

**TEKFEN
SUSTAINABILITY
REPORT
2019**



TEKFEN HOLDING



1

'Bridging Prosperity'

Foreword	10
Message from the Chairman of the Board	12
Message from the President	14
About Tekfen Holding	17
Tekfen Holding Sustainability Milestones	20
Sustainability Vision	26



2

Operational Roots

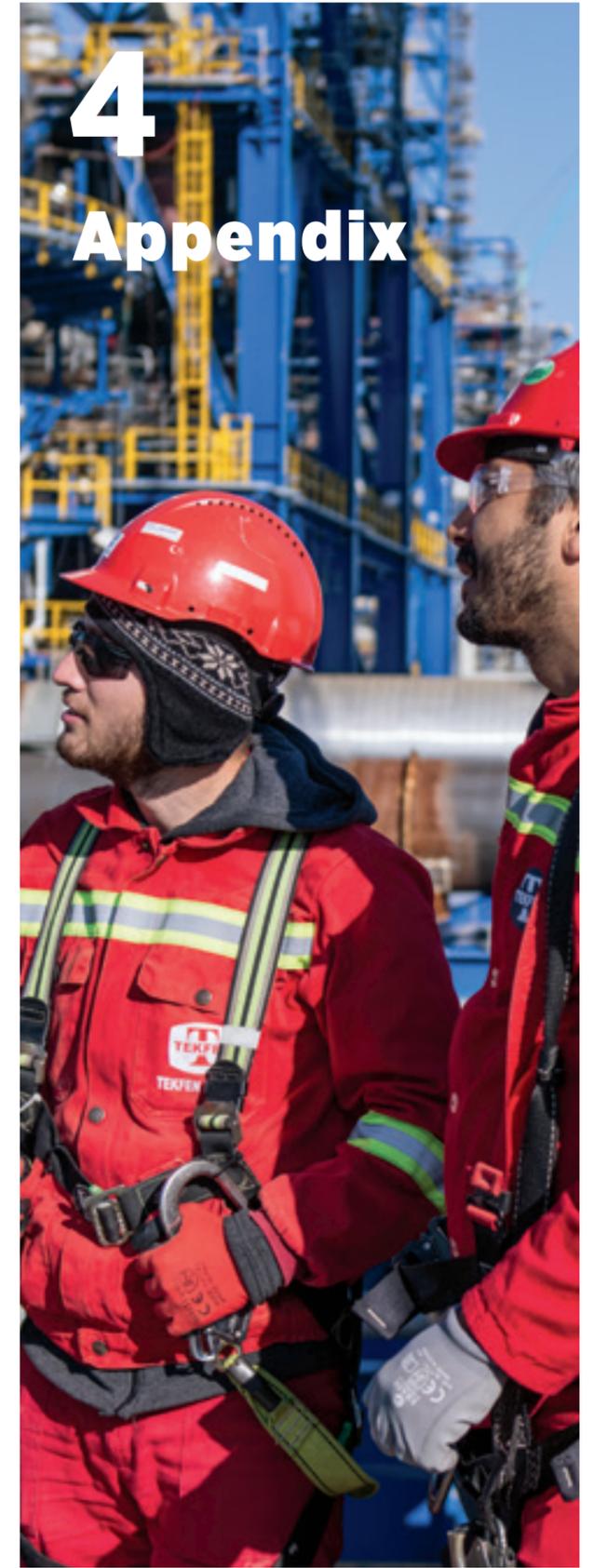
Economic Performance	38
Corporate Governance	42
Risk Management	44
Business Ethics and Compliance	46
Customer Loyalty	48
Operational Excellence	50



3

Strategic Drivers

Climate Crisis and Energy	58
Climate Crisis Management	60
Natural Resource and Waste Management	64
Protecting Biodiversity	68
Innovation	70
R&D and Innovation Culture	70
Digitalisation	78
Employees and Society	80
Talent Management	81
Performance Management	82
Occupational Health & Safety	88
Social Investments	94



4

Appendix

Performance Indicators	104
Communication Methods With Stakeholders	110
Awards & Recognitions	112
GRI Content Index	114



1

'Bridging Prosperity'

An institution established 64 years ago, Tekfen is an indispensable part of a sustainable, prosperous future with its motto, 'The future belongs to those who build it'.

ABOUT THE REPORT

The second Sustainability Report by Tekfen Holding Co., Inc. (Tekfen) presents Tekfen's vision of 'Bridging Prosperity', sustainability priorities, goals and performance.

This report has been prepared in accordance with the GRI Standards: Core option. Covering a period from January 1 to December 31, 2019, it includes information by Tekfen Holding, Tekfen Contracting (including Tekfen Construction, Tekfen Engineering, Tekfen Manufacturing), Tekfen Agri-Industry (including Toros Agriculture, Tekfen Agriculture), and Tekfen Investment and Service (including Tekfen Insurance and Tekfen Tourism).

Data sets other than those pertaining to 2017-2018 environmental performance cover all of Tekfen's international operations. Only Turkish-based operations are included in 2017 and 2018 environmental performance data set. The scope of 2019 data was enlarged to include the operations in all of the countries, thereby an increase has been observed in the 2019 environmental performance data.

Subcontractors are included in all of this report's occupational health and safety (OHS) data. Tekfen applies the same rules to all of its employees without discriminating against any subcontractor and offers all equal OHS opportunities. Performance indicators are uniformly tracked for all employees.

You can send your feedback about the report to surdurulebilirlik@tekfen.com.tr.

† These companies account for approximately 99% of Tekfen Holding's consolidated turnover.

WHY 'BRIDGING PROSPERITY'?

Tekfen marks an important milestone in the Turkish economy thanks to the values as well as employment opportunities that we have created over the past 64 years. We have been acting in pursuit of excellence in all of our activity areas since day one. Our principle: 'Do the job you know the best.' Standing by to our 'The future belongs those who build it' motto, we have formed our business culture around people, social benefit, and environment, while continuing to focus on a sustainable future.

Our core business line alongside contracting and agriculture projects constitute how we 'bridge prosperity'. Tekfen Contracting helps countries develop through infrastructure projects such as highways and pipelines, industrial plants such as refineries and terminals, and superstructure projects, not the least of which include stadiums and high-rise buildings. We oversee plants and projects that serve needs of society and that raise their living standards. Within the scope of our real estate operations, our construction projects offer tens of thousands of people residential and business spaces that are safe, comfortable, and environmentally friendly.

We offer high quality input to farmers through disease-free seeds, seedlings, and saplings—the core of quality agricultural production—so that you can adorn your dining table with fresh fruits and vegetables. At the same time, we also ensure that farmers benefit from our prolific nutrient production, which places top priority on food safety.

Tekfen Foundation offers scholarships to successful students so as to give them brighter future. Likewise, we enrich social life through arts and culture initiatives. We work hard to lay down a foundation for a sunnier, more prosperous and sustainable future through our operations, practices, priorities, and goals.

The core priority of all of our operations is human life. Thus, we strive to minimise our environmental impact. We continuously do research so that we can better use our resources efficiently; likewise, we continuously strive to better ourselves and make as many investments as possible. We keep close tabs on mega trends in the climate change, population increase, demographic and social transformation, urbanisation, and technology, granted that they are what drive our ever-changing world. In addition to integrating digital transformation and innovation into our business, we also allocate resources towards technological initiatives that feed our operations. We are proud to be a role model to our sector thanks to our occupational health and safety practices and performance.

We root in serving the welfare and development of society. We are responsible for laying down the foundation towards a future that is sustainable. Our vision of bridging prosperity—the driving force behind our journey down the road of sustainability—is the simplest we can express this responsibility!

FOREWORD

Esteemed friends of Tekfen,

I have said it before, and I'll say it again, humanity must not be in conflict with, but rather at peace with nature. Nature offers us a splendid sense of harmony and bounty, a balance slowly acquired over billions of years. To safeguard this harmony and balance for a sustainable future is a must. In recent years, we have come to witness and live through the devastating consequences of Mother Nature's wrath almost every day no matter where in the world we are. Scientists warn that humanity could face much larger challenges in the future, as is the case with the Covid-19. Many shrug these warnings off as mere exaggeration. Yet, the things we are experiencing on a daily basis, justify these warnings.

Now, we have to face the severe consequences of loutishly consuming the world's natural resources and ignoring the ecological balance at the hands of serious threats/crises that jeopardise the future of humanity—particularly with regards to the climate, deforestation, desertification, water scarcity, drought, pandemics, and food safety. Humanity's rapidly growing population is putting great pressure on natural resources—this while non-nature-friendly production methods disrupt the natural order and sustainability. Clean water sources are rapidly becoming depleted, famine and disease are causing mass mortality, forests are disappearing, rivers and lakes are drying up, natural disasters are causing mass devastation, and biodiversity is declining rapidly. The consequence: floods of people have been forced to emigrate from their homelands—this while the gap between the rich and the poor continues to widen.

Nevertheless, the ability to reverse this dark picture is in our hands. The way to do this is to rebuild our broken relationship with nature by changing our mind-set and adopting the principles of sustainability at every level—from state governments to society, companies to individuals. Indeed, we cannot yield positive results for humanity by clashing with nature.

I am delighted to share our second Sustainability Report with the public, which highlights not only what we at Tekfen Holding have done in the name of sustainability but also the distance we have travelled to get there. I am pleased to watch our company— one we have built upon solid values that stress respecting humanity, nature, ethics, and industriousness as well as upon remaining true to our word— take steps towards becoming a role model when it comes to sustainability. I wish to thank everyone who has contributed to this process.

Sincerely,

Ali Nihat Gökyiğit
Founding Partner & Honorary Chairman



“ We must rebuild our broken relationship with nature by changing our mind-set and adopt the principles of sustainability at every level - from state governments to society, from companies to individuals.



The pandemic has created a unique opportunity for us to band together and initiate the change we need.

MESSAGE FROM THE CHAIRMAN OF THE BOARD

Dear
Stakeholders,

The entire world is living through a very extraordinary period. Until just a few months ago, our agenda was defined by technology and artificial intelligence.

Now, we are facing one of the greatest tragedy in human history, Covid-19—which reared its ugly head in late 2019. Despite it being the newest in a series of virus to sweep the world by storm, pandemics have become one of the greatest threats to humanity since the 1980s, and are only resurfacing more frequently and with greater fervour. This fact is one of many signs that the relationship between human beings and nature is deteriorating.

According to the World Economic Forum's Annual Global Risk Report, environmental risks pose for the first of five global risks expected to loom over the decade ahead. The most recent pandemic, combined with ever-growing environmental risks, once again demonstrates how important risk management is for sustainability during such volatile times. Companies can reach their goals in today's uncertain 'new normal' by monitoring both financial as well as non-financial risks, and by predicting how they are likely to affect corporate operations and the corporate balance sheet.

The world is caught in a downward spiral in which the ability to smooth away each passing day is only becoming more and more difficult. We have recklessly consumed nearly all of our blue planet's resources, polluted it, obliterated its biodiversity, and disrupted its balance. Our planet is warning humanity that the future will be plagued by record temperature highs, forest fires, extreme climatic events, rising sea levels, drought, and pandemics.

This therefore requires us to abandon many of our habits and to boldly re-question everything we assume to be true. We need to think about what we can do for our world, and redesign our future accordingly. We need to change how we individually live. Likewise, companies need to revise how they do business. The

pandemic has created a unique opportunity for us to band together and initiate the change we need. All of us now carry the responsibility of continuing to question this as we try and recuperate. We also are responsible for taking just the right steps so that we can transition into a greener and more inclusive economy as we fight against the climate change and create the force for change.

We are celebrating the Tekfen's 64th anniversary this year. In order for Tekfen to walk confidently into the century ahead, we have no choice but to place sustainability at the centre of all of our activities, and to build our strategies on this basis.

As we ensure this transformation, we have a major advantage because our founders had built Tekfen around a model focused on humanity, social benefit, and the environment. The word Tekfen derives from two Turkish words, teknoloji (technology) and fen (science). It is these genes, alongside rationality and our openness to innovation that offer us a large area to move and to adapt. Our business line fosters the well-being and development of society, and responds to vital needs like food. In essence, we bridge prosperity. This places a heavy sense of responsibility on our shoulders. It also gives us the opportunity to pioneer a sustainable future.

How might we build our future in the name of a sustainable planet? Every rational answer to this pivotal question will—on our behalf—further reinforce the role we play in bridging prosperity. I wish to express my endless gratitude to all of our stakeholders, who have stood by us from day one, and who have always supported us on this eternal journey of constant change.

Sincerely,

Murat Gigin
Chairman of the Board of Directors

MESSAGE FROM THE PRESIDENT

Dear Stakeholders,

We at Tekfen are happy to share our second Sustainability Report—this at a time when it could not be more apparent that sustainability is a vital necessity as opposed to a luxury when it comes to a common future for all.

2019 marked a year of critical developments both for Turkey and for the world at large. Our agenda was marked by political and economic turmoil. Moreover, the unease caused by the Covid-19 outbreak in China towards the end of the year left the world face-to-face with great uncertainty—with its aftermath yet to be visible for all to see. On the other hand, the ever-deepening climate change has led to an increase in extreme natural disasters, an even louder voicing of negative future scenarios, and raising concerns.

Despite difficulties in economic and political conjuncture, Tekfen emerged from 2019 unscathed by financial obstacles—to the point that it had increased its revenues and profitability. It had even managed to increase its total assets to TRY12,663,000. Tekfen Contracting and Tekfen Agri-Industry— Tekfen's two main branches of business— both topped the year with high turnover and profitability in their respective sectors.

We moreover are proud of our 2019 sustainability performance—upon which we place as much importance on as we do on financial performance. We joined the Carbon Disclosure Project's (CDP) Climate Change Programme in 2017, followed by CDP's Water Security Programme in 2018. We maintained our steady rise in these programmes in 2019, and became the only company to earn a separate 'A (-)' grade for our Climate Change and Water Security Programmes. For us, this was a highly cherished award. As for our most valuable achievement: joining the CDP—the world's largest environmental reporting platform—among Turkey's climate and water leaders within a short span of three years.

Toros Agriculture was the first Turkish company to be given a Protect & Sustain Certificate by the International Fertiliser Association (IFA) in 2018 for its

success in sustainable growth, operational excellence, and continuous development goals. In 2019, Toros Agriculture's Protect & Sustain Certificate was promoted to the rank of 'Excellence' thanks to the many improvements it has made to product safety, OHS and environmental management, quality, critical handling, and distribution.

Under Horizon 2020, the European Commission's largest research and innovation fund, Tekfen Engineering—which is a key element of our innovation capacity— received the largest financial support ever given to a Turkish company. The Toros Agriculture and Tekfen Agriculture Agripark R&D Centres have collaborated with various international organisations and universities as part of Horizon 2020 and TÜBİTAK (Scientific and Technological Research Council of Turkey) projects. They've done this to bolster agricultural productivity and the prosperity of farmers, develop new agricultural crop that are drought-tolerant reduce the carbon emission caused by fertilisers, and minimise the environmental impact of production by boosting efficiency. Both R&D Centres have been successful in their efforts, thereby fostering sustainability.

For Tekfen, sustainability is not a choice. Rather, it is of the mainstays of its future. By disseminating this understanding across all of our Group Companies, we work in a multifaceted, inclusive, systematic, and dedicated manner that places sustainability at the centre of all of our goals and operations. Our sustainability committee decided to set up and lay out roadmaps for working groups in five different areas in 2019. We track how close they are to reaching their goals, and record that on company performance scorecards.

This second report contains examples of how our vision shapes our activities, how it shapes bridging prosperity, and what steps we've taken to put our vision of sustainability into action. I would like to thank all of our stakeholders for their contributions to this report, for it logs our tireless journey on the road to sustainability.

Regards,

Cahit Oklap
President, Tekfen Group Companies



For Tekfen, sustainability is not a choice. Rather, it is of the mainstays of its future.



ABOUT TEKFEN HOLDING

Founded in 1956, Tekfen Holding is active in four main branches of business: contracting, agri-industry, investment, and service. It is the umbrella organisation of 39 companies and 13 subsidiaries, each of which is a leader in its respective sector. The company's shares are publicly traded in the İstanbul Stock Exchange's BIST 30 Index. Tekfen's founding partners, the late Necati Akçağlılar, Feyyaz Berker, and Nihat Gökyiğit have served as the originators, benefactors and directors of many environmental, educational, and social NGOs. Those roles kept people, social welfare, and environmental wellbeing at the focal point of the Tekfen Group's business culture and charitable activities since the very outset.

Contracting Group

Tekfen Contracting Group is one of the Turkish contracting sector's most successful representatives thanks to its experience and know-how as well as a business model that values quality, sustainability, and loyalty. To date, Tekfen and its staff of more than 15,000 people have successfully completed more than 400 highly challenging projects in twenty countries. Tekfen Construction, Tekfen's flagship company, is the go-to business partner for the most elite of international companies. It is committed to global quality standards and turnkey solutions in project management.

Tekfen Engineering is one of Turkey's top engineering companies. Run by highly skilled, tech savvy staff of over 500, it also works with customers outside of Tekfen on projects that are challenging technically and that require a high degree of specialisation.

Tekfen Manufacturing, specialises in industrial cylindrical and spherical storage tanks alongside process equipment. Tekfen's overseas branches and subsidiaries (e.g. HMB in Germany, Azfen in Azerbaijan, and GATE in Kazakhstan) also give Tekfen synergy and flexibility.

Tekfen Real Estate Development, which used to operate directly under Tekfen Holding in previous years, merged with Tekfen Construction in 2019 in line with its strategic business goals and real estate development projects, and as a result started to operate under Tekfen Contracting Group.

Agri-Industry Group

Agri-Industry Group offers many products and services—namely plant nutrients, agricultural input, and plant rearing—under a two-tiered organisation.

Mainly operating in the field of plant nutrient manufacturing, Toros Agriculture is Turkey's largest fertiliser manufacturer as well as market leader. The company owns 38% of Turkey's total manufacturing capacity in Turkey when it comes fertilisers, and ranks 70th among the largest 500 industrial enterprises (ISO 500) as of 2018. In addition to manufacturing and marketing chemical and organic/organomineral fertiliser, Toros Agriculture also provides port services at two terminals in the cities of Ceyhan and Samsun, as well as operates free zones and fuelling stations. Furthermore, it is the founding operator of the Adana Yumurtalık Free Zone (TAYSEB)—one of the world's largest free zones—which covers an area of 4.5 million m² and is Turkey's first and only free zone established for industrial investments.

Tekfen Agriculture aims to give agricultural production (which is of strategic importance) a corporate perspective by using Tekfen's experience in agriculture to its advantage. Its R&D Centre (Agripark) and team of 69 agricultural engineers mean that it is one of Turkey's most important representatives of science-based agriculture. Tekfen Agriculture uses tissue culture to produce seeds and seedlings that are disease-free, as well as improves farm seeds, conducts biotechnological R&D, and offers farmers quality grafted and non-grafted seedlings via Hishtil-Toros Seedling (HTF). Tekfen Agriculture exports fresh fruits produced under its own brand Alanar Fruit, to over 45 customers in 31 countries, as well as grows potatoes and bananas from its own seeds and saplings.

Investment & Service Group

Tekfen Ventures—founded by Tekfen Holding in 2016 to assess opportunities in the world of start-ups—follows innovative initiatives in sectors where Tekfen operates and, together with financial and corporate investors around the world, invests in promising early-stage technology companies. Within this scope, Tekfen Ventures primarily invests in manufacturing, construction, real estate, and urban technology.

Tekfen Holding also builds structures to support its existing activities so that it can carry its best efforts in related branches of business, all the while maintaining a trustworthy ethical stance within the service sector. It provides services to both in-house and external customers in areas such as real estate management (Tekfen Tourism) and insurance (Tekfen Insurance).

For detailed information about our companies, you can read Tekfen's 2019 Annual Report:



In 2019, Tekfen Holding merged its Real Estate Development Group with Tekfen Construction in line with its strategic business goals, thus consolidating its operations into three main areas: Contracting, Agro-Industry, and Investment and Services.



'Bridging Prosperity'

With 64 years of history behind it, Tekfen is a well-established organisation that includes strong companies such as Tekfen Holding, Tekfen Construction, and Toros Agriculture. Striving to be the best at whatever they do, our companies have one goal as their foundation, and this goal is directly related to the motto: 'The future belongs to those who build it.'

A sustainable future... Sustainability means the continuity of productivity, in other words, existing in the future and helping others thrive ... It means making more efficient use of our resources - economically, socially and environmentally ... It means working to make the world we live in today and the world we'll live in tomorrow a better place...

We are watching the world change due to global trends such as climate crisis, rapid population growth and urbanisation, and digital developments. We are sensitive to the environment. We carefully monitor occupational health and safety, our employees' competencies, and digital advancements. We are working to add value to our country and to the world at large. We may not be in one-to-one contact with people while doing all these things, but we are building 'bridges' of prosperity across all our business lines.

How so?

Our Tekfen Agri-Industry Group has a fundamental impact on sustainable agriculture by providing plant nutrient, seeds, seedlings, saplings, and fresh fruit that contribute to a better nutrition for everyone.

We have a fundamental impact on the development of countries: our Tekfen Contracting Group builds roads, bridges, industrial plants, and eco-friendly buildings.

The Tekfen Foundation has a fundamental impact on human development: we provide young people with scholarships so they can get a quality education.

In short, we are building 'bridges' of prosperity for a sustainable future that benefits everyone. What words other than 'Bridging Prosperity' can better express the journey to sustainability we have undertaken at Tekfen!

2019 HIGHLIGHTS

Tekfen Holding increased total assets to **TRY12,663,000.**



Tekfen Holding and Group Companies spent **TRY15.5M** for social investment projects.



Tekfen provided **688,602** person-hours of OHS training to both its own employees as well as those of its subcontractors.

Women Directors Conference awarded Tekfen Holding the title of Women Empowered Board twice in a row, both in 2018 and in 2019.

Tekfen held a Sustainability Workshop with the participation of sustainability managers of Tekfen Holding and its group companies.



A total of **58,596** person-hours of training was provided to Tekfen Group employees within the scope of talent management.



Tekfen Holding has been awarded an 'A (-)' grade in both the Climate Change and Water Security Programmes of the CDP (Carbon Disclosure Project), and became the only company in this field.



A total of **226,702 MWh** of renewable energy was generated from waste heat and solar energy.

Tekfen Construction's 'Tekfen 4.0. IoT' project was awarded by IPLOCA in the 'Health & Safety' category.

