealed in all plants.  Reporting and verification of the greenhouse gas emissions for year 2018 under ISO 14064

Goal Subject	2018 Goals	2018 Realization Status	2018 Status Evaluation	2019 Goals
Quality, Environment, OHS trainings	<b>Quality (person.hour/year)</b>	A	<b>Quality (person.hour/year)</b>	<b>Quality (person.hour/year)</b>
	Head Office 20		Head Office 40	Head Office 20
	Ayyıldız WPP 10		Ayyıldız WPP 12	Ayyıldız WPP 5
	Uluabat HEPP 20		Uluabat HEPP 32	Uluabat HEPP 10
	Bulam HEPP 10		Bulam HEPP 12	Bulam HEPP 5
	Burç HEPP 10		Burç HEPP 14	Burç HEPP 7
	Feke I HEPP 10		Feke I HEPP 12	Feke I HEPP 6
	Feke II HEPP 10		Feke II HEPP 14	Feke II HEPP 7
	Himmetli HEPP 10		Himmetli HEPP 14	Himmetli HEPP 10
	Gökkaya HEPP 10		Gökkaya HEPP 12	Gökkaya HEPP 6
	Erzin NGCCP 10		Erzin NGCCP 10	Erzin NGCCP 10
	<b>Environment (person.hour/year)</b>	A	<b>Environment (person.hour/year)</b>	<b>Environment (person.hour/year)</b>
	Head Office 13		Head Office 20	Head Office 13
	Ayyıldız WPP 12		Ayyıldız WPP 18	Ayyıldız WPP 12
	Uluabat HES 13		Uluabat HEPP 33	Uluabat HEPP 25
	Bulam HEPP 13		Bulam HEPP 15	Bulam HEPP 10
	Burç HEPP 13		Burç HEPP 18	Burç HEPP 14
	Feke I HEPP 10		Feke I HEPP 15	Feke I HEPP 12
	Feke II HEPP 10		Feke II HEPP 18	Feke II HEPP 12
	Himmetli HEPP 10		Himmetli HEPP 18	Himmetli HEPP 12
	Gökkaya HEPP 10		Gökkaya HEPP 15	Gökkaya HEPP 12
	Erzin NGCCP 13		Erzin NGCCP 17	Erzin NGCCP 15
	<b>OHS (hour/man)</b>	PA	<b>OHS (hour/man)</b>	<b>OHS (hour/man)</b>
	Head Office and Ankara Office: 2		Head Office and Ankara Office: 3,4	Head Office and Ankara Office: 2
	Plants : 15		Plants : 13,3	Plants : 12
			OHS Trainings are completed except for 2 personnel.	
	Carrying out safety tool box meetings up to 60% of the number of annual maintenance days by the team managers for the plant personnel during annual scheduled maintenance process.		Safety tool box meetings up to 83% of the number of annual maintenance days have been carried out by the team managers for the plant personnel during annual scheduled maintenance process.	Carrying out safety tool box meetings up to 60% of the number of annual maintenance days by the team managers for the plant personnel during annual scheduled maintenance process.
			ARES - 80% BLM - 70% BRC - 60% FK I - 100% FK II - 93% GKK - 100% HMM - 60% ERZ - 100% ULB- 85%	
	The trainings at the Head Office, Ankara Office and the plants on Management Systems to be minimum 80% of the entire training event.		The trainings at the Head Office, Ankara Office and the plants on Management Systems was realized to be 92% of the entire training event Management.	
Awareness Rising Training	Organizing total of 7 seminars, one per each HEPP, at the schools in the impact zones of the plants concerning the probable hazards associated with the HEPPs, and warnings with respect to the same in order to raise awareness of the students and the teachers.	A	Total of 9 seminars, at least one per each HEPP, was organized at the schools in the impact zones of the plants concerning the probable hazards associated with the HEPPs, and warnings with respect to the same in order to raise awareness of the students and the teachers.	Organizing total of 7 seminars, one per each HEPP, at the schools in the impact zones of the plants concerning the probable hazards associated with the HEPPs, and warnings with respect to the same in order to raise awareness of the students and the teachers.
	Organizing an Awareness Rising Seminar for the local communities at Adana, Adiyaman and Bursa under the scope of DSi Environment Conversation and Safety Measures.		An Awareness Rising Seminar was organized for the local communities at Adana, Adiyaman and Bursa under the scope of DSi Environment Conversation and Safety Measures .	Organizing an Awareness Rising Seminar for the local communities at Adana, Adiyaman and Bursa under the scope of DSi Environment Conversation and Safety Measures.





