

# 2021

## Sustainability Report



A Sustainable Future Empowered  
by 40 Years of Success





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## SUSTAINABILITY MANIFEST

We dream of a world,  
Where we can play a part, and even inspire positive change...  
Where we can look at today with happiness and pride,  
and tomorrow with hope and confidence...

**We work with great drive**  
and a keen awareness of our social responsibility to  
make this dream come true.

**We embrace sustainability as a guiding principle**  
to add value to the world with financial, social, environmental,  
and cultural benefits.

**We focus on innovation;**  
we shape our solutions and business models according to current  
conditions and transcend time with digital breakthroughs.

**We aim to continuously improve the welfare**  
of our home country and operating countries and increase the quality of  
life without compromising occupational health and safety - one of our  
core principles.

**We value nature,**  
we preserve our natural resources for future generations, reduce waste  
and increase efficiency, support the circular economy, and implement  
projects that will reduce our environmental footprint.

At Çalık Holding, we focus on people  
**and prioritize initiatives that positively impact human life.**

**We uphold equality and justice,**  
regardless of religion, language, race, or gender.

We believe that a more livable future is in our hands.

And we know that every step we take with a heartfelt commitment to  
our sustainability principle equates to  
**VALUE FOR LIVES, VALUE FOR THE FUTURE!**

**Today, we are in different countries and continents  
with our activities that have been continuing with a  
focus on creating value for the world since 1981.**

We are transferring our 40 years of experience to the  
future with a multinational workforce of more than 14  
thousand employees across a wide geography.

At Çalık Group, we have embraced our core values  
from day one. Since the beginning, we have closely  
monitored the latest developments globally and  
created our own innovation culture, while safeguarding  
our business, society, and the world. We have also  
focused on the concept of sustainability from the  
very start. We carry out a wide range of efforts  
that will add value to people and the world with our  
sustainable investment strategy.

## FOR CREATING LASTING VALUE

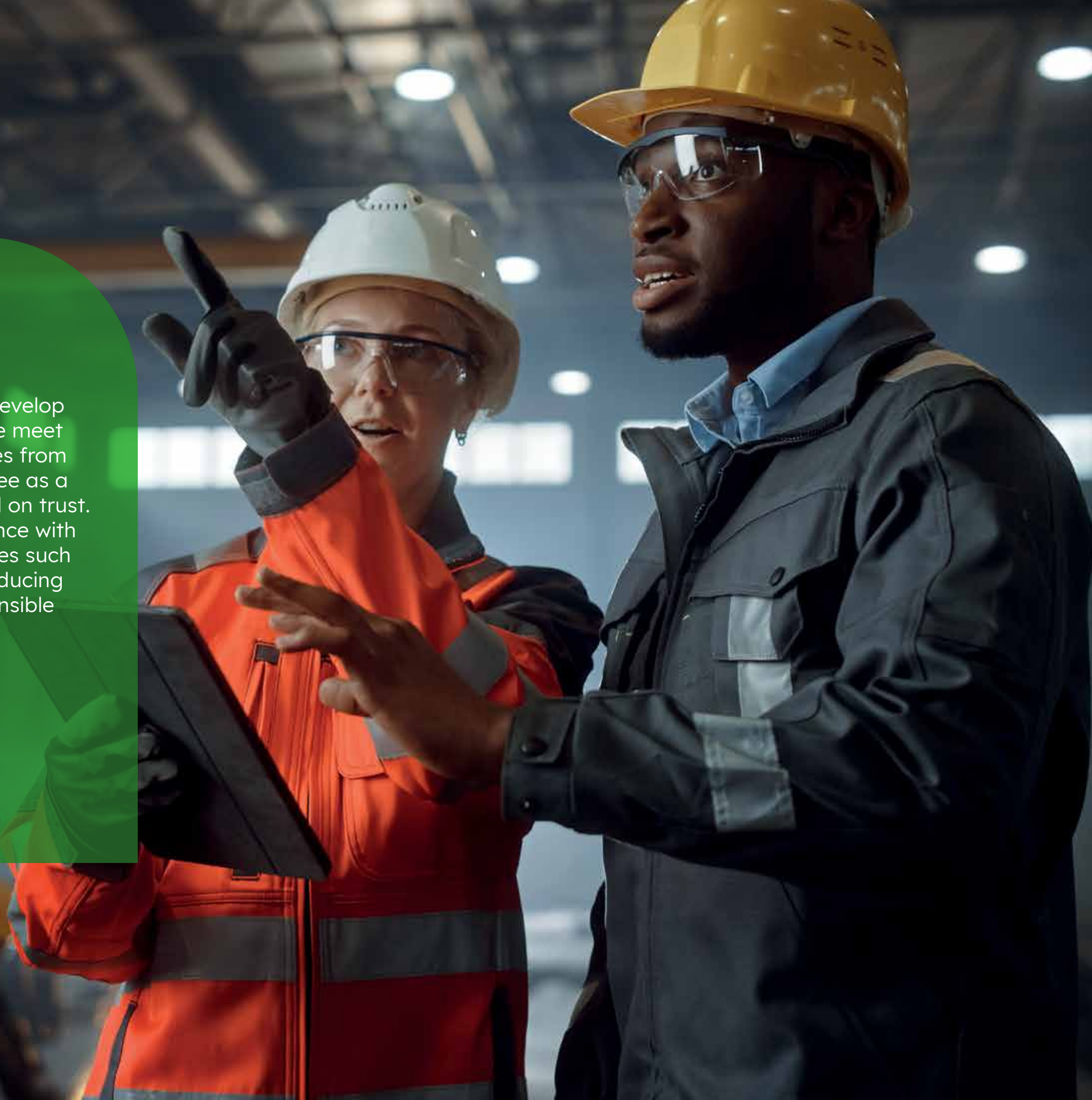
Life is renewing and changing every day. Çalık Group is moving forward with its diversified portfolio of companies in line with its sustainable success objective by adapting to the present and the future. Every day, we are building a new future based on our corporate values across the Group. Çalık Group is a change leader with its forward-looking business model that puts innovation at the center.