Toros Agriculture's Protect & Sustain Certificate which is the first to be given in Turkey by the International Fertiliser Association (IFA) in 2018 was promoted to the rank of 'Excellence'.



The number of R&D projects carried out in Agripark, where 17 agricultural engineers work in total, increased to 11.



4 new fertilizer types developed at the Toros Agriculture R&D Centre, where a team of 28 people work, has been registered. New collaborations have been developed with universities within the scope of TÜBİTAK, Horizon 2020 and InSuit programs.

Tekfen Agriculture allocated **8.5%** of its revenues to research and product development projects.



3 new companies joined Tekfen Ventures investments.

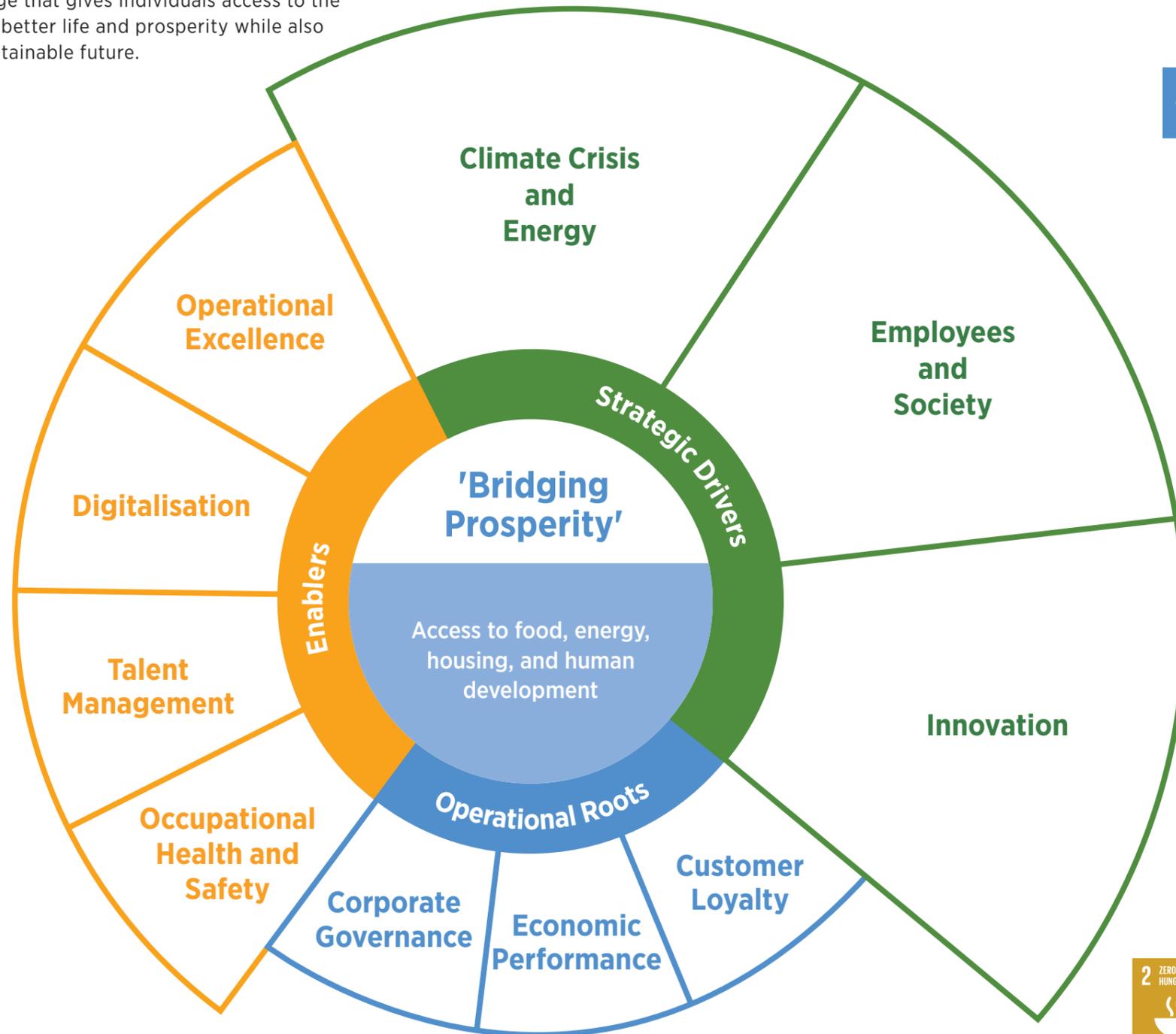
Toros Agriculture acquired the ISO 50001 Energy Management System Certificate.

Tekfen Construction increased its quality performance from **88.5%** in 2018 to **91.6%**.



SUSTAINABILITY VISION

Tekfen's sustainability vision is conceptually embodied in Tekfen's motto, 'bridging prosperity'. The primary goal of all economic activities is to increase social well-being and to improve the quality of life at the individual and societal level. Tekfen Holding's core business activities, including contracting, agri-industry, and investment/service, directly overlap with the basic elements of social welfare, including infrastructure services, food, energy, and housing. Through its operations, Tekfen serves as a bridge that gives individuals access to the essential elements of a better life and prosperity while also paving the way to a sustainable future.



Strategic Drivers

Tekfen Holding's strategic drivers create value, and include climate crisis and energy, employees and society and innovation.

Operational Roots

define Tekfen Holding's business priorities and practices as one of the engines of the Turkish economy for over 64 years. Economic performance, corporate governance, and customer loyalty have always been the cornerstones of the company, and will remain so well into the future.

Enablers

help make Tekfen's bridging prosperity vision a reality. Foremost among them include operational excellence, digitalisation, talent management, and occupational health & safety (OHS).



Mega Trends

Today, rapid population growth, demographic and social change, urbanisation, technological advancement, and the climate change are not only shaping our planet, they also are radically transforming the world of business. Tekfen's vision of bridging prosperity refers to its goal of wanting to respond sustainably and flexibly by redefining how it does business.

Contributing to the Global Agenda

Tekfen's vision is to develop a sustainable business model that embraces its entire value chain and contributes to Sustainable Development Goals (SDG). The seventeen goals set out by the United Nations Development Programme (UNDP) address eliminating poverty, protecting our planet, and making it possible for everyone to enjoy peace and prosperity. They make up a global agenda that demands action from national governments, local administrations, public agencies and businesses. Tekfen Holding is one of the United Nations Global Compact's signatories. It seeks to create shared value by making certain SDG that are applicable to its operations a part of its vision for sustainability.





Sustainability Management

In 2017, Tekfen Holding's Board of Directors authorised and established a sustainability committee to implement its vision to 'bridging prosperity'. The committee operates under the Corporate Governance Committee, and consists of executives selected by the general managers of Tekfen Holding, Tekfen Construction, Tekfen Engineering, Tekfen Manufacturing, Toros Agriculture, Tekfen Agriculture, Tekfen Tourism, and Tekfen Insurance. Tekfen Holding's Deputy Vice President of Financial Affairs chaired the committee in 2019.

The Sustainability Committee is responsible for creating strategies, roadmaps, goals, policies, and conducting reports in order to 'bridge prosperity'. It also both integrates sustainability in line with the Holding's priorities and ensures that the Tekfen Group Companies participate as actively as possible in these efforts. The committee met three times in 2019 and set up five different working groups to support the committee.

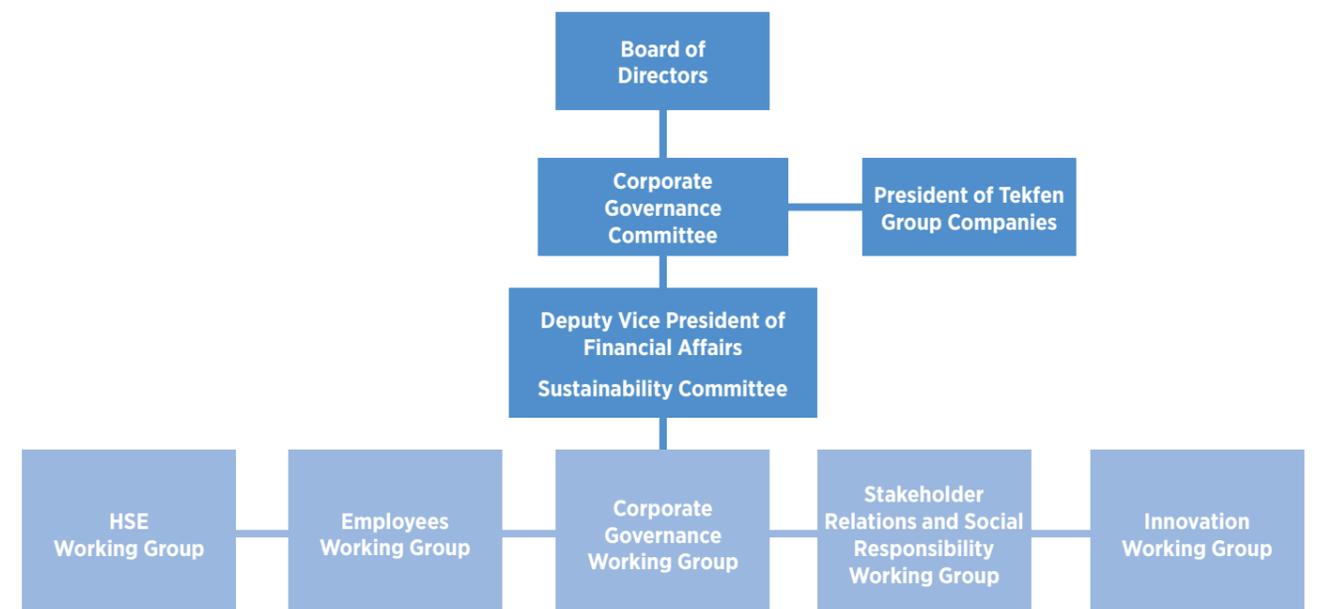
Each working group was chosen by its leaders to provide the necessary expertise and inclusiveness

to be able to implement the company's strategic sustainability roadmap. The Committee and its working groups worked throughout 2019 in line with these priorities and roadmaps. Each working group held regular meetings to outline their own strategy roadmap respective to their area of expertise.

The progress of all the working groups—in terms of where on their road maps they are— have been included into the Tekfen's Company Performance Scorecard.

The progress of work groups according to the roadmap were added to Tekfen Holding's Performance Scorecard criteria and have started to be monitored.

■ The Committee and Working Groups in 2019



MATERIALITY ANALYSIS

In 2018, Tekfen Holding conducted a materiality analysis to identify its strategic priorities in sustainability and the focus areas of the Sustainability Report. The analysis included external trend analyses, the opinions of the board of directors, and strategic goals, alongside the Sustainability Vision Workshop. The analysis identified the overlapping topics of stakeholders and Tekfen Holding. Material issues are reviewed annually according to external trends, risks, and opportunities.

TEKFEN'S PRIORITIES

Three different inputs were included in the analysis to identify what issues Tekfen Holding should give priority to:

- The outcomes of the Sustainability Vision Workshop attended by the managers of Tekfen's various Group Companies,
- The opinions of the Board of Directors,
- The goals in the company's strategic plan, and the output of the Strategy Workshop.

STAKEHOLDER PRIORITIES

Stakeholder priorities were identified with the stakeholder analysis and external trend analysis.

- Within the scope of the stakeholder analysis, multiple stakeholders were surveyed including Tekfen Holding's employees, customers, suppliers, solution partners, governmental institutions, regulatory bodies, analysts, investors, NGOs, associations, media, international organisations, and universities. The stakeholders were asked via online surveys what issues they viewed as priority and what their expectations of Tekfen were related to sustainability. The survey was sent to 2,578 people and 50% sent feedback. In the stakeholder analysis the Accountability Stakeholder Engagement Standard AA1000SE was used as a reference.



Sustainability Workshop

Following the first workshop in 2018 to outline its sustainability vision, Tekfen held its second Sustainability Workshop in 2019 with the participation of Committee and working group members from Tekfen Holding and its group companies. Throughout the workshop, the vision of 'Bridging Prosperity' and efforts towards sustainability were shared. The workshop also hosted a panel featuring sustainability executives from various companies in which they shared their own experiences. Tekfen plans to host more events like that to continue to collaborate and interact with multiple stakeholders.

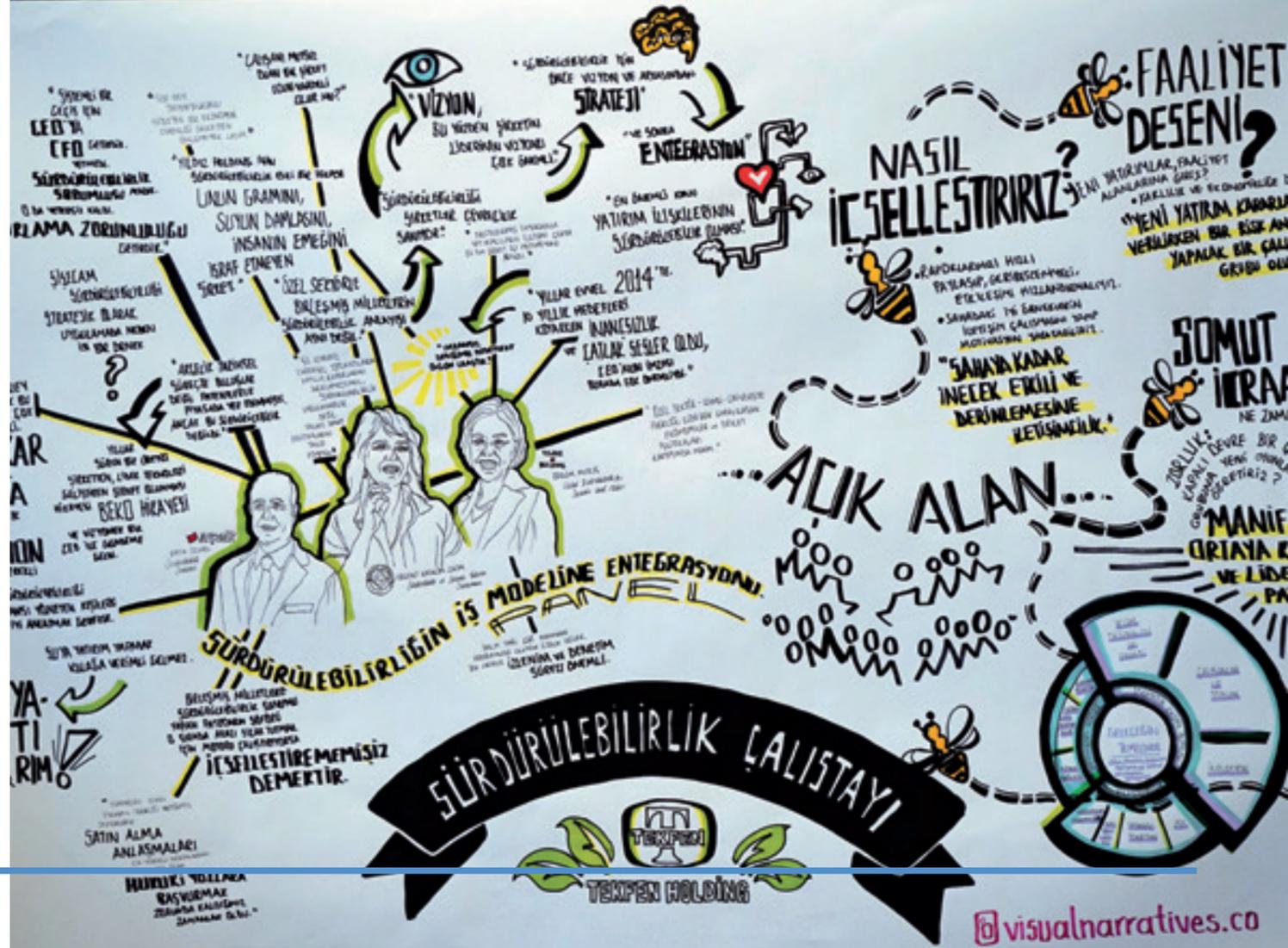
- Global and sectorial risks and trends were included in the external trend analysis and important topics for sectors were identified.

View Appendix 1 to see the frequency and communication methods with stakeholders.

Material issues, external trends, risks, and opportunities are reviewed every year.



Sustainability Workshop



MATERIAL ISSUES

The following materiality matrix maps out what priorities are common to both Tekfen Holding and its stakeholders. The titles identified as top priority need to be managed and demonstrate topics that are of high importance in terms of sustainability, they also form the basis of the 'bridging prosperity' vision. The focus areas of 'bridging prosperity' vision overlap with material issues.

Tekfen's operational roots include 'economic performance', 'corporate governance', and 'customer loyalty'. In line with the sectors in which Tekfen operates, 'occupational health and safety' stands out as a top priority as well as an enabler.

Two mega trends that have an impact on the world are digitalisation, R&D and innovation. Both hold high priority for Tekfen Holding. Likewise, employee development and customer satisfaction also stand out as other areas that Tekfen want to invest in the coming period. Similarly, climate crisis and energy affect the sectors of Tekfen Holding. Both hold top priority on the materiality map.

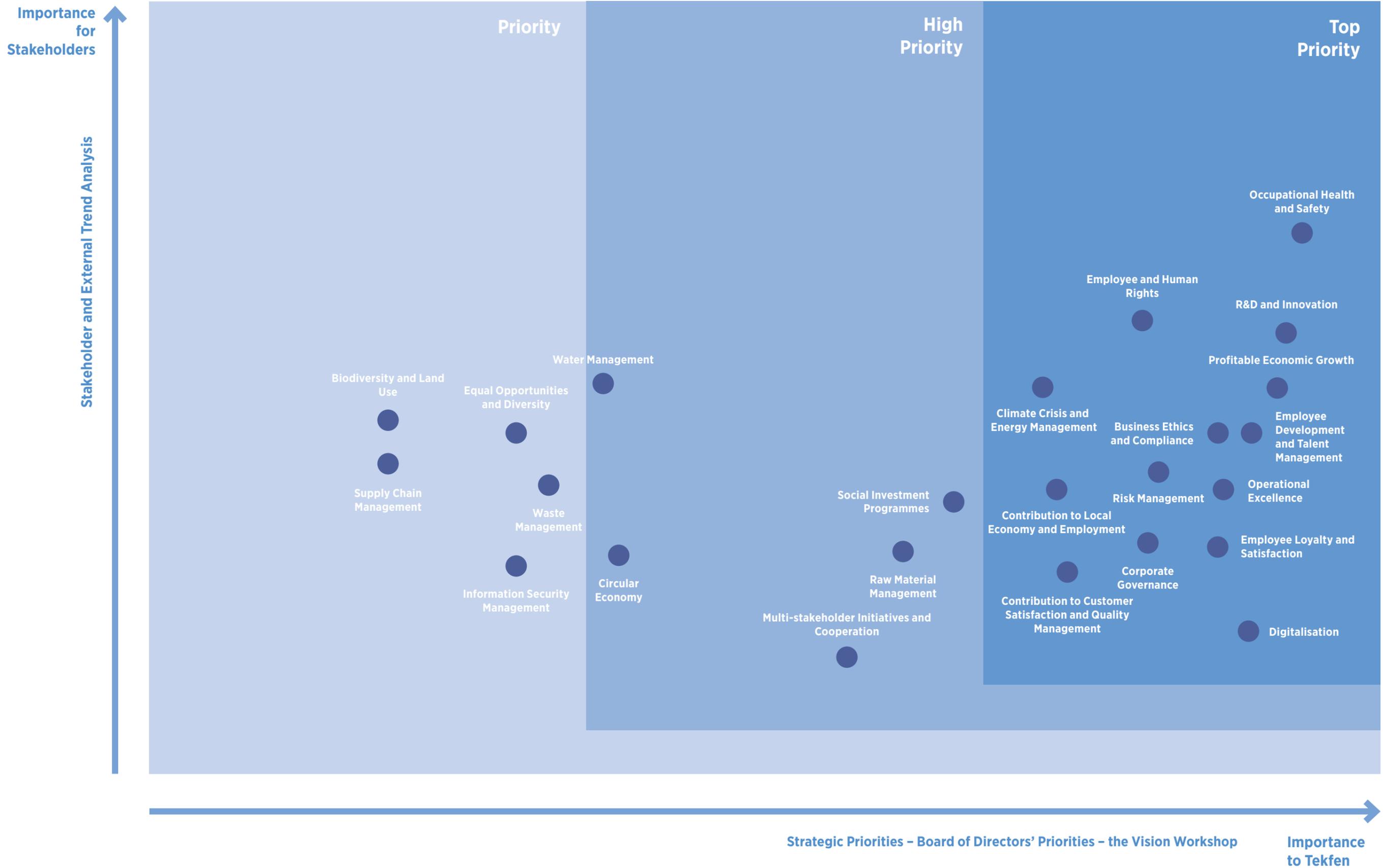
Climate crisis, innovation, employees, and society drive Tekfen's strategy. The sustainability report focuses on top priority issues but also covers high, and priority issues. 'Risk management' is among the issues with increasing importance according to the external trends in 2019.

Material Issues	Report Title
Profitable economic growth, contribution to local economy and employment	Economic Performance
Corporate governance, risk management, business ethics, and compliance	Corporate Governance
OHS, employee and human rights, employee loyalty and satisfaction	Employees & Society
Climate crisis and energy management	Climate Crisis & Energy
R&D and Innovation, digitalisation	Innovation
Operational excellence, customer satisfaction and quality management	Customer Loyalty

'Risk Management' gained importance in 2019 in line with external trends.



MATERIALITY MATRIX



2

Operational Roots

The Tekfen Contracting Group is a preferred solution partner of reputable clients around the world thanks to its vast experience, competence and quality.



TANAP, Compressor and Metering Stations Project, Damal-Ardahan

Operational Roots

Economic performance, corporate governance, and customer loyalty have always been the core pillars of Tekfen’s business approach throughout its 64-year history, and are among its top sustainability priorities. This pillar forms Tekfen’s operational roots, and is an indispensable building block for how it envisions the future.

ECONOMIC PERFORMANCE

Tekfen began its journey in 1956 as a small engineering and consulting company. Today, its shares are traded in the BIST 30 Index, making it one of Turkey’s most reputable companies. Tekfen translates its vast experience in contracting, engineering, agri-industry, agriculture, investment, and service sectors into values for the economy, its stakeholders, and society, and does so by unifying them with reliability, honesty, and quality. Each of Tekfen Group Companies are highly reputable in their respective sectors. They are known not only for their economic performance, but also for their corporate structures, investments in pioneering technology, and the standards they set.