# **GRI STANDARDS CONTENT INDEX**



# AKENERJİ

## Sustainability Report

### 2018

GRI Standards Content Index-Core



GRI Standard	Topics	Answers and Page Numbers
<b>GRI 101: FOUNDATION 2016</b>		
<b>GRI 102: GENERAL DISCLOSURE 2016</b>		
<b>Corporate Profile</b>		
102-1	Name of the organization	Akenerji Elektrik Üretim A.Ş -
102-2	Activities, brands, products, and services	About Akenerji 12
102-3	Location of headquarters	Miralay Şefik Bey Sok. Akhan No:15 Gümüşsuyu Mah. Beyoğlu -
102-4	Location of operations	Turkey 10
102-5	Ownership and legal form	Our Report, About Akenerji 3,10
102-6	Markets served	About Akenerji 10
102-7	Scale of the organization	About Akenerji 10
102-8	Information on employees and other workers	We Value People 81,82
102-9	Supply chain	Responsibility in Value Chain 44
102-10	Significant changes to the organization and its supply chain	Our Report, About Akenerji 10
102-11	Precautionary Principle or approach	Integrated Management Systems 36
102-12	External initiatives	Message from CEO 40
102-13	Membership of associations	Corporate Membership 40
<b>Strategy</b>		
102-14	Statement from senior decision-maker	Message from CEO 4-5
<b>Ethics and integrity</b>		
102-16	Values, principles, standards, and norms of behavior	Ethics Practices 28-29
<b>Governance</b>		
102-18	Governance structure	Corporate Governance 18-22

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

This service was performed in the Turkish version of the report.

GRI Standard		Topics	Answers and Page Numbers
<b>Stakeholder engagement</b>			
102-40	List of stakeholder groups	Relations with the Stakeholders	37
102-41	Collective bargaining agreements	We Value People	79
102-42	Identifying and selecting stakeholders	Relations with the Stakeholders	37
102-43	Approach to stakeholder engagement	Relations with the Stakeholders	38-39
102-44	Key topics and concerns raised	Prioritizing the Sustainability Objectives	41
<b>Reporting practice</b>			
102-45	Entities included in the consolidated financial statements	Our Report	3
102-46	Defining report content and topic Boundaries	Prioritizing the Sustainability Objectives	41
102-47	List of material topics	Prioritizing the Sustainability Objectives	41
102-48	Restatements of information	Our Report	3
102-49	Changes in reporting	Our Report	3
102-50	Reporting period	Our Report	3
102-51	Date of most recent report	Our 6th Sustainability Report was published in May 2018.	-
102-52	Reporting cycle	Annually	-
102-53	Contact point for questions regarding the report	info@akenerji.com.tr	
102-54	Claims of reporting in accordance with the GRI Standards	Our Report	3
102-55	GRI Standards Index	GRI Standarts Content Index	104
102-56	External assurance	Our Report	3