Tekfen Group Companies are successful both operationally and financially in their respective sectors. They also diversify their current activities, research new and promising strategic investment areas alongside technology, and broaden their local footprint, all the while striving to be global players.

Tekfen Contracting generated a turnover of TRY10,539,000 and a net profit of TRY984,000,000 in 2019—this whilst also creating an important foreign exchange inflow for the Turkish economy, as it conducts the vast majority of its business affairs abroad. Tekfen Agri-Industry generated a turnover of TRY3,983,000 as well as a net profit of TRY386,000,000 in 2019, and played an important role in helping Turkish farmers get more from their soil—all the while also managing to export a sizeable number of goods.

The economic value that Tekfen generates in turn supports employment and development in the

countries within which it operates. Tekfen’s local employment rate is about 62%. Likewise, 96% of Tekfen’s 11,341 suppliers are local.

Tekfen Holding has been managing its economic performance since 1993 through consolidated independent audits. Tekfen finished 2019 off with high financial performance and demonstrated successful profitability. Tekfen Holding achieved a consolidated turnover of TRY14,603,000 in 2019, in turn raising total assets to TRY12,663,000.⁵

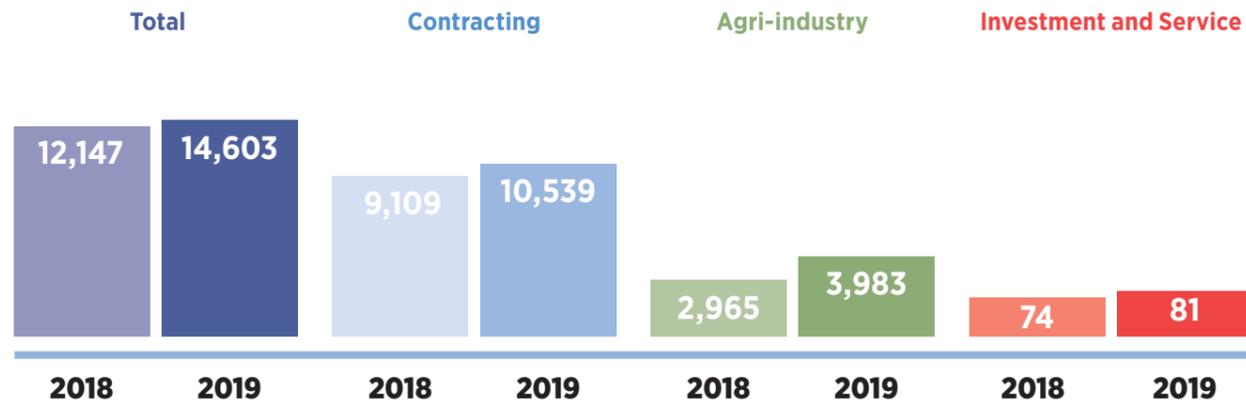


⁵These figures cover Tekfen Holding and its Group Companies.

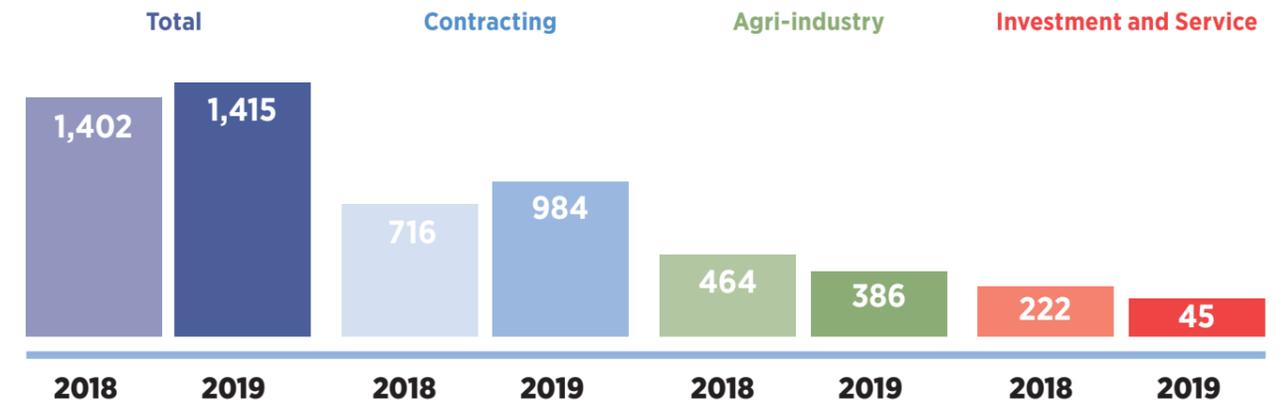


Al Khor Expressway Project, Qatar

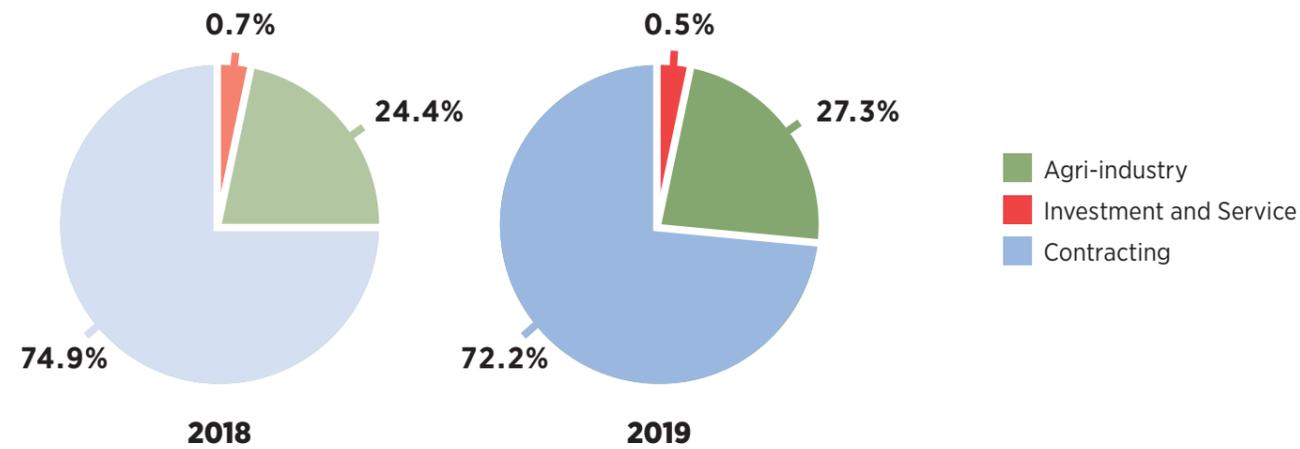
■ Sales Revenues (Consolidated million TRY)



■ Net Income for the Period (Consolidated million TRY)



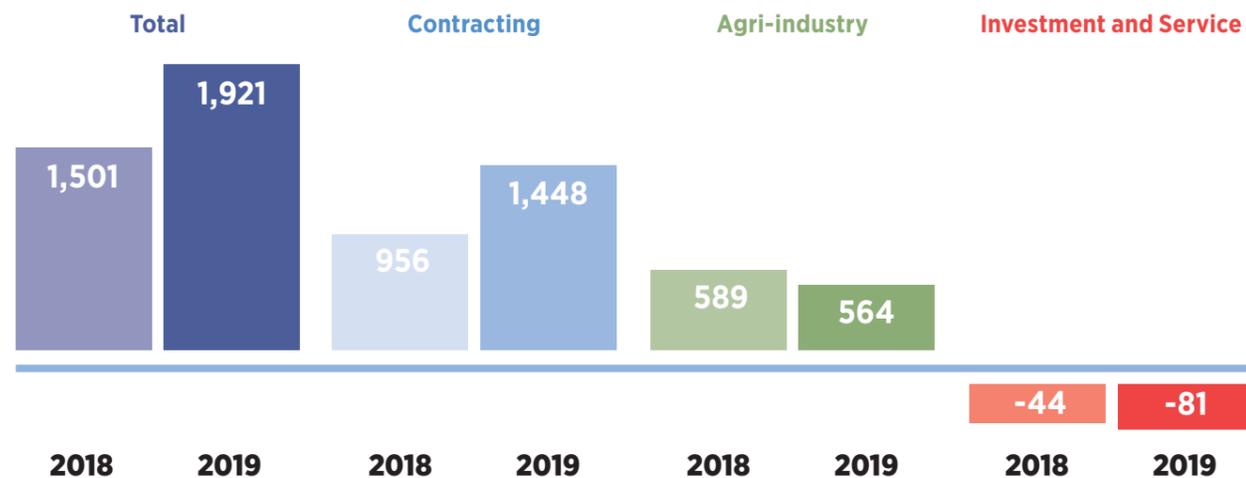
■ Sales Revenues Distribution (%)



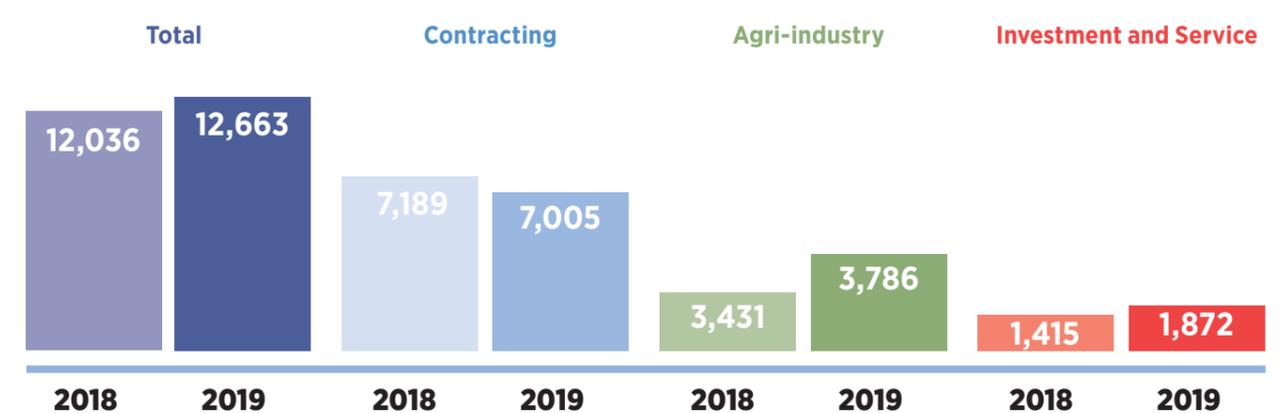
■ Investments (Consolidated million TRY)



■ EBITDA (Consolidated million TRY)



■ Total Assets (Consolidated million TRY)



CORPORATE GOVERNANCE

From day one, Tekfen has built solid relationships with its management staff, partners, and employees, as well as third parties through equality, transparency, accountability, and responsibility. Tekfen views its deeply rooted values, strong corporate traditions, and commitment to basic management principles as being indispensable to its existence. Not only does Tekfen maintain successful business practices, it also faithfully undertakes corporate governance to protect the rights of its share and stakeholders.

Tekfen Holding's board of directors is comprised of eleven (11) members, four (4) of whom work independently, and four (4) of whom are women (three (3) of whom are independent).⁶ The Turkey Women Directors Conference awarded Tekfen Holding the title of Women Empowered Board twice in a row, both in 2018 and in 2019.

In line with the principles of corporate governance, two individuals serve the roles of board chairman and company general manager. In order to ensure that the board of directors is able to fully carry out its duties and responsibilities, there are committees that operate under the Board that serve to create strategies and policies, monitor compliance through action plans, and evaluate performance, among other things. Five committees—sustainability, auditing, corporate governance, early risk detection, and compensation—are tasked with holding regular meetings and submitting evaluations and reports to the Board of Directors.⁷

Tekfen's shares were first sold to the public in 2007. Tekfen has adopted the CMB's Corporate Governance Principles, upon which it annually publishes a corporate governance compliance report to ensure it fully complies with these principles.⁸



⁶Tekfen Holding Board of Directors.



⁷Organisational structure, number of members and responsibilities of the committees.



⁸For Corporate Governance Compliance Reports.

In 2019, Tekfen Holding won the 'Women Empowered Board' award granted at the Women Directors Conference of Turkey.



CORPORATE MEMBERSHIPS AND SUPPORTED INITIATIVES



Founding Memberships

- The Turkish Industry and Business Association (TÜSİAD)
- The Turkish Foundation for Combating Soil Erosion, Reforestation and the Protection of Natural Habitats (TEMA)
- The Technology Development Foundation of Turkey (TTGV)
- The Educational Volunteers Foundation of Turkey (TEGV)
- The Third Sector Foundation of Turkey (TÜSEV)
- The Turkish Family Health and Planning Foundation (TAPV)
- The Corporate Communicators Association (KİD)



Memberships

- The Turkish Economic and Social Studies Foundation (TESEV)
- The Corporate Governance Association of Turkey (TKYD)
- The Ethics & Reputation Society (TEID)
- The United Nations Global Compact (UNGC)
- The Business Council for Sustainable Development Turkey (SKD Türkiye)
- The Turkish Marine Environment Protection Association (TURMEPA)
- The Turkish Institute of Internal Auditing (TİDE)
- The Foreign Economic Relations Board (DEİK)
- The Istanbul Foundation for Culture and Arts (İKSVA)
- The American-Turkish Council (ATC)
- The Institute of International Finance (IIF)
- The Search & Rescue Association (AKUT) Sponsor



Affiliate Memberships

- The International Pipeline & Offshore Contractors Association (IPOCA)
- The Turkey Contractors Association (TMB)
- The Turkish Employers' Association of Construction Industries (INTES)
- The International Fertiliser Industry Association (IFA)
- The International Plant Nutrition Institute (IPNI)
- The International Zinc Association (ZINC)
- The Turkish Green Building Council (ÇEDBİK) (Founding Member)
- The Urban Land Institute (ULI)
- The Port Operators' Association of Turkey (TÜRKLİM)
- The Turkish Facility Management Association (TRFMA)
- The Petroleum and Natural Gas Platform Association (PETFORM)
- The Turkish Wind Energy Association (TUREB)
- The Gulf Petrochemicals and Chemicals Association (GPCA)
- The Turkey Sub-Union of Seed Industrialists and Producers (TSÜAB)
- The Turkish Seed Industries Association (TÜRK-TED)
- The Sub-Union of Sapling Producers (FÜAB)
- The Sub-Union of Plant Breeders (BİSAB)
- The Mediterranean Exporters' Association (AKİB)
- The Uludağ Exporters' Association (UİB)
- The Aegean Exporters' Association (EİB)

Risk Management

Tekfen Holding closely monitors cyclical developments taking place around the world due to the global nature of the areas within which it operates. It applies effective risk management strategies to identify possible risks, as well as measure the possible outcomes of those risks so that it can take the necessary measures accordingly. Tekfen's companies act under the coordination of Tekfen Holding to manage possible risks in their respective fields using a widespread reporting method. In doing this, they use Tekfen's common risk management mechanism to manage these in accordance with international standards. Within this framework, risks are identified and measured primarily, right after actions are taken and risks are reported, monitored, and responded.

Tekfen Holding and its Group Companies have written not only procedures on how to manage their own risks but also established organisational mechanisms for risk management activities and reporting. First, each affiliate's risk reports are approved by their respective Board of Directors, and then submitted to Tekfen Holding. Then, the Risk Management Directorate assesses those risks and presents a report to the Risk Committee, which meets on a bimonthly basis.

Risk Committee is chaired by an independent Board Member, and is tasked with both analysing risk documents and including only the most important risks on Board of Directors' agenda, alongside their own opinions and evaluation of the situation. The Holding's Board of Directors then examines these risks and identifies what measures it ought to implement in order to correct them. Every risk report is shared with an independent auditor.

Tekfen Holding addresses risks under five main categories—financial, operational, strategic, reputational, and compliance—as follows:

FINANCIAL RISKS

- **Collection risk (credit risk):** Risks regarding full and on time collection of receivables, sales of goods and services in exchange for advance payment whenever possible, collecting collateral from customers, requesting bank guarantee/warranty bonds, and rating customers according to their risk.
- **Liquidity risk:** The risk of a lack of sufficient liquid assets in order to pay off due debts, working with a strong cash position on a consolidated basis, regular monitoring of critical indicators for asset and liability due payments, placing importance on striking a balance between trade receivables and payables as well as stock management policies, and keeping financing requirements to a minimum as a result of working with a strong equity structure.
- **Market risks:** Financial loss risks stemming from market fluctuations, the use of derivative products to hedge the exchange rate risk, and making an effort to pre-fix acquisition prices for raw materials and substances needed to produce goods and provide services.



Tekfen Holding evaluates its financial risks under

5

categories: Operational, financial, strategic, reputational, and compliance risks.

OPERATIONAL RISKS

Operational risks arise from within Tekfen's own companies and active sectors. These include risks to business continuity, information security, disasters, environmental and occupational safety, human resources, supply chain and production, and project management. A wide range of methods can be used to manage these risks. In principle, the measures taken to manage these risks are viewed as an integral part of the work of the departments performing the activity in question. Tekfen Holding centrally regulates the basic rules that companies must comply with when carrying out their activities, also known as Uniform Methods (TDY). The internal auditing departments within the body of Tekfen Holding and its Group Companies also regularly audit their operations according to both their own directives and those of the TDY, as well as check whether or not these risks are being managed properly.

REPUTATIONAL RISKS

Reputation for Tekfen is an intangible asset. Our relationships with stakeholders, communication, and corporate image management are the core focus of how we manage reputation risks. Within that, we manage our reputation risks on behalf of our shareholders, customers, suppliers, employees, and society using corporate communication and governance.

STRATEGIC RISKS

Strategic risks can affect the company's long-term goals and services. The Board of Directors—including senior management and the expert committees reporting to them—assess, follow, and take the necessary measures to curb macroeconomic, political, demographic, social, environmental, and other risks wherever Tekfen operates. They also do the same for sustainability risks such as those related to climate change, the global water crisis, industry, and competition trends, in-house resource allocation, new ventures, mergers and transfer risks, and product development and business opportunities. When necessary, we work with various consulting companies for international competence and expertise.

COMPLIANCE RISKS

Law and compliance units within the Holding and its Group Companies cooperate with relevant operational units to manage risks that arise from behaviours that neither comply with national or international legislations, internal procedures, ethical rules. In 2018, we launched 'Ethical Line' as a key step forward to manage our compliance risks.

Tekfen also assesses and calculates the financial burden of risks to the climate and water, as they can have a devastating impact on its operations. You can read more information about this in the Climate Crisis and Energy chapter.

Business Ethics and Compliance

Ethics form the basis of how Tekfen does business. Tekfen guarantees its customers, employees, shareholders, suppliers, business partners, competitors, the environment, and society responsible approach based on honesty, keeping personal information private, settling conflicts of interest, and adhering not only to the law but also to ethical rules adopted by all employees who work under senior management.

Tekfen Contracting employees receive training in business ethics and anti-corruption principles. They also sign a written contract demonstrating that they have read and understood these principles. Either a compliance officer or project compliance representative annually updates ethical training provided at Tekfen's headquarters and other units. A total of 2,664 hours of ethical training were given to Tekfen employees in 2019—329 hours of which dealt with fighting corruption and bribery.

Tekfen gives importance to making sure that its subcontractors and suppliers adopt its values and business methods. Tekfen thus encourages both to train their own employees, and conducts competence assessments.

Any concerns over ethical rules can be reported anonymously in either Turkish or English at any time via the Ethics Hotline at 0(212) 257 0 110 (launched in 2018), (etikhat@tekfen.com.tr) or (www.etikhat.com). An independent company handles all complaints.

Tekfen Holding runs a compliance committee consisting of an auditor, a compliance coordinator, and one board member. The committee is tasked with implementing and following-up on business ethics rules. Each group company has its own compliance officer, appointed by the company's Board of Directors. These individuals and committees cooperate with the compliance coordinator to report to both the company's Board of Directors and compliance committee on a monthly basis. The compliance committee assesses all complaints received by the Ethics Line, weighs them according to certain rules and discipline. In 2019, the line received 56 complaints, 22 of which were addressed, and the other 34 of which are still being looked into.

**ETHICSLINE IS ANSWERING:
IS IT ETHICAL OR NOT?**

- Incompliance to Company Code of Conduct
- Forgery
- Conflicts of Interest
- Fraud and Bribery
- Mobbing and Harassment
- Discrimination
- Unethical and Illegal Activities
- Insider Trading
- Acts Damaging Company and Brand Reputation
- Product Safety, Low Quality Products

How can I submit a notification?

www.etikhat.com
+90 212 257 0 110
etikhat@tekfen.com.tr

TEKFEN HOLDING



Ceyhan Steel Structure Manufacturing Facility, Ceyhan

CUSTOMER LOYALTY

Tekfen views its customers as long-term strategic partners, and views the fulfilling of commitments and main quality continuity as the bridge between itself and them.

Tekfen Contracting conducts regular surveys, and acts to improve itself based on customer feedback. Tekfen Construction (an international contractor) outlines quality performance criteria such as project/workplace error rates, repetitive business quantities, field test results, impropriety, and material loss at the beginning of every year. No matter what project it takes on or business it works with, Tekfen Construction first considers what its business scope is, and what its customer's expectations are. They monitor the criteria on monthly basis, and cumulatively calculate the data from the end of the year. The company's quality performance grew from 86% in 2017 to 88.45% in 2018 and 91.6% in 2019.

One annual survey revealed that Alanar Fruit (at Tekfen Agriculture) had a customer loyalty rate of 90%.

 **Tekfen Construction's quality performance score was 91.6% in 2019.**



Toros Agriculture analyses product samples that it extracts every two hours at its own laboratories, as well ensures that its fertilisers adhere to quality standards. Dealers play a key role in ensuring product quality and customer satisfaction. Toros Agriculture maintains close ties with its dealers by regularly visiting and meeting with them. If necessary, feedback from dealers and farmers regarding product quality may be examined on site. Should a complaint be considered justified, the product is sent back to the manufacturer, who then takes steps to investigate and remedy the cause of the problem.

The pursuit of excellence that has been embedded in the genes of the company throughout its history has produced a level of quality that is one of the main factors behind Tekfen's success over 64 years.



In 2019, Alanar cherries were awarded 2 golden star taste certificates by the International Taste Institute based in Brussels.



Operational Excellence

Tekfen continuously reviews its operations by following international standards and adopting sound practices. It also ensures efficiency and quality at all stages of the production and value chain thanks to standardised management. Operational excellence aims to create cost advantage, reduce impact to the environmental impact, and boost both customer and employee satisfaction.

A set of internal guidelines (known as the uniform method (TDY)) that is reviewed and updated every year shape how Tekfen Holding does business. A total of 26 TDYs are in effect as of 2019.

Tekfen operates in accordance with international management system standards, and use quality, occupational health and safety, environment, energy, and information safety management systems. Internal audits and third-party systems regularly assess just how effective and adequate these systems are. Corrective measures are taken to identify which areas are open to improvement. The table below illustrates all of the management systems implemented across Tekfen Group Companies:

Tekfen Group Companies operate in line with international management system standards.

Management System Certificates

			Tekfen Holding	Tekfen Construction	Toros Agriculture	Tekfen Engineering	Tekfen Manufacturing	Turnover Scope
	ISO 9001	Quality Management System		●	●	●	●	98%
	ISO 14001	Environmental Management System		●	●		●	97%
	OHSAS 18001	Occupational Health and Safety Management System		●	●		●	97%
	ISO 27001	Information Security Management System	●	●	●		●	97%
	ISO 50001	Energy Management System			●			25%



TEKFEN CONSTRUCTION

Tekfen Construction carries out quality control both on and offline over phones and tablets using a CMS (construction management system) pipeline module designed to cut down on manpower, prevent re-processes, reduce paper usage, increase customer reliability, and usher in productivity growth by monitoring quality instantaneously.

In 2019, we invested in robotising the Ceyhan Steel Plant's welding section. In doing so, we have reduced the number of human workers required to manufacture steel, brought the quality of welding up to a higher standard, and cut down the amount of carbon emitted during the welding process. As a result, the plant now consumes fewer natural resources, and is better able to project the health of its employees from the gases that get emitted during welding.

TEKFEN ENGINEERING

Tekfen Engineering has launched the Process Flow Chart Project to develop a common design language, cut down on repetitive activities, eliminate delays and errors, and save time and manpower by combining certain activities.

The company also plans to launch a series of technical engineering audits in order to foster those disciplines involved in joint design studies, identify deficiencies, and put forth improvements.

TOROS AGRICULTURE

An industrial enterprise, Toros Agriculture has been implementing lean production principles in all of its business practices since 2017. The company regularly trains its employees and organises lean days to ensure that all of its employees adopt a philosophy of lean and continuous development. Toros Agriculture shares its experiences with others through a wide range of organisations such as the Lean Summit Conference.



Throughout 2019, the company maintained its many lean production projects to boost efficiency in fertiliser production plants, reduce production halts, and lower costs. One of the most important operational excellence projects is the one which involves the shortening of the start-up lead time of the NPK-DAP fertiliser production units after the weekly holidays. This project is expected to increase the plant's production capacity by 4,400 tons. The Inactive Stock Materials Segregation Project, which is of a similar nature, aims to improve inventory management and save money ensuring that the plant's material warehouse is used in a more effective manner.

Toros Agriculture's Mersin-based R&D Centre of hosts a variety of activities that foster plant nutrition by using new formulas, developing new products, increasing the physical and chemical strength of existing products alongside, lowering, waiting times, improving and optimising production, saving energy, and reducing the plant's impact on the environment.

Toros Agriculture adopts an integrated supply chain management approach that is sensitive to the environment and respects people by monitoring its environmental and social impacts on the entire value chain—from raw material purchasing to farms. In 2019, the company made improvements in how it dealt with product safety, OHS and environmental management, quality, critical handling, storage, and distribution quality. The International Fertiliser Association (IFA) revised the company's Protect & Sustain Certificate—which symbolised compliance with the Product Stewardship Initiative in the fertiliser sector—to one of 'excellence'. Toros Agriculture had also acquired the ISO 50001 Energy Management System that same year.

TEKFEN AGRICULTURE

Tekfen Agriculture's R&D Centre focuses on seed improvement as well as carries out projects that increase the efficiency of its internal operations. For instance, it designed a bio-reactor method as one alternative to traditional production methods. Another of its projects include The Banana Tree Reproduction Project, which is anticipated to not only boost quality but also increase the number of banana trees by 65% across all its units. Furthermore, efforts are underway to evaluate the high commercial potential of domestic Turkish bananas, and prevent waste by developing a special packaging technology that increases storage and shelf life after harvest.



More efficient production using higher quality seeds

Tekfen Agriculture focuses on seed proliferation at its R&D Centre with the goal of obtaining fertile, high quality products from Anatolia's own plant gene pool (primarily grains), which is critical to agriculture. In doing this, the company also launches projects aimed at improving its own environmental, social, quality, and economic footprint.

The Triticale Breeding Using Classical Hybridisation and DNA Markers Project aims to improve existing triticale seeds and adapt them to different climatic conditions as well as expand potential triticale farming sites in Turkey.

Manger and Malting Barley Breeding Project Using Classical Hybridization and DNA Markers Project crossbreeds native (Anatolian) barley with foreign barely. Barley holds an important place in the raising of livestock because it is also used as animal feed. Breeding manger and malting barley is important for boosting meat production in Turkey, making it more economical, and sharpening Turkey's competitive edge. This will also allow farmers to raise barley in arid conditions, which in turn means that the livestock sector will be less impacted by the threat of drought predicted for the coming years. This also means that the 6.9% royalty fee normally paid to different grain seed production institutions will stay in farmers' pockets.



3

Strategic Drivers

Tekfen Group has identified the climate crisis, innovation, and people as its focus areas in order to act as bridge towards prosperity for a sustainable future.



Strategic Drivers

The main issues that Tekfen focuses on, in order to ensure continuity of its business, are viewed as strategic drivers within its sustainability strategy. Of these, climate crisis and energy, innovation, and employees and society are also at the top of the global sustainability agenda.

CLIMATE CRISIS AND ENERGY

All top five risks outlined in the WEF's Global Risks 2020 Report are environmental risks—a historical first since 2007, the year it was first published. These risks—the first of which being extreme weather events—are projected to affect all of humanity within the next 10 years. The second risk on that list is our failing to combat climate change.⁹

Climate crisis is the largest global environmental problem to date, and is mainly associated with global warming, caused by greenhouse gases in the atmosphere. The rapid increase in greenhouse gas (carbon) emissions due to population growth, increased industrial output, and consumerism are only accelerating climate crisis. The 2016 goal of keeping global warming below 1.5°C warming (i.e. the temperature before the industrial revolution as set by the Paris Agreement) is the only chance we have to avoid global catastrophe.

Unfortunately, current policies make this goal seem out of reach. The Emissions Gap Report 2019 published by the UN Environmental Programme

states that we must reduce greenhouse gas emissions by 7.6% each year over the next 10 years. It also stresses that countries need to increase their current greenhouse gas reduction targets five-fold to stop the Earth's temperature from exceeding 1.5°C by the end of the century.¹⁰

This imposes responsibilities both on the private sector as well as on governments. The UN's Sustainable Development Goals (SDG) provides a common plan and agenda to solve the severe problems facing our world by guiding all stakeholders—especially those in the private sector—on how to combat climate crisis.¹¹

The two strategic pillars in the mobilisation against climate change are 'mitigation' and 'adaptation'. The main element of this fight is to boost renewable energy production. Furthermore, it is critical that we create adaptation policies, mechanisms, and infrastructure in order to prepare ourselves for the impact of current and future climate change. A more resilient infrastructure must be developed so that we can better adapt to changing climate conditions.¹²

As for the private sector, it must identify environmental risks within its operations, and adopt a proper management strategy in order to tackle these risks. In particular, private companies need to focus on energy, emission, water, and waste management.

Tekfen Holding also sees climate crisis as an important sustainability risk. The construction and agriculture sectors—which both have the largest share in Tekfen's activities—are particularly vulnerable to the impact of climate crisis. Companies are shifting their investments away from natural gas, oil, and petrochemical plants towards new energy sources. This in turn puts Tekfen's business potential at risk since natural gas, oil and petrochemical plants are Tekfen Contracting's primary area of expertise. Moreover, there is also the possibility that extreme climate events will adversely impact the projects Tekfen currently carries out.

The agricultural sector is also highly sensitive to climatic conditions. Extreme climate events such as storms, flooding, hail, and heat waves negatively affect both agricultural products and soil quality. In the short run, climate change opens the floodgates to extreme climate events and water depletion. In the long run, it leads to temperature increase and ultimately drought. Dwindling freshwater reserves, drought, infertile soil, and changing atmospheric gas rates threaten food safety as well. In order to ensure sustainable access to food by the growing population, we need both to reduce our carbon footprint and adapt to new climatic conditions.¹³

The use of nitrogen-derived plant fertiliser leads to the release of N₂O (nitric monoxide) into the atmosphere. Moreover, it generates approximately 265 times more greenhouse gas than carbon dioxide, in turn implying that agriculture too plays a negative role in climate change as well. The largest source of Tekfen Agri-industry's greenhouse gas emissions is N₂O. Toros Agriculture is continuing to research fertilisers that have the opposite effect.

Climate change also poses risk for Tekfen in terms of insurance and plant management.



Hishtil-Toros Seedling, Adana



Agripark, Adana



⁹ Global Risk Report.



¹⁰ UN Environment Programme's Emissions Gap Report 2019.



¹¹ The Sustainable Development Goals.



¹² Climate Mitigation and Adaptation.



¹³ Climate Change Report.



¹⁴ Global Warming Report.

Climate Crisis Management

The main climate risks that Tekfen has identified include:

- The implementation of an emissions trading system or carbon taxation in Turkey
- Increased pressure from NGOs and society
- Shift in demand for existing products,
- Meteorological events physically impacting plants/factories and businesses.
- Shrinking of the sectors within which we currently operate (e.g. those linked to fossil fuels and in the agricultural sector),
- The global water crisis being expected to worsen in the Mediterranean Region.

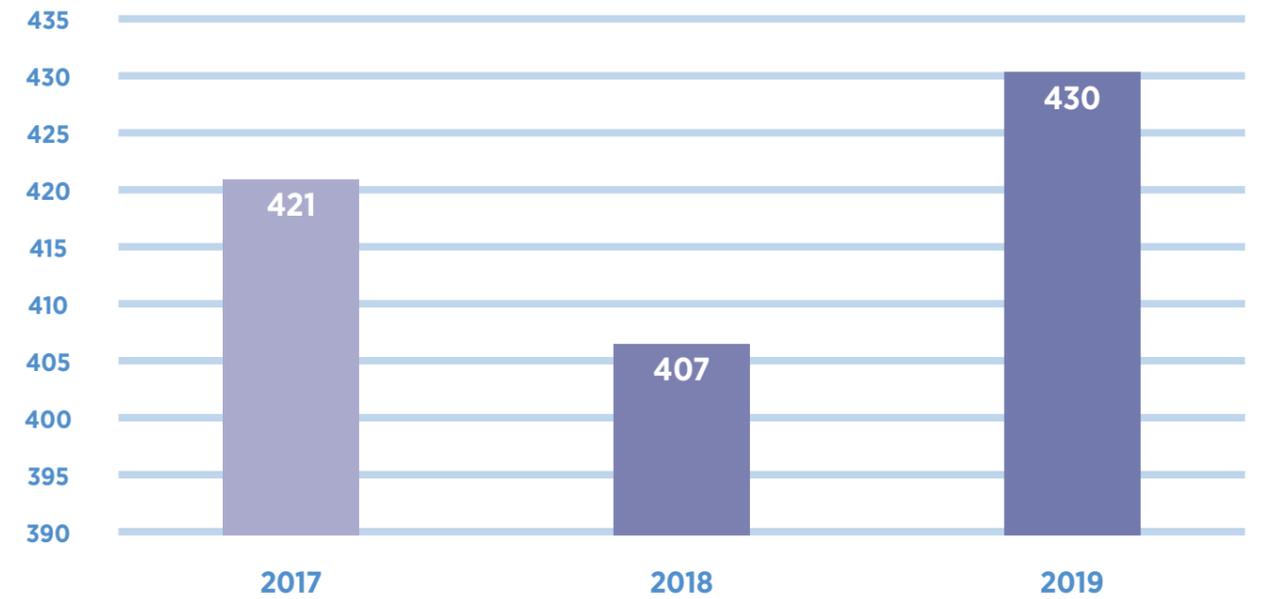
Tekfen assesses climate-related risks as part of corporate risk management. Tekfen Board of Directors follows the carbon emission performance that our internal reporting system has been monitoring since 2010. Progress on this issue is also shared with third parties through annual reports prepared and published under the CDP Climate Change Programme.

Tekfen Holding began reporting the carbon emissions of its operations in Turkey 2017, as part of the CDP Climate Change Programme. Same year, Tekfen ranked in top 3 among successful industrial institutions that share emissions, with a score 'B'. In 2018, Tekfen Holding joined the ranks as one of Turkey's top twenty companies to have an outstanding reporting score. In 2019, the CDP Climate Change Programme gave it an 'A (-)', thus making Tekfen a Turkish climate leader.



In 2019, Tekfen scored 'A (-)', the highest score in Turkey in the CDP Water Programme, and took its place among Turkey's Water Leaders.

■ Emission Intensity (tCO₂/Million US dollars)



The agricultural, oil, and gas industries are where scope 1 and 2 emissions are at their highest, and therefore are the main focus of Tekfen Holding's climate crisis management policy. Tekfen has, in response, minimised operational emissions and implemented various projects in order to adapt itself to climate crisis.

- Tekfen Construction is closely looking solar, wind, and solid waste-based energy production methods. It also sees climate-resilient infrastructure projects as potential growth area.
- Tekfen Engineering utilises innovative solutions to support Tekfen's other Group Companies on solar energy projects, which are expected to reduce the impact of the climate crisis.
- Toros Agriculture continues to research special fertilisers that emit fewer greenhouse gases.
- Tekfen Agriculture is currently researching seed proliferation, new climate conditions, and drought-tolerant seeds.
- Tekfen is boosting its vision of bridging prosperity by building energy-efficient sustainable buildings and infrastructure as part of its real estate development and plant management activities.

Tekfen Group Companies act responsibly vis-a-vis the issue of climate crisis in sectors and geographies in which they operate.



HEP İstanbul Project, Esenyurt

Tekfen took a number of steps as part of 2019 energy and emissions investments:

Toros Agriculture

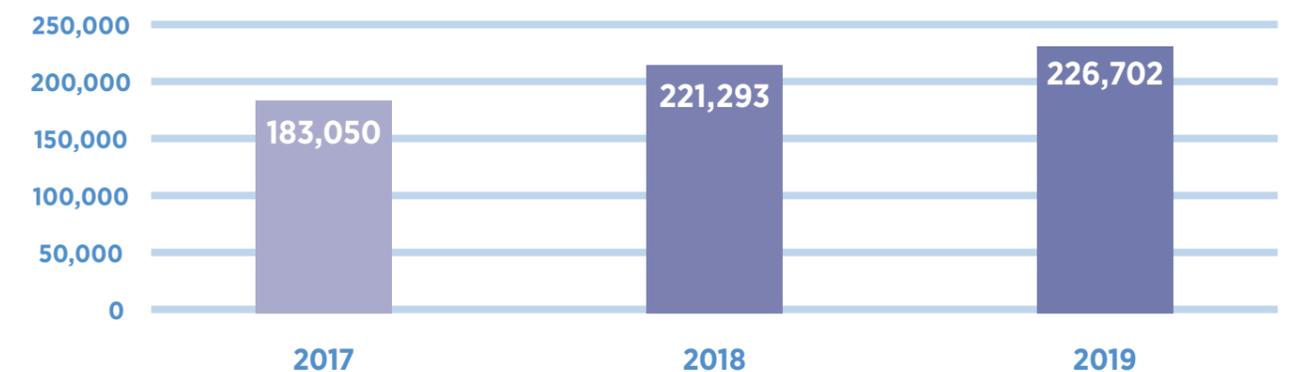
- At Toros’s Samsun and Mersin plants, electricity is produced using waste heat, thereby drastically cutting down on carbon emissions. Some of that electricity is used for operational needs, allowing surplus energy to be supplied to the grid. In 2019, 64% of that electricity (211,755 MWh) was used in production plants. The remaining 77,270 MWh of energy was supplied to the national electricity grid.
- The NACAG (Nitric Acid Climate Action Group) published a series of studies in 2019 detailing the technical support, feasibility, and type of technology that would best suit the Nitric Acid Production Plant in Mersin in order to reduce N2O (nitric monoxide) emissions. The N2O catalyst assembly is scheduled to be completed by the end of 2020. This investment is expected to cut N2O emissions by 80% within the next 5 years.
- New solar panels installed at Toros’ Ceyhan plant is expected to generate 62.5 MWh of electricity annually and 30 tons of carbon emissions per year will thus be prevented.
- Both the DAP Unit Acid-Water Exchanger and the Steam Consumption Reduction Projects at Toros’ Ceyhan plant are now complete. Both are anticipated to save the plant 220 tons of LNG alongside TRY820,000 annually.

Tekfen Agriculture

- Tekfen Agriculture is currently involved in a project involving the installation of solar panels at Adana Agripark as well as the Potato Seed Warehouse in the province of Nevşehir.

- ✿ The equivalent of 114,000 tons of coal (or 20,000,000 m³ of natural gas)-worth of greenhouse gases were cut at Toros Agriculture’s Samsun and Mersin plants thanks to steam energy waste heat-generated electricity.
- ✿ Recycled materials will be used to construct Tekfen Construction’s archive building in Ceyhan. We aim to obtain a LEED Platinum Certificate as it features 50% more efficient water usage via fresh air ratio, rain and condensation, solar-generated electricity, and 30% more efficient energy usage.
- ✿ In 2019, Toros Agriculture was awarded the Energy Management System Certificate in line with audits carried out on both incentives for its energy management system (ISO 50001) and energy efficiency enhancement project (VAP) (within the scope of the company’s integrated management systems).

■ Renewable Energy Production (Waste Heat & Solar Energy) (MWh)



Natural Resource and Waste Management

Tekfen aims to use raw materials, energy, and water more effectively by investing more heavily in resource efficiency, thereby creating more value using less input. It is also trying to help reducing the environmental impact of its stakeholders through green buildings and accurate fertilisation guides that encourage less water consumption, among other products and services.

WATER MANAGEMENT

Water is a critical sustainable development element and is heavily impacted by global changes. The few clean and usable water reserves that exist in the world are under the pressure of climate change, overconsumption, and pollution. In addition to increasingly unstable and declining rainfall, these precious reserves are being contaminated by industrial, domestic, and agricultural waste. Water shortages caused by the deterioration of the water cycle and of water quality pose a growing threat to the majority of the world's population.

Unfortunately, rapid population growth and economic development are causing us to depend more and more on water across in all sectors, especially in agriculture and industry. Global water use has increased six times in the last 100 years and continues to increase by about 1% each year. With the onset of climate change, the situation is estimated to worsen in areas already facing water shortages. Likewise, shortages are estimated to gradually appear in areas where water is abundant.¹⁵

Agriculture uses 70% of the world's clean water, and yet is highly sensitive to the risk of drought and water shortages. Extreme weather as well as depletion of water (including groundwater), floods, and drought threaten the agricultural sector. Twelve percent of Turkey's agricultural zones are at high risk due to already limited water resources.¹⁶



¹⁵ Water Statistics.



¹⁶ Agricultural Water Supply Risk.

In order for Toros Agriculture to serve the agricultural sector by producing plant nutrition, water is critical and needs to be well managed. The same also holds true for Tekfen Agriculture, which produces fruits and saplings under Alanar Fruit and Alara Sapling.

Tekfen takes international standards as a reference point to identify and manage water risks, thus carries multiple tasks, such as:

- Identifying and assessing water-related risks.
- Including water-related risks in business strategies; managing and reporting the results of that.
- Implementing innovative solutions to identify and reach water-related goals and objectives.
- Continuously reducing its water footprint by monitoring, measuring, and analysing water usage.

Tekfen Group Companies promote water efficiency via various products, services, and water management projects:

- They provide environmental training and information on how to use natural resources efficiently.
- They use efficient water fixtures in real estate development projects in accordance with the requirements set out by the LEED Green Building Certificate. Part of this includes choosing plant species that consume little water in landscaping projects.
- Toros Agriculture trains farmers how to correctly use water and fertiliser.
- Tekfen Tourism uses fixtures that use water efficiently in the common areas of buildings, and encourages its tenants not to waste water.



Tekfen has taken the following steps as part of its water management investments in 2019:

Toros Agriculture

- Improvements and energy recovery work on the ammonia compressor-based cooling water system at its Samsun plant has saved the company 4,448 m³ of water per year, and TRY87,000 annually.

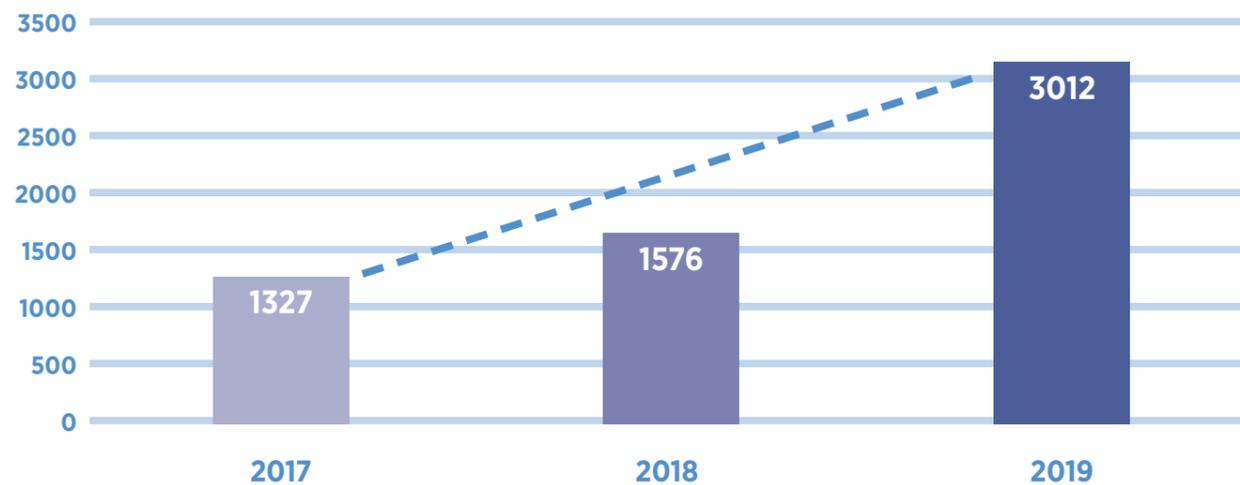
Tekfen Agriculture

- METOS climate measurement stations and soil moisture sensors set up across all Alanar Fruit orchards identify the water needs of the soil, and prevent unnecessary irrigation.
- A drop irrigation system in agricultural areas reduces both energy and water consumption, and encourages other suppliers to be mindful as well.