GRI Standard		Topics		Answers and Page Numbers
Material Topics				
GRI 200 ECONOMIC STANDARDS SERIES 2016				
GRI 201 Economic Performance 2016				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	Prioritizing the Sustainability Objectives	41
	103-2	The management approach and its components	Sustainability Consciousness	32,33
	103-3	Evaluation of the management approach	Sustainability Consciousness	32,33
	201-1	Direct economic value generated and distributed	About Akenerji	12
	201-2	Financial implications and other risks and opportunities due to climate change	Environmental Responsiveness	61
GRI 203 Indirect Economic Impacts 2016				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	Prioritizing the Sustainability Objectives	41
	103-2	The management approach and its components	Sustainability Consciousness	32,33
	103-3	Evaluation of the management approach	Sustainability Consciousness, Responsibility in Value Chain, We Value People	32,33,44
	203-1	Infrastructure investments and services supported	We Value People	92-95
	203-2	Significant indirect economic impacts	Responsibility in Value Chain,We Value People	44-45, 92-95
GRI 204 Procurement Practices 2016				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	Prioritizing the Sustainability Objectives	41
	103-2	The management approach and its components	Sustainability Consciousness	32,33
	103-3	Evaluation of the management approach	Sustainability Consciousness, Responsibility in Value Chain	44
	204-1	Proportion of spending on local suppliers	Responsibility in Value Chain	44-45
GRI 205 Anti-corruption 2016				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	Corporate Governance	41
	103-2	The management approach and its components	Corporate Governance	32,33
	103-3	Evaluation of the management approach	Corporate Governance	28
	205-2	Communication and training about anti-corruption policies and procedures	Corporate Governance	28-29

	GRI Standard		Topics	Answers and Page Numbers
	GRI 300 ENVIRONMENTAL STANDARDS SERIES 2016			
	GRI 302 Energy 2016			
GRI 103 MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	Prioritizing the Sustainability Objectives	41
	103-2	The management approach and its components	Sustainability Consciousness	32,33
	103-3	Evaluation of the management approach	Sustainability Consciousness, Environmental Responsiveness	54-55
	302-1	Energy consumption within the organization	Environmental Responsiveness	56
	302-2	Energy consumption outside of the organization	Environmental Responsiveness	56
	GRI 303 Water 2016			
GRI 103 MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	Prioritizing the Sustainability Objectives	41
	103-2	The management approach and its components	Sustainability Consciousness	32,33
	103-3	Evaluation of the management approach	Sustainability Consciousness, Environmental Responsiveness	54-55
	303-1	Water withdrawal by source	Environmental Responsiveness	57
	303-2	Water sources significantly affected by withdrawal of water	Environmental Responsiveness	57
	303-3	Water recycled and reused	Environmental Responsiveness	60
	GRI 304 Biodiversity 2016			
GRI 103 MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	Prioritizing the Sustainability Objectives	41
	103-2	The management approach and its components	Sustainability Consciousness	32,33
	103-3	Evaluation of the management approach	Sustainability Consciousness,Environmental Responsiveness	54-55, 64
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environmental Responsiveness	64

	GRI Standard	Topics	Answers and Page Numbers
<b>GRI 305 Emissions 2016</b>			
GRI 103 MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	Prioritizing the Sustainability Objectives 41
	103-2	The management approach and its components	Sustainability Consciousness 32,33
	103-3	Evaluation of the management approach	Sustainability Consciousness, Environmental Responsiveness 54-55, 62
	305-1	Direct (Scope 1) GHG emissions	Environmental Responsiveness 63
	305-2	Energy indirect (Scope 2) GHG emissions	Environmental Responsiveness 63
	305-3	Other indirect (Scope 3) GHG emissions	Environmental Responsiveness 63
	305-5	Reduction of GHG emissions	Environmental Responsiveness 63
<b>GRI 306 Effluents and Waste 2016</b>			
GRI 103 MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	Prioritizing the Sustainability Objectives 41
	103-2	The management approach and its components	Sustainability Consciousness 32,33
	103-3	Evaluation of the management approach	Sustainability Consciousness, Environmental Responsiveness 54-55, 56-59
	306-1	Water discharge by quality and destination	Environmental Responsiveness 60
	306-2	Waste by type and disposal method	Environmental Responsiveness 58
<b>GRI 307 Environmental Compliance 2016</b>			
GRI 103 MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	Prioritizing the Sustainability Objectives 41
	103-2	The management approach and its components	Sustainability Consciousness 32,33
	103-3	Evaluation of the management approach	Sustainability Consciousness, Environmental Responsiveness 54-55
	308-1	Non-compliance with environmental laws and regulations	Environmental Responsiveness 54-55
<b>GRI 308 Supplier Environmental Assessment 2016</b>			
GRI 103 MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	Prioritizing the Sustainability Objectives 41
	103-2	The management approach and its components	Sustainability Consciousness 32,33
	103-3	Evaluation of the management approach	Sustainability Consciousness, Sustainability in the Supply Chain 44
	308-1	New suppliers that were screened using environmental criteria	Sustainability in the Supply Chain 44