In 2019, Tekfen was given 'A (-)' score in CDP Water Programme. With this score, the highest score given by CDP Turkey, Tekfen ranked among the Water Leaders of Turkey.

■ Amount of Water Reused (megalitres)



Organic waste from Tekfen Agriculture is sent to biogas plants in line with the circular economy principles to be used in the production of energy and organic fertilisers.

WASTE MANAGEMENT

With the shift in consumer habits, our increasing dependence on plastics, industrialisation, and improper waste disposal are all putting significant pressure on the environment, and most notably on our oceans. Inadequate waste management directly pollutes many ecosystems and species, and is also directly linked to climate change. Therefore, reducing waste at the source, correcting waste disposal, and adopting circular economic principles are vital for sustainability.

Waste is as much of economic loss as it is an environmental problem. Circular economic business models, which promote re-using scrap materials, as well as models based on extending a product's shelf life alongside sharing, renting, and even swapping unused items can foster sustainability. Companies that use recyclable materials are competitive, as they are not affected by spikes in primary raw material prices.¹⁷

Tekfen is working hard to prevent waste at the source, and minimise waste wherever possible:

- Tekfen Contracting largely recycles or re-purposes the waste it generates in construction projects. They reuse asphalt waste in temporary construction sites in order to prevent dust. They also choose recycled materials when constructing green buildings.
- Toros Agriculture's fertiliser production plants do not generate process-based product waste. What does remain gets re-purposed for plant production according to quality standards.
- Wastewater from ships gets dehydrated at Torosport Ceyhan before being sent to its treatment plant. Oil waste gets sent to licensed facilities for energy recovery.

- Tekfen Agriculture's Agripark R&D Centre has initiated a zero-waste project. Licensed firms regularly sort, recycle, and dispose of waste. The organic waste is sent to a biogas plant where it is re-used to produce energy and organic fertilisers. Tekfen Agriculture became the first private company in the province of Adana to receive a Zero Waste Certificate (basic level). It has saved the company TRY22,000 per year.
- Tekfen Tourism collects organic, oil, electronic, and other recyclable waste from its food hall and sends it to licensed firms to be properly disposed of.



¹⁷Sustainable Industry and Circular Economy.

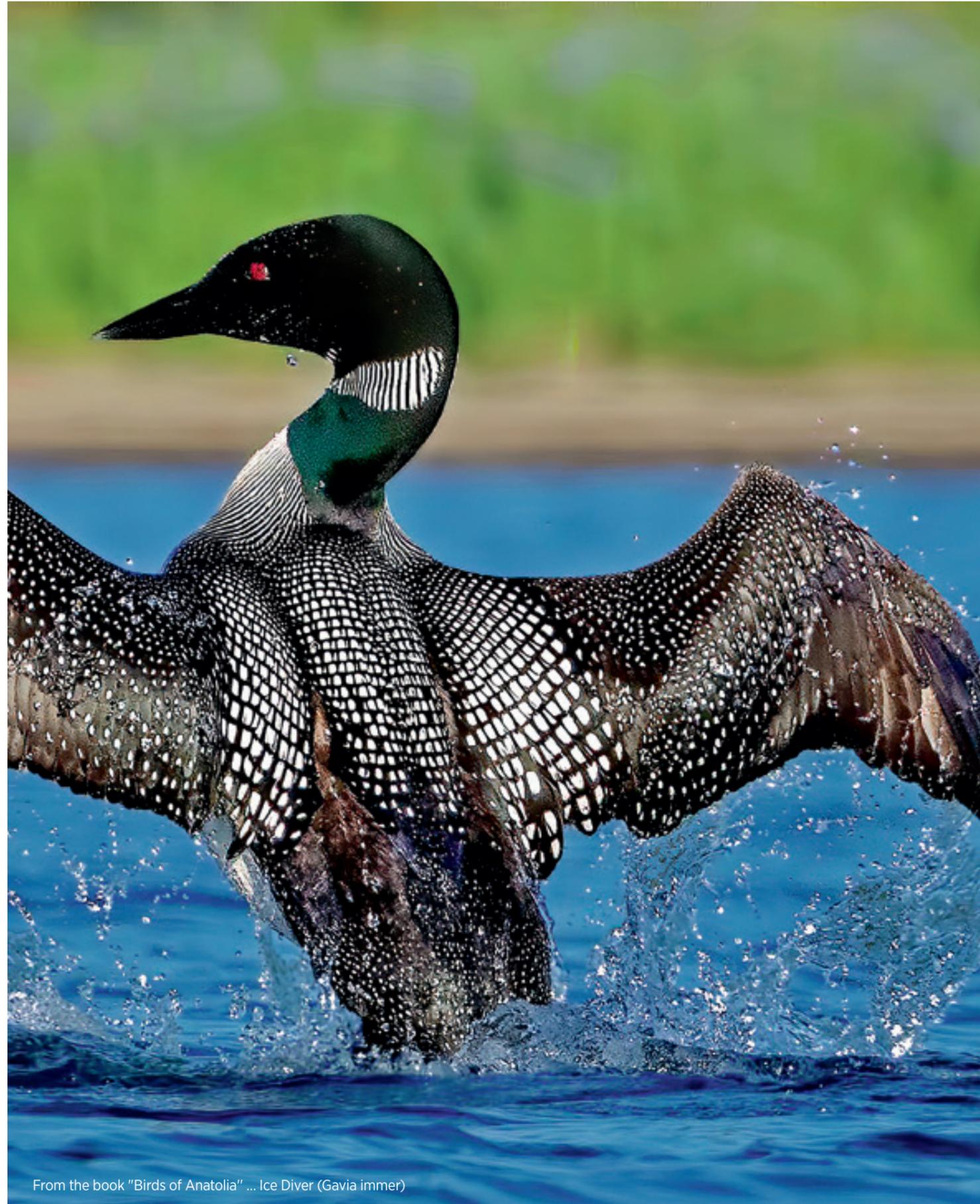


PROTECTING BIODIVERSITY

Healthy ecosystems contain elements that support life. Plants translate solar into chemical energy, and lay down a bed for new life to emerge. Bacteria and other living organisms break organic matter down into nutrients necessary for plants. Plants and oceans act like a large carbon pharynx. Ecosystems purify air and water and generate oxygen—ultimately stabilising the climate. Thus, ecosystems depend on biodiversity in order to function.

However, biodiversity is facing rapid decline at the hands of climate change, pollution, deforestation, urbanisation, and excessive hunting. According to one UN report, one million species of animals and plants are currently in danger of going extinct. Biodiversity loss causes the ecosystem to lose its ability to function. It also causes long-term risks because it negatively impacts raw materials and food production.¹⁸

Tekfen operates in construction and agriculture, both of which negatively impact biodiversity. Therefore, all of our Group Companies take all necessary measures to protect the ecosystem throughout all of its activities. They follow guidelines set out in three reports—the Biodiversity Action Plan, Ecology Management Plan, and the EIA (Environmental Impact Assessment)—to manage all potential risks. These include observing fauna, conservation, relocating species, and rehabilitation.



From the book "Birds of Anatolia" ... Ice Diver (Gavia immer)

Studies on biodiversity published in 2019 include:

Tekfen Construction

- Construction on the TANAP Pipeline LOT 3 was completed in 2018. Ecological monitoring of critical habitats, creek crossings, bio-restoration, and reforestation areas continued into 2019.
- Experts carefully monitored the ecology of all of the locations along the TANAP Compressor & Measurement Stations Project (which focuses on ecological observation and conservation) during both its construction and demobilisation. These include Damal and Posof (Ardahan), Seyitgazi (Eskişehir), Gelibolu (Çanakkale), and İpsala (Edirne). Additional measures were implemented the moment any negative impact (beyond the risks to nature) had been detected. Likewise, donations were made to civil society organisations to plant 500 saplings in the province of Eskişehir.
- An inactive 22 acres quarry and landfill in Vize (Kırklareli) was rehabilitated using 100,000 m³ of soil that had been excavated in the TurkStream Project. A total of 3,000 trees were planted in the area, including 2,000 cedar seedlings.

Toros Agriculture

- The rehabilitation of phospho-gypsum sites in and around Toros' Samsun- plant is still underway. This includes covering the site with soil and planting approximately 2,000 saplings.



Tekfen Holding Biodiversity Policy.

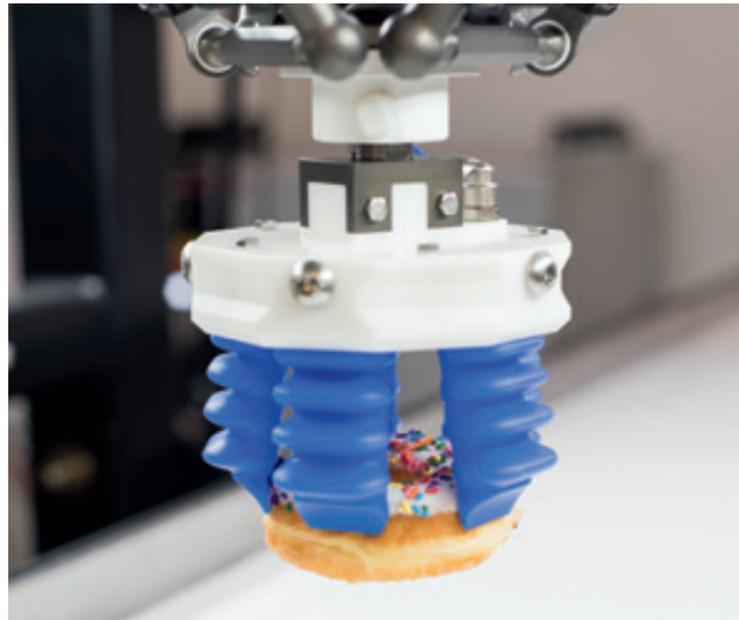


¹⁸Biodiversity Report.

INNOVATION

Innovation plays a key role in developing new products and services and process management. It is a key element in sustainability as it serves the vision of companies to exist in the future by supporting profitable growth goals. Innovative technologies and Digitalisation impact productivity and efficiency directly; they also are important for addressing environmental challenges like climate change, water scarcity, and pollution. Innovation also accelerates the economy by creating new business areas and models in line with changing trends. Likewise, it contributes to the sustainability of the business world.¹⁹

Almost all of Tekfen Holding’s main branches of business are open to innovation and technological advancement. New engineering applications in contracting projects, digitalisation, and automation all cut rates of error down as they shorten business processes. They also contribute positively to the development of the working environment by reducing occupational health and safety (OHS) risks. Agriculture is very much open to innovation and digitalisation. Most of that centres around agricultural productivity, production growth, and endurance—all of which are critical for ensuring sustainable food security for the world’s rapidly increasing population.²⁰ Innovative methods offer solutions that increase demand for food as well as to develop climate-resilient products. At the same time, they also foster the welfare of farmers and socio-economic development.



R&D and Innovation Culture

Tekfen invests in innovative technology that creates added value and benefits both society and the environment across all branches of business. This ensures continuity of service quality and customer satisfaction, increases competitiveness through efficiency, supports ISG applications, and minimises any impact on environment. In addition, Tekfen creates structures and mechanisms that support innovation within all of its Group Companies.

The Toros R&D Centre, Tekfen Agriculture Agripark R&D Centre, Tekfen Ventures, Tekfen Construction,



¹⁹ Technological Breakthroughs.



²⁰ Agricultural Productivity and Innovation.

and Tekfen Engineering are all the lifelines of Tekfen’s technological transformation and innovative power. Both R&D Centres play a lead role when it comes to developing innovative processes and products within Tekfen. Tekfen Ventures serves as a bridge between its external entrepreneurship ecosystem and its own Group Companies.

Tekfen also encourages both its own employees as well as its external stakeholders to participate in processes to support the innovative ideas. This is also supported by a competition and reward system. Tekfen Holding’s three-year plans address ways in which it can foster internal entrepreneurship and open up innovation channels.



R&D Projects

In today’s world, borders no longer exist, and competition is a global phenomenon. Therefore, experts predict that current business models will be replaced by new generation initiatives that generate high added value. Therefore, businesses need to compete and keep up with rapid change, advances in technology, and innovation in order to stay in business and grow. Both R&D and innovation enable companies to offer products and services that create high added value. They also take advantage of adverse market conditions to protect themselves from disruptive competition.

The word Tekfen derives from two Turkish words, teknoloji (technology) and fen (science). At the core of its sustainable structure, Tekfen closely monitors innovations that create added value and that make effective use of innovative. This means that it invests heavily in R&D.

Toros Agriculture R&D Centre

Toros Agriculture is Turkey’s largest agri-industry company to date. It opened its first plant nutrition R&D Centre within its production plant in the province of Mersin in 2017. The centre employs a staff of twenty-eight full-time employees. They are responsible for designing and developing new products that enable farmers to be more productive. They also focus on non-local products as well as on enhancing the physical and chemical effectiveness, strength, and wait/delay times of existing products. The centre itself aims to enhance, optimise, and make production processes more energy efficient, as well as to reduce its impact on the environmental.

Toros Agriculture is also a member of TÜBİTAK’s 2244 Industrial Doctorate Programme. The product of collaboration between universities and various companies, this programme aims to provide skilled workers with a post-graduate training that is industry-focused. Two of the R&D Centre’s projects done in collaboration with Mersin University Department of Chemistry and Ankara University Department of Chemical Engineering joined the programme in 2018. TÜBİTAK funded another such project—again, a collaborative effort with Mersin University—in 2019.



In 2019, Tekfen Construction established the Innovation Platform, where all employees can share their ideas to contribute positively to ‘innovation’ in all its activities, develop new ideas and support their implementation. Following screening and interviews by the Innovation Board during the year, over 150 ideas were evaluated and 15 ideas received awards.

- 2018: Synthesis, Characterisation and Industrial Applications of Slow-Release Nano Fertilisers (in collaboration with Mersin University): Efforts to develop new products that cut nitrogen emitted by ammonium sulphate (i.e. urea) down are underway. This also includes developing new compound fertilisers from plant-based ingredients, chemical inhibitors, polymers, and neem oil. The result is Smart UREA, which has been both patented and made commercially available.
- 2018: Waste Recycling and Applications in the Fertiliser Production Process (in collaboration with Ankara University): Efforts to develop a product with high added value from phospho gypsum-based waste are underway.
- 2019: The Synthesis, Characterisation and Process Optimisation Project of Alternative Chemical Products for the Protection of Physical Properties after Production of Fertilisers (in collaboration with Mersin University): This includes developing and optimising alternatives to imported input products in order to prevent fertiliser from caking.

The R&D Centre has developed, patented, and sold numerous other fertilisers as well (as of 2019). Among them: 12-18-12-1Zn-0.2B fertiliser for olive trees, 25-15-5 fertiliser for sunflower plans, slow-release SMART UREA fertiliser, and 25-5-10 TE fertiliser for tea.

Toros Agriculture became a member of the InoSuit-Innovation Oriented Mentorship Programme in 2019. The programme was established to foster corporate innovation culture, develop innovation projects within the framework of a system, and increase innovation capacity in a sustainable fashion. The programme pairs universities/scholars with companies aiming to create corporate innovation systems, depending on how competent they are at managing innovation. It also conducts comprehensive, focused and practical scientific studies eleven out of twelve months of the year. Toros Agriculture, Mersin Technopark (Technoscope) and the Turkish Exporters Assembly (TIM) collaborate to engage in projects coordinated by the Toros Agriculture R&D Centre.

A cooperation agreement that focuses on researching sustainable plant production was

signed in 2016 between Toros Agriculture and Çukurova Technocity, Çukurova University's Technology Transfer Office. The agreement aims to develop environment-friendly and highly lucrative applications for plant nutrition and fertilisers.

The Toros Agriculture R&D Centre is collaborating with private institutions and international universities within the scope of Horizon 2020—the world's largest civil research programme. Part of this includes drafting international project proposals and submitting project applications. One project application was submitted in 2019. The centre also generates academic publications of international calibre that contribute both to academia as well as agriculture.

Toros Agriculture has also entered a contract with Sight Machine (part of Tekfen Venture's investment portfolio) that lays out the framework to reduce unplanned halts, boost equipment efficiency, and improve raw material consumption in its Samsun plant. Sight Machine established Toros' data storage system alongside the infrastructure required to transfer the plant's data onto its own servers for analysis. The system is scheduled to begin operating in 2020.

Toros Agriculture has signed a contract with Sight Machine part of Tekfen Venture's investment portfolio that lays out a framework for its Toros Agriculture Samsun Plant to reduce unplanned halts, boost equipment efficiency, and improve raw material consumption.



Strongarm from Tekfen Ventures' investment portfolio

Tekfen Agriculture Agripark R&D Centre

Agripark is one of the few technological agricultural centres of Turkey. It also is the first and only registered plant production and breeding R&D Centre in the province of Adana. The centre operates under Tekfen Agriculture, and draws upon Anatolia's biodiversity to breed disease-free, high quality seeds and saplings. The centre also is looking to Anatolia's (the birthplace of wheat) rich gene pool in order to research efficient, high quality wheat. The work that the centre carries out also contributes significantly to new climate-resilient products being developed, and to meeting the dietary needs of a growing population in a sustainable manner.

Agripark employs a total of 17 agricultural engineers. In 2019, it completed eleven R&D projects. It currently continues to work with Sabancı University-SUNUM, Akdeniz University-TTO, Çukurova University, and TAGEM (General Directorate of Agricultural Researches and Policies) as well as collaborates with various international companies. In 2018, it joined GENDIBAR—a project initiated by the Partnership for Research and Innovation in the Mediterranean Area (PRIMA). The project set out to adapt new varieties of barley to new ecological regions across the Mediterranean. Tekfen Agriculture is the only commercial enterprise that was granted permission to join this project, which spans thirty-six months, and involves eight organisations from seven countries.

Another R&D project was launched in 2018 and involved adapting a variety of domestic sesame seeds for domestic and mechanic harvest. Agripark

Agripark is one of the few technological agricultural centres in Turkey, and it is also the first and only registered plant production and breeding R&D centre in the province of Adana. The centre operates as part of Tekfen Agriculture, and draws upon Anatolia's biodiversity to breed disease-free, high quality seeds and saplings. The centre is also working with the rich gene pool of wheat in Anatolia, the birthplace of wheat, in order to produce more efficient, high quality wheat. Agripark carries out studies that contribute significantly to the development of new climate-resilient products to help meet the needs of a growing population in a sustainable manner.

trademarked it in 2019. The plant is in its second year of production.

Cooperation between Tekfen Agriculture and Tropic Biosciences—another enterprise listed in Tekfen Ventures' investment portfolio—continued to flourish in 2019. Bananas are a key dietary source for much of the world. Unfortunately, numerous diseases threaten it. In response, Tropic Biosciences is working hard improve both the banana's nutritional value and its efficiency. Tekfen Agriculture supplies the company male banana trees.

Tekfen Engineering

Renewable energy is vital in tackling climate change. In 2019, Tekfen Engineering applied to Horizon 2020's—the European Commission's largest research and innovation fund— Development of Solutions with Renewable Resources to Provide Flexibility to Energy Systems Project. The company received the highest funding support ever given to a Turkish company. Tekfen Engineering will also play a key role in commercialising the project, which is expected to develop condensed solar energy technology.

Tekfen Engineering is also continuing to negotiate with ITU's Department of Chemical Engineering over its soon-to-be launched Synthetic Natural Gas & Energy Production through Coal Gasification Project.

Tekfen Manufacturing

Holder of the Ministry of Industry and Technology's Design Centre Certificate, Tekfen Manufacturing has collaborated with TÜBİTAK on an R&D project that will oversee the manufacturing of pressurised vessels made from titanium. Tekfen Manufacturing is the first company in Turkey to receive a CE Brand Certificate showing that it meets European cutting, shaping, welding, and prototyping regulations.

Tekfen Manufacturing and TÜBİTAK have also launched the 'Development of Storage Tank with 9 Nickelous Materials' project which sets out design

Agripark is one of Turkey's most important agricultural R&D Centres in terms how much investment it receives, the number of expert personnel and its budget. Tekfen Agriculture allocated 8.5% of its revenues to research and product development projects in 2019. It plans to increase this share to 9.5% by 2020.

and produce cryogenic storage tanks that contain 9% nickel. The project will be finalised in 2020.

Tekfen Ventures

Founded in 2016, Tekfen Ventures evaluates opportunities in the world of venture. It follows innovative initiatives in the sectors Tekfen operates in. It examines the positions, business models, and future plans of companies that show promise, and then invests in them. It does this together with financial and corporate ventures from around the world.

Tekfen Ventures also looks into potential grows areas with its affiliate companies, especially in the areas of agriculture, construction and manufacturing. It aims to give Tekfen a competitive edge through investments in innovative technology. Tekfen Ventures now has ten corporate venture interests, three of which it added in 2019—the third year of its foundation.



In its third year, Tekfen Ventures added

3 new companies to its investment portfolio in 2019 and increased the number of its investments to **10.**

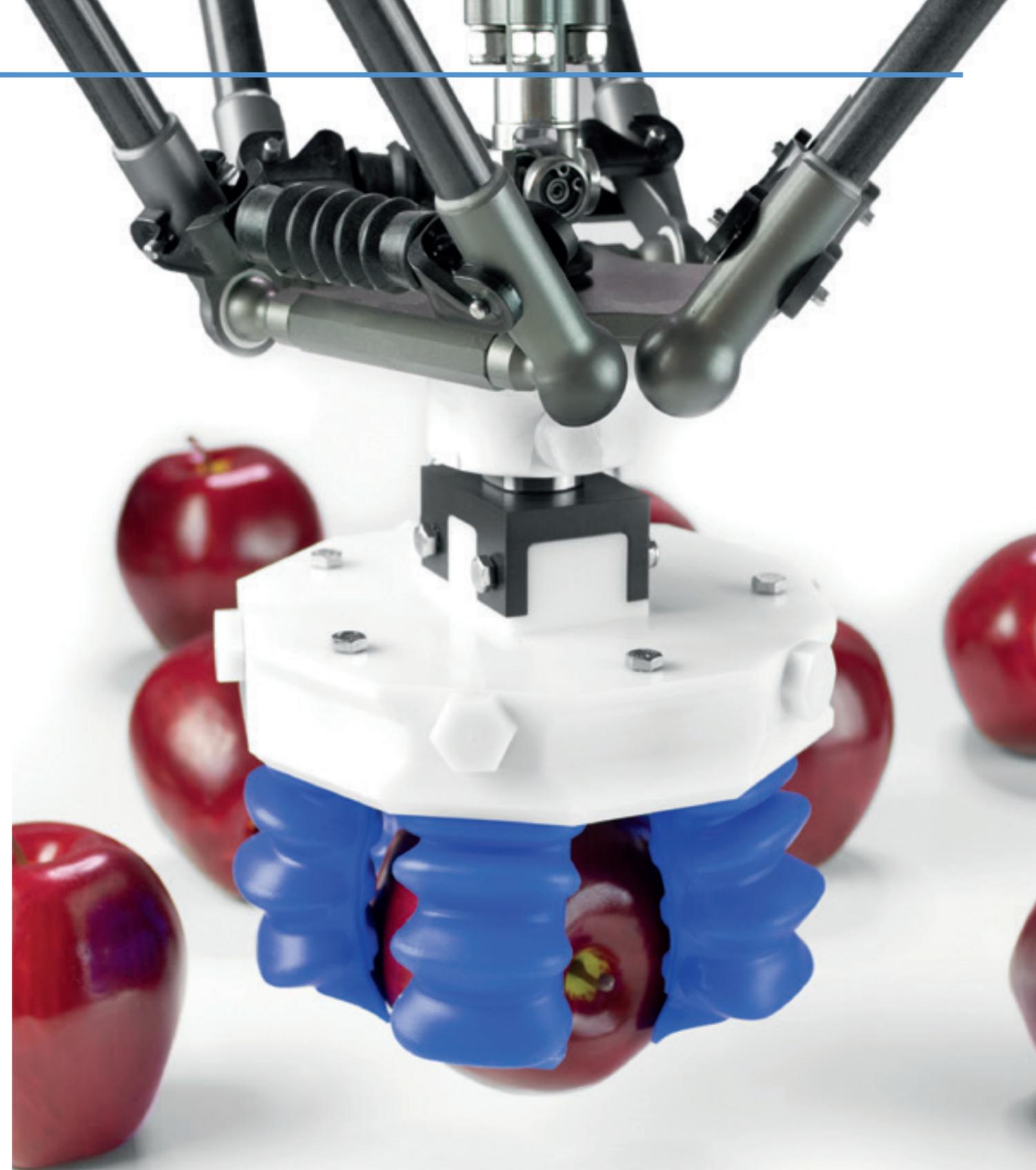
Pivot Bio from Tekfen Ventures' investment portfolio

Initiative	Field of Operation
Quanergy	LIDAR (Light Detection and Ranging) sensors with 3-D sensing
StrongArm Tech	Sensor-based tool to manage industrial workers' safety
Sight Machine	Digital twin of industrial facilities to manage visualisation and analytics.
Soft Robotics	Soft robotic grip and automation solutions for industrial applications
Clarity	Cyber security for industrial plants
Tropic Biosciences	Developing efficient and nutritious agricultural products using gene editing technology in tropical regions
Pivot Bio	Plant nutrient system which uses microbes for natural nitrogen fixation
Latch	Smart access systems for residences and offices
Prospera	Growing food with data and artificial intelligence
Arcbyt	Contactless tunnelling robot that uses plasma torches

You can find detailed information about Tekfen Ventures investments on pages 94 - 98 of Tekfen Holding's 2019 Annual Report.



Robotic arms have problems gripping objects of different size, shape, weight, or density without damaging them, limiting the use of automation technologies especially in the food sector. Soft Robotics develops soft robotic grip systems and automation solutions for industrial applications by mechanising speed, flexibility, dexterity and sensitivity of the human hand, creating new areas of use in food processing, advanced production, and the automation of e-commerce sectors.



Digitalisation

Digital transformation allows businesses to transform how they do business, alongside their workflows and business. They do this by using up-to-date technology to their advantage, and making decisions based on data. Today, digital transformation has become a necessity for companies wishing to protect their assets. The gap between companies that are able versus those that are unable to adapt to technological advancements and take pioneering steps forward is rapidly growing.²¹ Experts predict that large companies that fail to properly manage digital transformation will face the risk of losing more than half of their revenue over the next five years.²²

Digital transformation offers companies many advantages in terms of sustainability. These include reducing operational costs, process efficiency, effective customer communication, risk management, using resources efficiently, drawing in a young workforce, and creating more opportunities for existing business to flourish. Being a 'digital' company today means being agile and flexible. One has to diversify their products and services, creating value in strategic areas, and respond faster to changing trends so that they can give themselves a more competitive edge.

Tekfen's Information Technology Directorate established at the Holding level in 2017 is managing its transition to digitalisation. The directorate has drafted a three-year plan that ensures that Tekfen's business models and processes get digitalised in line with profitable growth goals that create value. Tekfen aims to improve its efficiency, optimise itself, and analyse more data for all of its activities.

HR Oracle System

Tekfen's human resource pool is stored in a HR Oracle database and it allows for instantaneous reporting. It also monitors employee recruitment, approval, sick leave, and travel requests.

Many improvements were made to the system in 2019, including improvements to performance and training, as well as integrating payroll system into Oracle. An effective user-friendly platform that ensures that the data of all employees gets reported within single database had been achieved using inter-system integration.

TekNET - Tekfen Corporate Network and Security Project

TekNET was launched 2018 to transfer Tekfen's information technology onto a common network and security infrastructure. The project was completed in May 2019. Thirty-nine locations in total have been included in TekNET. The project aims to provide infrastructure that is of higher quality, efficient, safer, and flexible, that can withstand cyber security threats in compliance with certain regulations.

Tekfen Construction

All project management processes have been transferred to digital media. This means that project tracking, planning, and cost controls can now be monitored instantly from the bidding stage onwards.

- **Business Development & Bid Project Follow-Up System:** Creates the digital infrastructure necessary for both business development and the bidding processes. Manages both Tekfen Construction and Tekfen Contracting Group's tenders, pre-qualification, and bidding.
- **Tekfen 4. IoT:** Follows all of Tekfen Construction's machinery, equipment, and vehicles, alongside fuel efficiency. Oversees the training and competencies of operators and drivers, and prevents equipment-related accidents.



- **Oracle Ceyhan Pipe Production Cost Project:** Monitors all of the Ceyhan Steel Construction Plant's production costs in detail.
- **CMS (Construction Management System) Piping/Pipeline Modules:** Used to monitor manufacturing and field installations on industrial and piping projects.

Tekfen Agriculture

Many farmers are now using satellite technology to monitor wheat fields remotely. Land stations are used to monitor the humidity and temperature of the soil and air. Metos stations had been set up across all Alanar Fruit because they utilise precision agriculture technology to obtaining instant meteorological data and provide farmers guidance on how to go about their activities. Instant monitoring of data is provided; losses are kept to a minimum thanks to the temperature, humidity, and warning system installed throughout all warehouses.

Farm Management System (FMS) is used on contracted farmlands and regularly checks contract production areas. Satellite imaging allows us to learn information such as how many days remain until harvest, and what the estimated yield might be.

Tekfen Insurance

Web service management allows to ensure the policy and information collection from insurance agencies passed to the relevant CRM (Customer Relations Management) module. This helped cut down the number of policy documents physically printed, and the amount of time spent completing the processes.



At the time this Sustainability Report was being prepared, Tekfen Holding was quickly adapting to working from home due to the COVID-19 pandemic. The fact that Tekfen is able to remotely maintain virtually all of its office, worksite, and factory activities demonstrates how successful its digital transformation has been.

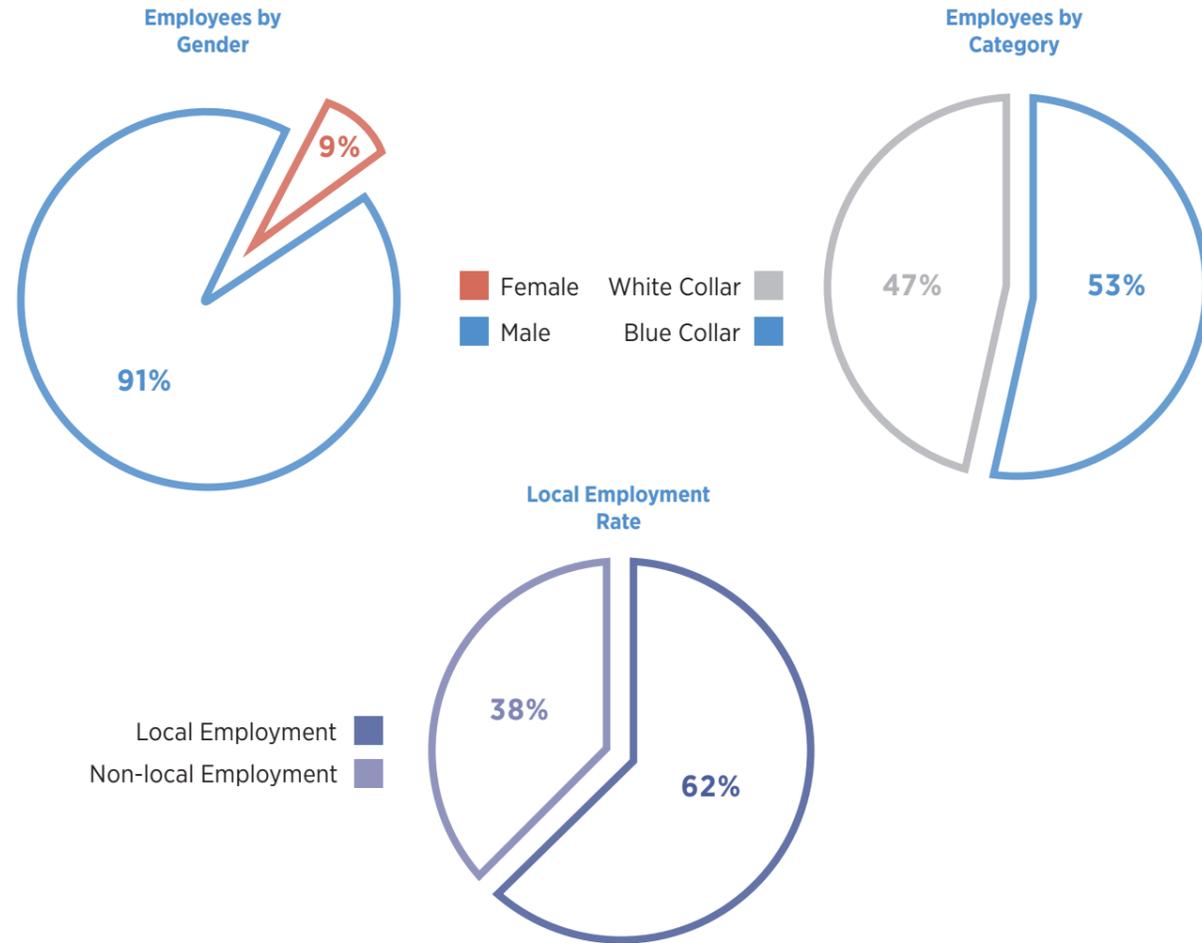


²¹Navigating a World of Disruption.



²²Technological Breakthroughs.

EMPLOYEES AND SOCIETY



Tekfen Holding believes that competitive advantage is only possible when its employees are skilled and happy. Therefore, Tekfen views its employees as its most precious asset, and feels that it is their skillsets that guarantee high quality products and services. Tekfen Group and subcontractors constitute a large, 17,000-member family. It is shaped by an inclusive corporate culture that respects those who work for it, and that offers its employees a healthy, safe, and efficient working environment.

Tekfen Holding respects fundamental human rights in all aspects of its approach to business. It does not benefit from child labour and forced labour. It offers all of its employees equal opportunities, and maintains a zero-tolerance policy towards discrimination of any form - religious, linguistic, racial, sexual, physical, mental, marital or otherwise. Tekfen embraces diverse workforce.

Studies show that a multigenerational workforce is a competitive advantage for companies.²³ and companies made up largely of women, especially those with CEO roles, improve their overall performance, profitability, and success in business. Tekfen Holding encourages women to work in all levels of business life, to the point that the Sabancı University Corporate Governance Forum of Turkey gave a Women Empowered Board Award twice in a row in 2018 and 2019 because of the number of women that are represented on its Board of Directors.

Talent Management

Today, companies are investing in talent management which enable them to incorporate the brightest and most talented employees they can. Their goal is to earn a sustainable competitive edge in changing market conditions. In particular, the innovative viewpoints of youth, their predisposition to digital media, and their agility all increase a company's innovation capacity and offer a lot to business environments. Tekfen Holding designs various programmes that both attract young talents as well as retain existing talents.

Tekfen Group companies:

- Use career and performance management to plan how their employees grow and evolve,
- Set up training programmes for their employees that are in accordance with sectoral trends,
- Offer their employees opportunities for personal and professional development.

Our HR practices are in effect across all of Tekfen Group companies. Group companies employ management to cover strategic requirement, individual target-based performance, and personal and professional development.

Digitalisation means that HR processes are evolving into an agile structure. Tekfen's HR Oracle System stores its human resources data in a single database, allows for instantaneous reporting, and keeps track of employee recruitment, approval, sick leave, and travel requests. Upgrades were made in 2019 to integrate the performance, training, and payroll systems into the system.

Tekfen's meticulous approach in selecting its employees carries on later in their careers as well. Tekfen uses various development programmes to support its employees' understanding of teamwork and to help them cooperate, develop solutions, trigger creativity, and make effective and practical decisions.



²³ Multigeneration Workforce.



²⁶ How Millennials Making Impact on Business.



²⁴ Women Matter Turkey.



²⁷ The New Rules of Talent Management.



²⁵ Talent Development Programmes.



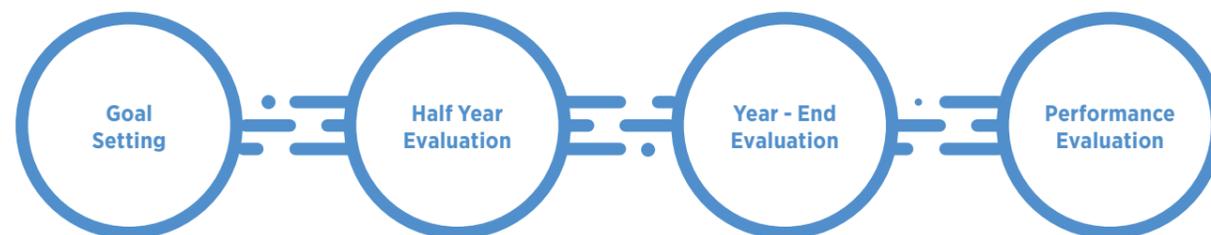
Performance Management

Effective performance management makes efficient use of human resources to help companies implement their own strategies and achieve their targets.²⁸

Tekfen Holding implements a Performance Management System standard for all its Group Companies and prepares and distributes company-based goal cards (based Tekfen's own strategies) to all of its employees. At the end of the year, it evaluates these goals in order to measure what its white-collar employees have individually accomplished that year. Then, it obtains/gives mutual feedback as well as conducts interviews in order to finalise the performance management process up. The Performance Management System also includes competency assessments that identify employees' strengths and weaknesses, which ultimately feed into its training plan.

Tekfen uses the results from this system to identify where its employees' have developed both individually and professionally. All necessary training likewise is designed and organised during the talent management process. In 2019, approximately 21% of Tekfen's employees were subjected to performance and career development assessments.

Tekfen Holding has a Performance Management System for all its group companies and prepares and distributes company based goal cards based on its strategies to all of its employees. At the end of the year, it gives feedback as well as conducts interviews measuring individual achievements in order to complete the performance management process.



²⁸ Performance Management.



TRAINING AND LEADERSHIP PROGRAMMES

Knowledge is fundamental to creating added value. In today's business world, people cannot pursue a successful career solely by obtaining a university education. Likewise, companies need to create working environments that support their employees in terms of development and continuous learning so that they stay competitive. All companies support employee development through training. This closes their knowledge gap stirred by rapid sectorial change, helps them overcome various challenges, and boosts their sense of compliance and innovation.

Tekfen Group Companies plan what its employees need in terms of current and future growth according to what their positions require of them. They train them in project management, finance, risk management, occupational health and safety, quality management, team management, stress management, and effective communication. Similarly, Tekfen Construction uses a Learning Management System (LMS) to offer its employees online orientation, and to train them in information security and business ethics.

As of 2019, the LMS system has been introduced to all of Tekfen's Group Companies. Anyone with an email address can join online training modules, and follow/report their own progress easily. Training can be administered quickly and effectively regardless of time and space, and can be supplemented with in-class training as well when necessary. Such a platform also allows employees to easily access content related to technical or management development issues.



In 2019,
* **5,004**
 employees received
9,644 hours
 of training via the Learning Management System (LMS).

PROGRAMMES

Tekfen Workshop

Tekfen Workshop aims to meet the training needs of its Group Companies under one roof. Individual evaluations aim to raise awareness among employees and foster their personal development through corporate training and seminars. E-learning videos—in addition to in-class training—are assigned to employees through the Learning Management System (LMS). The content of Tekfen Workshop is continuously updated and developed according to the needs of its employees. In 2019, 5,004 employees received 9,644 hours of training via LMS.

Leadership Programme

The Leadership Programme aims to foster the personal growth of managers and support them in issues such as leadership, strategy, change management. The programme was launched in cooperation with Koç University for Tekfen's top and middle-level managers. In 2019, a total of 1,568 hours of training were given to 147 managers.

Executive Development Programme

The programme aims to foster personal growth and leadership skills in terms of basic level management, feedback, goals, and management. In 2019, 213 people participated in Tekfen's Executive Development Programme. They received a total of 5,648 hours of training.

Employee Development Plans

The Personality Inventory aims to raise awareness among managers of predispositions that lead to personal growth. It also aims to shape the pool of 'potential managers'. The Leadership Potential Inventory contains senior executives. It aims to scout potential future management staff within the framework of the organization's strategies and objectives.

In 2019, Tekfen employees received a total of 58,596 person-hour of leadership programme, executive development program, and performance goal setting training, in cooperation with Koç University. Subcontractors received 44,810 person-hour of training.²⁹

Tekfen Construction

Tekfen Construction prepares training catalogues according to the technical needs of its employees—upon consultation with managers. It conducts inventories and surveys, uses the findings to identify what topics ought to be brought up in leadership and management development-training programmes. It also assesses trends in international corporate training, and uses that to decide whether or not personal growth training has a place in the catalogue.

Toros Agriculture

Toros Agriculture plans to launch an e-learning platform in 2020. The platform uses a single system that makes it easier for experts to monitor and comment on training.

In 2019, Tekfen employees received
* **58,596**
 person-hours while subcontractors received
44,810
 person-hours of training.

²⁹HSE (Health-Safety-Environment) Training are not included.

COMMUNICATING WITH EMPLOYEES

Working environments where employees can freely express their ideas, demands, and expectations increase not only business efficiency but also employee loyalty.³⁰ Tekfen Holding and its Group Companies provide the means for employees to share their views and suggestions. This both boosts employee satisfaction as well as creates an ideal working environment. Tekfen administers regular employee loyalty and satisfaction surveys in order to assess how its employees evaluate their workplace experiences, gain feedback, and identify the areas that could be improved. This Employee Effectiveness Survey ascertains employee loyalty, gives insight into how efficient and productive the employees are. An Internal Customer Survey is also administered once a year. It shows what the working dynamics between Tekfen's different departments are, identifies employee impact areas, and raises awareness about efficiency and current conditions.

In 2018, Ethics Hotline was set up so that employees can voice their feedback. In 2019, employees from all of Tekfen Group Companies voiced some fifty-six pieces of feedback. Of that, twenty-two were acted upon over the course of the year. The remaining thirty-four are still being evaluated.

The Tekfen Human Resources (TIK) Mobile App is another way Tekfen interacts with its employees. Here, Tekfen and its Group Companies advertise job openings, as well as posts news and information about corporate events. TIK enables to manage recruitment process on a single platform and aims to boost intercompany communication.

Tekfen Construction

Roughly 73% of Tekfen's employees work for Tekfen Construction. Its Head Department of Human Resources regularly plans visit to plants and project sites in Turkey and abroad. It also reports back feedback from management and field personnel about such trips. Positive plant practices are then

shared with the head office and other units, thus ensuring dialogue between employees.

Toros Agriculture

Roughly 12% of Tekfen employees work for Toros Agriculture. It follows a two-way communication strategy, again to boost employee satisfaction and loyalty. In 2019, Open Door Meetings were held at the companies' plants in regions outside Istanbul—part of which included talking with employees about human resources and individual issues.

Tekfen Agriculture

Once a year, Tekfen Agriculture organises meetings for all its employees, regardless of their position, title, or where they happen to be located. Representatives from each department as well as from Tekfen Holding update participants about what they're currently involved with in their respective areas of operation. In 2019, the Department of Human Resources conducted visits to employees at least once to ensure two-way communication. As of 2020, Tekfen Agriculture is planning to implement an 'open door policy', whereby it aims to give its employees immediate feedback where possible, as well as offer them solutions based around a plan of action. Employees can now e-mail their ideas to fikrimvar.tarim@tekfen.com.tr, 'I have an idea' as well as share them at the Innovation Club.

Tekfen Engineering

In 2019, Tekfen Engineering started to hold Communication Meetings, where all employees came together to be informed by business leaders. With these meetings, employees not only learn about the company's general strategies, successful works, current developments, and future plans but also find the opportunity to express their problems on an interactive platform.



³⁰ How to Create a Good Working Environment.



Occupational Health & Safety

Occupational Health and Safety (OHS) plays a significant role in providing competitive advantage, standing out across all of the sectors and becoming a preferred employer.³¹ Given that Tekfen operates in high-risk sectors like construction, it therefore places top priority on creating a healthy and safe work environment for all of its employees, contractors, subcontractors, and visitors. In order to achieve this, it maintains zero accident target across all levels. It aims to make a living culture out of OHS, and fully backs projects and activities that best embody that aim.

Tekfen has established and implemented an OHS management system that meets international standards. Tekfen Group Companies use the OHSAS 18001 Occupational Health and Safety Management System as a means of maintaining zero accident target. Tekfen Construction, Toros Agriculture, and Tekfen Manufacturing own the OHSAS 18001 Standard—which, in 2018, was upgraded to ISO 45001. Tekfen is planning to transition to ISO 45001 Occupational Health Safety Certificate by 2020.