	<b>GRI Standard</b>	<b>Topics</b>	<b>Answers and Page Numbers</b>
	<b>GRI 400 SOCIAL STANDARDS SERIES 2016</b>		
	<b>GRI 401 Employment 2016</b>		
GRI 103 MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	Prioritizing the Sustainability Objectives 41
	103-2	The management approach and its components	Sustainability Consciousness 32,33
	103-3	Evaluation of the management approach	Sustainability Consciousness, We Value People 78-79
	401-1	New employee hires and employee turnover	We Value People 83
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	We Value People 90-91
	<b>GRI 403 Occupational Health and Safety 2016</b>		
GRI 103 MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	Prioritizing the Sustainability Objectives 41
	103-2	The management approach and its components	Sustainability Consciousness 32,33
	103-3	Evaluation of the management approach	Sustainability Consciousness, Occupational Health and Safety 68-69
	403-1	Workers representation in formal joint management-worker health and safety committees	Occupational Health and Safety 69
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Occupational Health and Safety 73-74
	<b>GRI 404 Training and Education 2016</b>		
GRI 103 MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	Prioritizing the Sustainability Objectives 41
	103-2	The management approach and its components	Sustainability Consciousness 32,33
	103-3	Evaluation of the management approach	Sustainability Consciousness, Environmental Responsiveness, Occupational Health and Safety, We Value People 65, 68, 89
	404-1	Average hours of training per year per employee	Environmental Responsiveness, Occupational Health and Safety, We Value People 65, 72, 89
	404-2	Programs for upgrading employee skills and transition assistance programs	We Value People 87,88
	404-3	Percentage of employees receiving regular performance and career development reviews	We Value People 86

	GRI Standard		Topics	Answers and Page Numbers
<b>GRI 405 Diversity and Equal Opportunity 2016</b>				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	Prioritizing the Sustainability Objectives	41
	103-2	The management approach and its components	Sustainability Consciousness	32,33
	103-3	Evaluation of the management approach	Sustainability Consciousness, We Value People	78,79
	405-1	Diversity of governance bodies and employees	Corporate Governance, We Value People	81
<b>GRI 406 Non-discrimination 2016</b>				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	Prioritizing the Sustainability Objectives	41
	103-2	The management approach and its components	Sustainability Consciousness	32,33
	103-3	Evaluation of the management approach	Corporate Governance, Sustainability Consciousness	78,79
	406-1	Incidents of discrimination and corrective actions taken	Corporate Governance	28,29
<b>GRI 407 Freedom of Association and Collective Bargaining 2016</b>				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	Prioritizing the Sustainability Objectives	41
	103-2	The management approach and its components	Sustainability Consciousness	32,33
	103-3	Evaluation of the management approach	Sustainability Consciousness, We Value People	78,79
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	We Value People	78,79
<b>GRI 413 Local Communities 2016</b>				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	Prioritizing the Sustainability Objectives	41
	103-2	The management approach and its components	Sustainability Consciousness	32,33
	103-3	Evaluation of the management approach	Sustainability Consciousness, We Value People	33, 92
	413-1	Operations with local community engagement, impact assessments, and development programs	We Value People	93-95, 97
<b>GRI 414 Supplier Social Assessment 2016</b>				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	Prioritizing the Sustainability Objectives	41
	103-2	The management approach and its components	Sustainability Consciousness	32,33
	103-3	Evaluation of the management approach	Sustainability Consciousness, Responsibility in Value Chain	44
	414-1	New suppliers that were screened using social criteria	Responsibility in Value Chain	44



Akenerji 2018 Sustainability Report  
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