OHS PERFORMANCE

Tekfen Group Companies' Health-Safety-Environment (HSE) teams manage their OHS and environmental management systems. Group Companies' OHS performances are further monitored and improved by the HSE-Q Coordinator at the holding level. As of 2019, Tekfen Holding employs 358 HSE and 58 healthcare professionals.³²

Daily and weekly field inspections, internal inspections and third-party inspections are carried out to ensure that all projects comply with management systems, regulations, and procedures. In 2019, Tekfen began auditing its quality and HSE management systems. It does so by outlining HSE strategies and a minimum set of requirements for all of its Group Companies, not the least of which includes inspecting potentially dangerous plants

around Turkey. Audits are carried out to inspect that projects comply with legal legislation, Tekfen's own HSE requirements, and each Group Companies' individual HSE requirements as well. HSE score cards are prepared for each plant. All audit findings likewise are reported to top plant, Tekfen, and affiliate management. The overall goal of the annual audits is to improve the HSE practices of potentially dangerous plants and workplaces.

Tekfen reported five fatal occupational accidents in 2019—all of which stemmed from subcontractors. This led Tekfen Contracting Group to comprehensively research the matter, as well as collaborate with project managers and senior operating managers at the head office on a workshop on the accidents that was held at its main office. The workshop led them to draft an HSE Improvement Plan that supports OHS culture, with a focus on behaviour-oriented occupational safety, occupational safety leadership, subcontractor management, and revising procedures. Tekfen has since implemented the plan with the intent of correcting its own actions.

As of 2019, Tekfen Holding employs 358 HSE and 58 healthcare professionals.



³¹Business benefits of Good OHS.

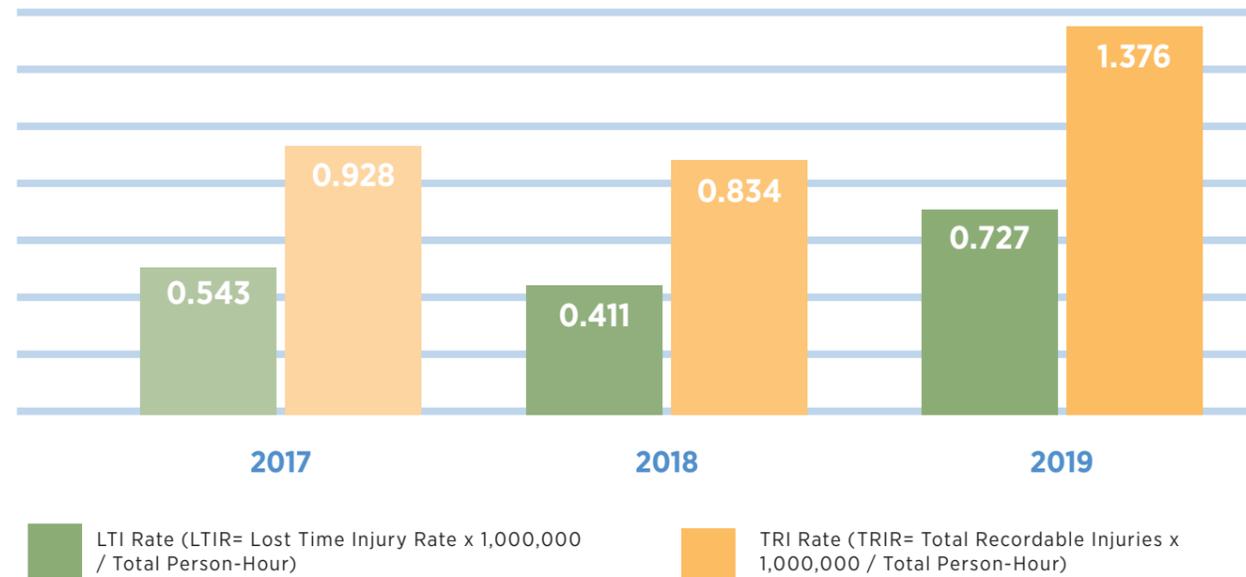
³²HSE employees of subcontractors are not included in this number.

2019 Contracting Group HSE Improvement and Action Plan



OHS Indicators	2017	2018	2019
LTI Rate (LTIR= Lost Time Injury Rate x 1,000,000 / Total Person-Hour)	0.543	0.411	0.727
TRI Rate (TRIR= Total Recordable Injuries x 1,000,000 / Total Person-Hour)	0.928	0.834	1.376
HSE Training Rate (HSE Training Person-Hour / Total Person-Hour) x 100	0.85%	1.15%	0.89%

■ Tekfen Group Occupational Health and Safety Performance Indicators



Tekfen Construction

- TEKFEN 9+1 Life Saving Rules were issued in 2019 to spread OHS culture among its employees, and inform them about various projects and other business issues. Each rule is promoted via a monthly campaign.
- In 2019, the HSE Department organised an occupational health and safety performance evaluation workshop for project and operational managers to voice and exchange their thoughts about what areas could be improved. The workshop resulted in a number of decisions being made.
- In 2019, Tekfen Construction organised a two-day executive HSE training seminar for mid-level and senior managers, including foremen, engineers, to which 334 people attended.
- Tekfen Construction launched its ‘Being in the Line of Fire’ campaign. Being on the line of fire is a widespread cause of many accidents. Part of the campaign included the distribution of posters and manuals, alongside a brief training session for all personnel.
- Tekfen Construction and affiliates have drawn upon the lessons they’ve learned from previous accidents and revised corporate HSE plans, policies, and procedures.



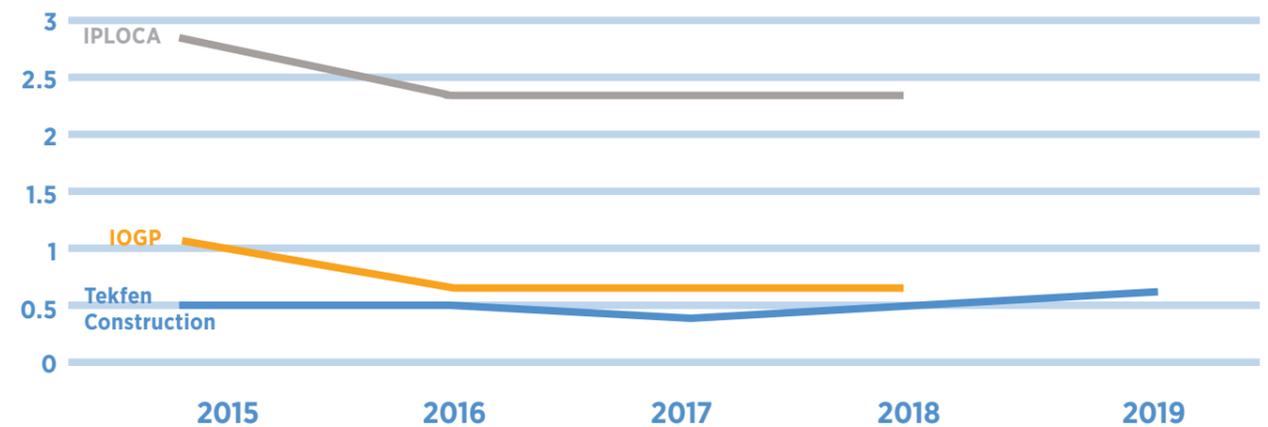
• In 2019, Tekfen Construction developed and began implementing a new project, the Tekfen 4.0. IoT. The International Pipelines and Offshore Contractors Association (IPLOCA)—one of the world’s most respected contractors—gave it a Health & Safety Award.

Tekfen Construction uses the internationally accepted lost time injury rate (LTIR) and the total recordable injury rates (TRIR) to measure the OHS performance.

Tekfen Construction periodically compares the performance of its own HSE Management System with that of both the International Association of Oil & Gas Producers (IOGP) and IPLOCA.



■ Tekfen Construction vs. IOGP and IPLOCA according to the Total Recordable Injury Rate (TRIR*)



*TRIR= $\frac{\text{Total Recordable Injury Rate (F+LWDC+RWC+MTQ x 1,000,000)}}{\text{Total Employee Number-Hour}}$

Toros Agriculture

- Toros Agriculture has launched its own 12 Life Saving Rules to raise employee awareness about workplace safety and risks, as well as to detect risks early and act upon them.
- In 2019, the Toros Occupational Safety Academy presented 270 white and blue-collar employees with a two-day OHS management training seminar. Among those who attended were managers, first line supervisors, and contractors from Toros’s Ceyhan, Samsun, and Mersin plants, TAYSEB, the bag factory, and Toros’ fueling stations. Forty-five people from various fields—and who had been dubbed OHS Champions or OHS Training Ambassadors—took part in a Trainers’ Training and OHS Leadership Programme. Employees also took part in Frontline Employee Training Seminar, in line with OHS Champions zero accident target. The goal of the seminar was to bring Tekfen’s frontline employees up to a certain standard competency-wise.
- Toros launched its Leading Indicator Notification System in 2019. The Occupational Safety Academy carried out activities to raise awareness among employee about the system. In order to ensure that they develop the skills necessary to properly use it, the Academy has launched a series of hands-on seminars.
- Toros Agriculture is taking steps in OHS, environmental management, and energy efficiency towards becoming a global model of good practices. Recently, the International Fertiliser Association (IFA) gave Toros Agriculture an Industry Stewardship Champion Award for its Benchmark and Analysis Platform. Toros uses the platform to regularly compare its own performance with its competition, as well as to ensure a continuous stream of improvement through sharing.

12 INDISPENSABLE RULES!

<p>PERSONAL PROTECTIVE EQUIPMENT Always use proper and complete Personal Protective Equipment during the job.</p>	<p>WORK PERMIT Participate in the risk assessment before starting work and be sure that a valid work permit is obtained.</p>	<p>CONFINED SPACE Be sure to perform proper Safe Entry measures before entering confined spaces.</p>
<p>WORKING AT HEIGHT Take proper precautions against the risk of falling before and while working at height.</p>	<p>SMOKING Do not smoke outside designated areas.</p>	<p>LOADING OPERATIONS Be careful of crane loads and do not pass underneath them.</p>
<p>WORKING WITH MACHINERY, EQUIPMENT, AND HAND TOOLS Use proper machinery, equipment or hand tools for the job and check them for safety before each use. Do not deactivate safety equipment.</p>	<p>HOUSE KEEPING Always keep your work area clean and tidy.</p>	<p>DRIVER AND PEDESTRIAN SAFETY Do not exceed speed limits and follow all safety rules when driving. Be careful of pedestrian road and safety routes.</p>
<p>ENERGY AND MACHINERY SAFETY (LOTO) Make sure all energy sources are de-energized and locked out prior to commencing work.</p>	<p>WORKING WITH HAZARDOUS CHEMICALS Before starting work, review the applicable Safety Data Sheet for chemicals and make sure the working conditions are met.</p>	<p>HOT WORK Check your work area for fire and explosion risks before working with high temperatures and be sure to take proper safety precautions.</p>

SAFETY STARTS WITH YOU!

TOROS OCCUPATIONAL SAFETY ACADEMY

TOROS AGRI
www.toros.com.tr



OHS TRAINING SEMINARS

Tekfen places tremendous value on offering its employees OHS training seminars to raise awareness about OHS, make OHS a part of Tekfen’s overall business culture, and to collectively achieve zero accident target. Tekfen treats all of its employees and subcontractors equally without discrimination. It moreover keeps track of their performance progress, and provides them with the opportunity to receive OHS training.

All of Tekfen Group Companies offer its employees regular training seminars. This also includes intensive training programmes for those working in high-risk sectors like construction. In 2019, Tekfen provided 688,602 person*hours of OHS training to both its own employees as well as those of its subcontractors.

In 2019, Tekfen Group Companies issued a safety manual for load lifting, as it comes with multiple potential

dangers. The manual informs readers on how to lift loads in a safe manner, thus preventing risks where possible across the board. Tekfen Group Companies also launched its Process Safety Model with the goal of promoting process safety. A short manual, Process Safety Directive, was also published to inform readers about the model.

Tekfen Group HSE Training	2017	2018	2019
Total Training Hours (person-hour)	591,986	1,008,379	688,602



Social Investments

Today, societies are expecting more from private sectors, including going beyond high profit to provide social benefit across their activities and collaborate with various communities for mutual benefit.³³

Tekfen has engaged in social, cultural and environmental conservation activities since day one—to the point that it has become an integral part of its corporate culture. A natural part of Tekfen's approach to management is sharing part of its corporate values with society through projects that contribute to education, social development, and art & culture.

Tekfen supports corporate responsibility projects both directly and through the Tekfen Holding and the Tekfen Foundation. Tekfen Group Companies also invest in social projects that are in accordance with their own goals and strategies. In 2019, Tekfen and the Tekfen Foundation invested TRY29,5 million worth in donations, special projects, and sponsorships to various education, culture-art, sports, and social benefit projects.

TEKFEN HOLDING

Training

Boğaziçi Lectures Feyyaz Berker Series

Boğaziçi Lectures has changed its name to Boğaziçi Lectures Feyyaz Berker Series following the support from the Tekfen Foundation. Boğaziçi University hosts philosophers and scientists from the world over in an attempt to create an international platform for public discussion on current social and scientific topics. To date, the series has welcomed numerous prominent scholars from various fields of study—the first of which (of the renamed series) being astrophysicist Feryal Özel. She is the only Turkish astrophysicist who, along 200 others scientists, captured the world's very first image of a black hole. On November 7, she held a seminar at Albert Long Hall titled 'The Secret behind Powehi, the First Black Hole Image'.

Tekfen Holding Boğaziçi Chronicles and Open Course Support

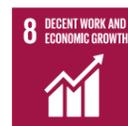
In 2019, Tekfen Holding supported BU+, including the Boğaziçi Chronicles and Open Course—both carrying the tagline Powered by Tekfen. Boğaziçi Chronicles is an international guest programme designed to foster the cultural life in Turkey. World-renowned theorists and culture & art experts reside at Boğaziçi University, attend to seminars and workshops, and give speeches and performances. Open Course is a series of seminars that brings Boğaziçi faculty members and various communities together. The goal of the programme is to promote scientific curiosity, free thought, and creativity across all levels of society. Now in its fourth year, Open Course is beginning to spread its wings beyond Istanbul thanks to support from Tekfen Holding. To date, 1,290 people have joined the Open Courses in the provinces of Malatya, Eskişehir, Beylikdüzü, and Ardahan. Tekfen will continue to support the project in 2020 and 2021.

Istanbul 2019 – National Forum of the European Youth Parliament

In 2019, Tekfen Holding sponsored the 3rd Istanbul 2019 – National Forum of the European Youth Parliament at Robert College. Twenty schools from Portugal, Italy, and Turkey attended the event between October 26 and 29.



³³Strategy and Society



Tekfen Holding is the main sponsor of Darüşşafaka Tekfen Basketball team.

Arts & Culture

Tekfen Holding is a member of the Istanbul Foundation for Culture and Arts' (IKSV)'s Board of Trustees, and has been supporting the foundation's many festivals across for many years.

16th İstanbul Biennial Special Project Sponsorship

Tekfen Holding has been supporting the Istanbul Biennial as a Special Project Sponsor since 2009, and plans to continue doing so for many years to come. Viewed as one of the most prestigious art organisations in the world, the Biennial serves to establish an international cultural network through arts circles both at home and abroad. The 16th İstanbul Biennial hosted as many as 451,387 visitors.

Sponsoring the 23rd İstanbul Theatre Festival and the İstanbul State Opera & Ballet

Tekfen Holding has been sponsoring local theatre groups through the İstanbul Theatre Festival since 2014. It has also been a sponsor of the İstanbul State Opera & Ballet since 2017.

Sports

Sponsoring the Darüşşafaka Tekfen Basketball Team

Tekfen Holding has been endorsing sports, namely as the Darüşşafaka Basketball Team's name sponsor since 2018. In 2019, Tekfen renewed its sponsorship agreement with the Black Panthers as well. During the 2018/2019 season, the Darüşşafaka Basketball A Team re-launched itself as the Darüşşafaka Tekfen Basketball Team, only to go on to play in both the Turkish Basketball Super League and the EuroCup League.

Social Benefit

Friends of AKUT (Search and Rescue Association | Turkish USAR Team) Programme

Tekfen Holding has been supporting the Friends of AKUT Programme since 2012. AKUT is one of Turkey's leading non-governmental organisation.



In 2019, Tekfen Group Companies and the Tekfen Foundation invested TRY29.5 million in donations, special projects, and sponsorships to various educational, arts & culture, sports, and social benefit projects.



Tekfen Philharmonic Orchestra at rehearsal

TEKFEN FOUNDATION

Education

Tekfen Foundation Scholarship

Since its founding in 1999, the Tekfen Foundation has been providing scholarships to high school and undergraduate students studying in Turkey. Its goal is to financially support children of Tekfen employees as well as all other applicants of Turkish nationality. To date, the Foundation has helped over 3,000 students' graduation—granting scholarships to 550 students in 2019. The Tekfen Foundation also offers scholarship holders the opportunity to intern at Tekfen, and to be mentored. Since 2005, the Tekfen Foundation has hosted gatherings to teach its scholarship recipients about Tekfen, and guide them down possible career paths.

Darüşşafaka Middle School Scholarship

The Tekfen Foundation has covered the four-year tuition of 24 freshman Darüşşafaka Middle School students upon signing a donation agreement with the Darüşşafaka Cemiyeti back in 2018. The Foundation maintains a close relationship with the students by regularly visiting and keeping close tabs on their progress, as well as by inviting them to take part in various Tekfen events.

Supporting the Education Reform Initiative

The Tekfen Foundation has been a corporate supporter of the Education Reform Initiative (ERI) since 2017, and plans to maintain that support until 2022.

Tekfen Foundation Music Scholarship

The Tekfen Foundation Music Scholarship was launched in 2019 on the Foundation's 20th anniversary. It aims to support highly skilled musicians in their studies so that they may join world-class orchestras around the globe—including the Tekfen Philharmonic Orchestra. In 2019, the Foundation held a two-tier election to select and give two students the chance to continue their studies abroad. The Foundation hopes to gradually raise that number to ten.

Arts & Culture

Tekfen Philharmonic Orchestra

The Tekfen Philharmonic Orchestra is an ambassador of culture and friendship that brings musicians from 23 countries along the Black, Caspian, and Eastern Mediterranean Seas together. The orchestra gives concerts in different cities within Turkey and around the world. It also organises Tekfen Philhar-mini, i.e. concerts for young people, with the goal of instilling in children a love for classical music from an early age. The Istanbul Music Festival has invited the Tekfen Philharmonic to serve as its Opening Concert Orchestra in between 2019 and 2022. An audience of 13,000 watched Tekfen Philharmonic's concert performances in 2019.

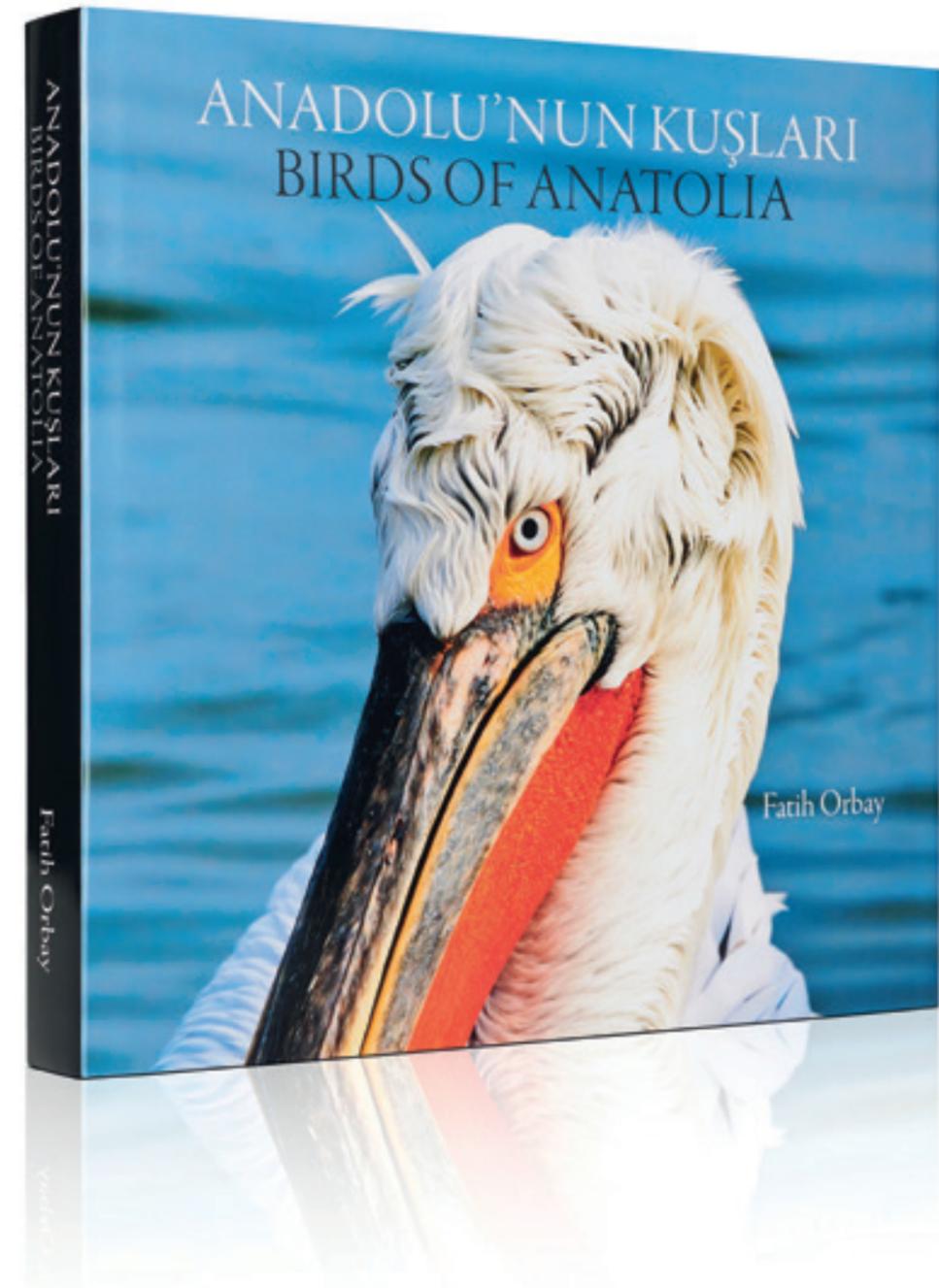
Birds of Anatolia

The Tekfen Foundation published The Birds of Anatolia in 2019, a sequel to its 2007 Flowers of Anatolia. The Birds of Anatolia documents Anatolia's extraordinary biodiversity, and contains photographs by award-winning nature photographer and documentary maker Fatih Orbay—including 373 photographs of 310 Anatolian and migratory bird species. Published in both Turkish and English, the book aims to draw attention to Anatolia's birds, and pass that natural wealth down to future generations.

Rural Development

Tekfen Foundation Microloan Branch

The Tekfen Foundation opened the Tekfen Foundation Soma Micro-Finance Branch immediately following the 2014 Soma mining disaster, which resulted in the deaths of 301 miners. Part of Turkey's Grameen Microfinance Programme, the branch aims to grant women, in particular the wives of the mining victims, a chance to earn their own income. The Foundation signed a protocol with the Turkish Foundation for Waste Reduction (TİSVA) in 2017, to open a second microfinance branch in Mersin. To date, 1,312 women—including 776 in Soma and 536 in Mersin— have been allocated microloans within the scope of the programme, which aims to support women from both regions wishing to contribute to the economy of their families.



TEKFEN CONSTRUCTION

Environment

Zero Waste Training

Tekfen Construction has—through its TANAP (Trans Anatolian Natural Gas Pipeline Project) Compressor and Measurement Stations Project—taught children and super intendants from eight schools in Damal, Ardahan about waste management in order raise local awareness about zero waste practices.

Rehabilitating Old Quarries

Tekfen Construction has rehabilitated a former 22-acre quarry in Vize, Kırklareli that, until recently, was being used as a landfill. This was accomplished using 100,000 m³ of surplus soil that had been excavated during the construction of the TurkStream Terminal Project. As soon as the site had been up and fertilised, Tekfen then held a tree-planting festivity, where it invited official institutions, non-governmental organisations, schools and locals to plant 3,000 saplings, including 2,000 cedar trees.

Arts & Culture

Küllüoba Mound

Tekfen Construction first began supporting archaeological work at the Küllüoba Mound in Eskişehir in 2009 by donating the excavation team a prefabricated shelter. Construction on the TANAP in the vicinity led Tekfen to revisit and extend its support to the site once more. Küllüoba Mound is located 35 km southeast of Eskişehir, close to the district of Seyitgazi. For archeologists, it holds an important place in the pre-history of Anatolia. Tekfen provided the 35-person team (as of 2017/19) with sustenance, upgraded their prefabricated shelter (used as an excavation tent) in 2019, supplied them with storage units, constructed a terrace around the mound, and erected fences around the excavation site itself.

Tekfen Construction's support of the archaeological excavation of the Küllüoba Mound near Eskişehir continued in 2019.



Küllüoba Mound

Social Benefit

Summer School

Tekfen Construction, as part of its TANAP Compressor and Measurement Stations Project, built a summer school in the village of Sarıcalı, Çanakkale with the intention of fostering a love of the arts and culture in children. The IPLOCA gave the project a Corporate Social Responsibility Award in 2019.

TOROS AGRICULTURE

Training

Toros Agriculture Schools

Toros Agriculture is building schools close to its own production plants. It aims to foster highly educated youth—i.e. the future of Turkey. To date, Toros and the Tekfen Foundation have funded Toros Agriculture Anatolian High School (1997), the Toros Agriculture Elementary School in Kurtpınarı, Ceyhan (1998), the Toros Agriculture Necati Akçağlılar Elementary School in Sarımazı (2012), and the Toros Agriculture Necati Akçağlılar High School in Tekkeköy, Samsun (2013)—which, as of 2013, is attended by nearly 1,700 students. Toros Agriculture continues to cater for the various needs of these schools.

Supporting Agriculture

Farmer Training Bus and Mobile Technical Team Project

Toros Agriculture is continuing to run its Farmer Training Bus (Farmer's Academy) and Mobile Technical Team Project, which it launched in 2018 and 2019. Both aim to teach farmers about accurate and balanced fertilisation, thereby boosting their level of productivity and prosperity. More so, they target farmers who are customers of Toros Agricultural dealers, and aim to inform them about how to manage plant nutrition thanks to field visits by academics and Toros's technical marketing team. In 2019, Toros reached out to 1,763 farmers one-on-one, and an additional 9,000 farmers through mass seminars and meetings. In 2019, the Farmer Training Bus had clocked 75,000 km.

Toros Farmer Application

Toros Farmer is a farmer-friendly decision support application that you can download free of charge onto your computer, smartphone, or tablet. Toros Agriculture launched the app in 2016 to offer those in agricultural sector the chance to benefit from the latest technology. The app draws upon weather

TEKFEN AGRICULTURE

Supporting Agriculture

Alanar – Supporting Women's Employment

Alanar Fruit has launched a project where it purchases handmade muslin, embroidery, and bags from women trying to earn a living for themselves. They are paid the equivalent of a minimum monthly salary. One hundred and twenty women joined the programme during its first year. Their products were shipped to 1,500 people for promotional purposes, in part to raise Alanar's profile. The project supports 6 to 15 women per month, in other words close to 120 women per year.

Intervention Tool for Pesticide Applications (PUMA)

In 2019, Alanar Fruit launched PUMA, a project that aims to prevent farmers from misusing pesticides by teaching them about sustainable agriculture. Two additional goals of the project include eliminating the economic damage caused by pesticide misuse (a key international criterion for food safety), and boosting Turkey's potential as an exporter. Alanar PUMA is simultaneously a mobile laboratory that travels around Turkey and trains farmers as well as examines their products.

4

Appendix

Tekfen Group Companies continue their sustainability journeys by monitoring their environmental, social, and economic impacts.



PERFORMANCE INDICATORS

■ Environmental Performance Indicators³⁴

GREENHOUSE GAS EMISSIONS (tons of CO ₂ e)	2017	2018	2019
Scope 1 Emissions	796,410	899,828	1,015,149
Scope 2 Emissions	39,888	38,821	41,114
Scope 3 ³⁵ Emissions	148,685	183,930	3,847,234
Scope 1 and 2 Emissions (Total)	836,298	938,649	1,056,262

Emission Intensity (tons of CO ₂ e)	2017	2018	2019
Emission Intensity (tCO ₂ e/million USD turnover)	421	407	430
Emission Intensity (tCO ₂ e/number of employees)	46	49	62

ENERGY PRODUCTION (MWh)	2017	2018	2019
Heat Generation	121,699	137,770	646,730
Renewable Energy Production (Waste Heat & Solar Energy)	183,050	221,293	226,702
Diesel-Generated Electricity	15,481	32,967	115,168
Total Amount of Electricity Produced	198,531	254,259	341,870
Electricity Sold	53,775	79,036	91,744

³⁴ Overseas operations, Gönen Energy and Hishtil-Toros Seedling were included in the environmental data in 2019.

³⁵ Emissions resulting from business travel, employees commuting to/from work, waste, leased assets, and purchased fuel are included under the 2017 and 2018 Scope 3 emissions. 2019 includes the aforementioned emission sources alongside those stemming from construction materials production (Tekfen Contracting), transporting products (Toros Agriculture and Tekfen Agriculture), transporting raw materials (Toros Agriculture), ammonia used in fertiliser production, electricity consumption (Toros Agriculture), acquiring used fuels, using fertiliser (Toros Agriculture) and losses in purchased electricity.

ENERGY CONSUMPTION (MWh)	2017	2018	2019
Natural Gas	70,503	48,785	69,558
Coal	10,168	17	16,987
Fuel Oil	0.26	193	272
LPG	41,027	4,506	1,110
Diesel (Fixed Plants)	15,481	32,967	115,168
Diesel (Vehicle/Equipment)	147,257	83,203	508,125
Gasoline (Vehicle)	4,498	1,066	14,930
LNG	-	43,250	34,006
CNG	-	-	1,742
Total Fuel Consumption	288,935	213,987	761,899
Total Amount of Electricity Purchased	77,909	77,321	88,520
Renewable Energy Consumption (Waste Heat & Solar Energy)	129,276	142,257	134,958
Total Energy Consumption	496,120	433,565	985,376

AMOUNT OF WASTE (Tons)	2017	2018	2019
Total Amount of Hazardous Waste	1,021	1,561	1,529
Total Amount of Non-Hazardous Waste	6,402	12,379	101,397
Amount of Recycled Non-Hazardous Waste	3,105	5,498	17,799

WATER DATA (Megalitres)	2017	2018	2019
Total Amount of Water Withdrawal	114,605	126,290	106,629
Total Amount of Water Consumed	4,324	6,495	10,063
Total Amount of Water Discharged	110,281	119,795	96,566
Reused Water	1,327	1,576	3,012

AMOUNT OF WATER WITHDRAWAL BY SOURCE (Megalitres)	2017	2018	2019
Surface Waters (Fresh Water)	667	2,122	1,974
Surface Water (Saltwater)	106,111	115,386	80,317
Ground-water	4,223	4,582	18,520
Produced Water	3,372	3,891	86
Third Party Sourced Water	233	309	5,732

WASTEWATER DISCHARGE (Megalitres)	2017	2018	2019
Surface Water (Fresh Water)	749	260	705
Surface Water (Saltwater)	109,365	119,063	94,639
Groundwater	4	163	773
Third Party	165	309	450

■ Social Performance Indicators

NUMBER OF EMPLOYEES BY GENDER & CATEGORY	2017		2018		2019	
	Female	Male	Female	Male	Female	Male
Number of White-Collar Employees	556	2,944	641	3,388	572	2,956
Number of Blue-Collar Employees	29	5,049	20	5,498	22	3,063
Number of Employees under Collective Bargaining Agreement	37	3,657	34	3,615	0	887
Total Number of Employees (By Gender)	585	7,993	661	8,886	594	6,019
Total Number of Employees	8,578		9,547		6,613	

NUMBER OF EMPLOYEES BY GENDER & AGE	2017		2018		2019	
	Female	Male	Female	Male	Female	Male
Under 30 years old	161	1,362	204	1,802	152	1,169
Between 30-50 years old	354	5,416	390	5,699	378	3,946
Above 50 years old	70	1,215	67	1,385	64	904

NUMBER OF EMPLOYEES BY YEARS OF EXPERIENCE	2017		2018		2019	
	Female	Male	Female	Male	Female	Male
Employees working between 0 and 5 Years	438	5,897	494	6,776	415	4,420
Employees working between 5 and 10 Years	57	833	65	809	86	615
Employees working more than 10 Years	90	1,259	102	1,301	93	984

NUMBER OF EMPLOYEES IN TOP MANAGEMENT BY GENDER & AGE	2017		2018		2019	
	Female	Male	Female	Male	Female	Male
Above 50 years old	16	114	17	131	17	145
Between 30-50 years old	37	223	36	245	43	264
Under 30 years old	1	12	8	9	7	7

NUMBER OF EMPLOYEES ON PARENTAL LEAVE AND WHO HAVE RETURNED FROM THE LEAVE	2017		2018		2019	
	Female	Male	Female	Male	Female	Male
Number of Employees on Parental Leave	11	43	10	50	10	28
Number of Employees Who Have Returned from Maternity/Paternity Leave	8	43	7	50	7	28

NUMBER OF EMPLOYEES WITH DISABILITIES BY GENDER	2017		2018		2019	
	Female	Male	Female	Male	Female	Male

Number of Employees with Disabilities	27	176	21	198	13	79
---------------------------------------	----	-----	----	-----	----	----

NUMBER OF EMPLOYEES RECRUITED BY GENDER & AGE	2017		2018		2019	
	Female	Male	Female	Male	Female	Male

Under 30 years old	127	1,316	108	1,225	44	542
Between 30-50 years old	113	4,163	132	4,304	74	2,460
Above 50 years old	32	617	12	638	11	170
Total Number of Employees Hired during the Year	272	6,096	252	6,167	129	3,172

NUMBER OF EMPLOYEES SUBJECT TO PERFORMANCE EVALUATION BY GENDER	2017		2018		2019	
	Female	Male	Female	Male	Female	Male

Number of Employees Subject to Performance Evaluation	141	435	254	765	375	1,011
---	-----	-----	-----	-----	-----	-------

NUMBER OF EMPLOYEES LEFT BY GENDER & AGE	2017		2018		2019	
	Female	Male	Female	Male	Female	Male

Above 50 years old	9	864	13	807	10	234
Between 30-50 years old	48	1,137	101	3,207	78	2,195
Under 30 years old	61	2,989	59	1,357	64	928
Total Number of Employees Leaving the Job during the Year	118	4,990	173	5,371	152	3,357

The following information belongs to the Occupational Health and Safety and the Economic Indicators tables on the adjacent page:

³⁶ Covers domestic and international projects and businesses for activities considered high-risk in terms of job security, as well as data on subcontractors. All training seminars are given to employees and subcontractors under one of three heading: Health, Safety and Environment (HSE).

³⁷ Includes Tekfen Holding and all Group Companies.

³⁸ Includes dividends, interest revenues, sale of assets and rent income.

³⁹ Includes dividends, interest revenues, sale of assets and rent income.

⁴⁰ Includes donations and sponsorships.

⁴¹ Economic Value Retained is calculated as follows= Revenues - (Expenses + Social Investments).

⁴² Investment Expenditures: Audit Report - 4c is taken as a point reference.

Occupational Health & Safety Indicators³⁶

	2017	2018	2019
Total Person-hours Worked (Including Subcontractors)	70,016,696	87,488,373	77,054,705
Fatal Accidents (F)	0	6	5
Lost Workday Case (LWDC)	38	30	51
Restricted Work Case (RWC)	3	14	11
Medical Treatment Case (MTC)	24	23	39
Occupational Illness (OCC)	2	6	12
Lost-Time Injuries (LTI= F+LWDC)	38	36	56
Total Recordable Injuries (TRI= F+LWDC+RWC+MTC)	65	73	106
LTI Rate (LTIR= Lost Time Injury Rate x 1,000,000 / Total Person-Hour)	0.543	0.411	0.727
TRI Rate (TRIR= Total Recordable Injuries x 1,000,000 / Total Person-Hour)	0.928	0.834	1.376
HSE Training Rate (HSE Training Person-Hour/ Total Person-Hour) X100	0.85%	1.15%	0.89%
HSE Training Rate (Person-Hour)	591,986	1,008,379	688,602

Economic Indicators³⁷

ECONOMIC DATA (thousand TRY)	2017	2018	2019
Total Revenue ³⁸	7,618,985	12,347,996	14,791,025
Operating Expenses ³⁹	7,013,483	11,212,895	13,503,410
Community Investments ⁴⁰	7,592	9,217	15,463
Economic Value Retained ⁴¹	597,910	1,125,884	1,272,152
Investment Expenditures ⁴²	232,731	261,961	291,784

COMMUNICATION METHODS WITH STAKEHOLDERS

	STAKEHOLDER GROUP	COMMUNICATION METHODS	
	EMPLOYEES	Satisfaction surveys, internal magazine (T-Bulletin), intranet portal, events, OHS board meetings, annual reports, website, stakeholder analysis	
	PUBLIC INSTITUTIONS	Meetings and conferences, annual reports, website, stakeholder analysis, T-Bulletin	
	BUSINESS AND SOLUTION PARTNERS	One-to-one interviews, annual reports, website, stakeholder analysis, T-Bulletin	
	SUPPLIERS	One-to-one interviews, audits and training seminars, annual reports, website, stakeholder analysis, T-Bulletin	
	ASSOCIATIONS, UNIVERSITIES, MEDIA AND NGOS	Collaborations, participation in meetings and working groups, seminars and conferences, annual reports, website, stakeholder analysis, T-Bulletin	
	SHAREHOLDERS, INVESTORS, AND ANALYSTS	General Assembly Meetings, special case statements, press releases, one-to-one meetings and correspondence, conferences, periodical information, annual reports, website, stakeholder analysis, T-Bulletin	
	CUSTOMERS	One-to-one interviews, annual reports, website, stakeholder analysis, T- Bulletin	

AWARDS & RECOGNITIONS



2019

- Tekfen Holding - CDP (Carbon Disclosure Project)-CDP Turkey's Climate Leaders and CDP Turkey's Water Leaders
- Tekfen Holding - Turkey Women Directors Conference - Women Empowered Board Award
- Tekfen Construction Saudi Arabia - Yanbu Jeddah Pipeline Project - 7 million person-hours of worked and 10 million kilometre-distance covered without a lost time injury
- Tekfen Construction Qatar - Al-Thumama Stadium Project - 10 million person-hours worked without a lost time injury
- Tekfen Construction Turkey - TurkStream Receiving Terminal Project 5 million person-hours worked without a lost time injury
- Tekfen Construction Kazakhstan - Tengizchevroil (TCO) Projects - 10 million person-hours of worked and 20 million kilometre-distance covered without a lost time injury
- Tekfen Construction Qatar - North Highway, Side Roads and Additional Junctions Project - 31 million person-hours of worked without a lost time injury
- Tekfen Construction (Real Estate) - ISBS2019 Sustainability Award - Best Sustainable Applications Competition - Sustainable Building - Housing - First Prize
- Tekfen Construction IPLOCA (International Pipelines and Offshore Contractors Association) - Tekfen 4.0. Health & Safety Award for IoT
- Tekfen Construction IPLOCA (International Pipelines and Offshore Contractors Association) - Corporate Social Responsibility Award for Summer School
- Toros Agriculture - IFA (International Fertiliser Association) Protect & Sustain Certificate - 'Excellence'
- Toros Agriculture - IFA (International Fertiliser Association) - Industry Good Practice Ambassador - Gold Medal
- Toros Agriculture - Atlas Logistics Awards - Contribution to Logistics Award
- Tekfen Agriculture - International Taste Institute - Two Golden Star Flavour Certificates (Cherry)

GRI CONTENT INDEX

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. The service was performed on the Turkish version of the report.



GRI Standard	Disclosure	References
GRI 101: Foundation 2016		
General Disclosures		
	Organizational Profile	
	102-1	8
	102-2	17-18
	102-3	http://www.tekfen.com.tr/english/contact_us.asp
	102-4	17-18
	102-5	http://tekfen.com.tr/pdf/en/2019annual/FR2019-en.pdf
	102-6	17-18
	102-7	17-18, 41
	102-8	106-107
GRI 102: General Disclosures 2016	102-9	38
	102-10	18
	102-11	45
	102-12	43
	102-13	43
	Strategy	
	102-14	10-14
	102-15	27

GRI Standard	Disclosure	References
General Disclosures		
	Ethics and Integrity	
	102-16	45
	102-17	45
	Governance	
	102-18	42
	102-19	29
	102-20	29
	102-36	http://www.tekfen.com.tr/english/investor.asp?n=1&p=22
	Stakeholder Engagement	
GRI 102: General Disclosures 2016	102-40	111
	102-41	106
	102-42	30
	102-43	30
	102-44	32
	Reporting Practices	
	102-45	38
	102-46	32
	102-47	34-35
	102-48	OHS and social indicators have been updated as a part of the corrections made in data keeping. Economic data changed in line with the new categorization.
	102-49	None

GRI Standard	Disclosure	References
General Disclosures		
GRI 102: General Disclosures 2016	102-50	8
	102-51	8
	102-52	8
	102-53	8
	102-54	8
	102-55	114-120
	102-56	No external assurance
GRI 200: Economic Standard Series		
Economic Performance		
GRI 103: Management Approach 2016	103-1	38
	103-2	38
	103-3	38
GRI 201: Economic Performance 2016	201-1	40-41
Anti-Corruption		
GRI 103: Management Approach 2016	103-1	46
	103-2	46
	103-3	46
GRI 205: Anti-Corruption 2016	205-2	46
	205-3	46

GRI Standard	Disclosure	References
GRI 300: Environmental Standard Series		
Energy		
GRI 103: Management Approach 2016	103-1	58, 59
	103-2	58 - 63
	103-3	58 - 63
GRI 302: Energy 2016	302-1	104, 105
	302-4	63
Water and Effluents		
GRI 103: Management Approach 2016	103-1	64
	103-2	64
	103-3	64
GRI 303: Water and Effluents 2018	303-1	64
	303-2	64
	303-3	105
	303-4	106
	303-5	105
Emissions		
GRI 103: Management Approach 2016	103-1	58, 59
	103-2	58 - 63
	103-3	58 - 63

GRI Standard	Disclosure	References
GRI 305: Emissions 2016	305-1	104
	305-2	104
	305-3	104
	305-4	104
	305-5	63
Effluents and Waste		
GRI 103: Management Approach 2016	103-1	67
	103-2	67
	103-3	67
GRI 306: Effluents and Waste 2016	306-2	105
Environmental Compliance		
GRI 103: Management Approach 2016	103-1	58, 59
	103-2	58, 59
	103-3	58, 59
GRI 307: Environmental Compliance 2016	307-1	There is no environmental fine in 2019.
GRI 400: Social Standard Series		
Employment		
GRI 103: Management Approach 2016	103-1	80-86
	103-2	80-86
	103-3	80-86
GRI 401: Employment 2016	401-1	80, 108
	401-2	80, 81
	401-3	107

GRI Standard	Disclosure	References
Occupational Health and Safety		
GRI 103: Management Approach 2016	103-1	88, 89
	103-2	88, 89
	103-3	88, 89
GRI 403: Occupational Health and Safety 2018	403-1	88
	403-2	88, 90
	403-3	88 - 90
	403-4	88, 90
	403-5	93
	403-6	88
	403-7	88, 89
	403-8	88, 109
	403-9	109
	403-10	109
Training and Education		
GRI 103: Management Approach 2016	103-1	84, 85
	103-2	84, 85
	103-3	84, 85
GRI 404: Training and Education 2016	404-1	85
	404-2	85
	404-3	82

GRI Standard	Disclosure	References
Diversity and Equal Opportunity		
GRI 103: Management Approach 2016	103-1	80
	103-2	80
	103-3	80
GRI 405: Diversity and Equal Opportunity 2016	405-1	107

For more information or comment, please contact
Tekfen Holding Sustainability Group Directorate
 surdurulebilirlik@tekfen.com.tr

Consulting
S360

Content
Tekfen Holding Sustainability Group Directorate

Editor
Kurumsal Yayınlar

Design
Daniska Contemporary Design

Coordination
Tekfen Holding Corporate Communications and Sustainability Group Directorate