## FOR TOUCHING HUMAN LIFE

For 40 years, Çalık Group has strived to develop solutions that add value to human life. We meet with our more than 14 thousand employees from different nationalities, each of whom we see as a family member, in the same language based on trust. We constantly expand our sphere of influence with our human-centered initiatives on key issues such as fostering regional development and reducing inequalities in line with our socially responsible approach.







## FOR SOCIAL DEVELOPMENT

In the geographies where we operate, we are interconnected with different societies and strive to live as an integral part of them. We are committed to supporting efforts that will benefit society. In particular, we support the issue of gender equality, and bolster the dynamics of social development in this important area by ensuring the employment of women.





## FOR A SUSTAINABLE FUTURE

In recent years especially, the world has started to clearly see the real impacts of climate change. Important tasks fall upon everyone to reduce such impacts and to make our world more livable. With our innovative approach, we develop environmentally friendly solutions at each of our companies and raise society's awareness regarding the future of our world.





# Integrated thinking and reporting approach

Based on GRI core standards, Çalık Holding's Sustainability Report presents the use of six capitals and the dimensions of value creation in line with the integrated thinking and reporting approach.

## ABOUT THE REPORT

Gathering its commercial activities which started in 1981, under the roof of Çalık Holding in 1997, the Group carries out its operations in a wide geography covering 31 countries in Central Asia, the Middle East, Africa, the Balkans and East Europe. Çalık Holding operates in sectors of energy, construction, finance and banking, textile, mining, telecommunication and digital sectors with more than 14 thousand employees.

As part of its sustainability approach, Çalık Holding strives to integrate its corporate values and core sustainability principles in all its business practices and operations.

Based on GRI core standards, Çalık Holding's Sustainability Report presents the use of six capitals and the dimensions of value creation in line with the integrated thinking and reporting approach.



**14 thousand+**  
Employees

As part of its sustainability approach, Çalık Holding strives to integrate its corporate values and core sustainability principles in all its business practices and operations.

General information on the company and details on the essential approach are provided in the introduction section of the report. Within the framework of the company's sustainability approach, the social, environmental, and economic dimensions and the governance to provide the environment that will realize these dimensions are presented under headings.

Regular meetings were held with the Board of Directors during the preparation of the Çalık Holding Sustainability Report. Information about the report's progress and findings were shared while opinions and recommendations were received from board members at these meetings.

This report covers all business activities of Çalık Holding.





# Solutions that add value to human life

Since the day we were founded, we have always positioned sustainability as one of our most important corporate values, with the sense of responsibility given by our principle of producing solutions that will add value to human life.

## MESSAGE FROM THE CHAIRMAN

Dear Stakeholders,

The biggest global development over the past two years is the Covid-19 pandemic. Prompting countries to take extraordinary actions, the pandemic continued to demonstrate its impact in 2021 with sharp price increases in commodities and logistics due to supply shortages. While our country has navigated the pandemic in an effective way, the impact of these global price rises started to be reflected in leading economic indicators as of the second half of 2021.

As Çalık Group, we effectively navigated the turbulence of 2021 in terms of our financial and operational performance. With our deep-rooted corporate business approach and the strength we get from our value of agility, we closely monitored the impacts of global developments in all regions and sectors we operate. Grounded by our strong financial structure, we implemented any necessary actions in a timely manner, and we continue to do so. In addition to our current geographies that include Turkey, Central Asia, the Middle East and the Balkans, we have significantly expanded our operations in Africa particularly in energy, and also in mining, contracting, and finance. We plan to continue our focus on the African market in the coming year.



**19.9**  
TL Billion  
Net Sales

We embrace the United Nations Sustainable Development Goals as a guide for what needs to be done to ensure a livable world by 2030. With this approach, we operate the companies in our portfolio with an innovative perspective that puts customer satisfaction at the center and that adheres to sustainability principles, ethical codes of conduct, and the Holding's values.

We maintained our growth momentum while successfully conducting our existing business operations. In 2021, we boosted our consolidated revenues in dollar terms by 23% compared to the previous year. Meanwhile, our profitability figures also trended in a positive direction. We enter 2022 well-prepared for the global economic volatility that lies ahead. While creating value in every aspect of our extensive operations, we further bolster our financial structure with effective balance sheet management.

Since the day we were founded, we operate in awareness of the responsibility granted to us and adhere to our principle of producing solutions that will add value to human life. We have always positioned sustainability as one of our most important values. Leaving our 40th anniversary year, we rose to prominence as a leader and strong player in our core business areas thanks to our well established corporate structure, rich corporate culture, high-quality human resources, pioneering ventures, innovative approaches, and effective strategies. We are actively pursuing sustainable growth across all our business lines.

We embrace the United Nations Sustainable Development Goals as a guide for what needs to be done to ensure a livable world by 2030. With this approach, we operate the companies in our portfolio with an innovative perspective that puts customer satisfaction at the center and that adheres to sustainability principles, ethical codes of conduct, and the Holding's values.

In all our projects, we contribute to the economies of our expansive operating geography while also implementing social projects to boost the value created for all our stakeholders. As Çalık Group we contribute to the regional economy with generating employment opportunities for the local community, as well as working with local companies in our supply chain.

In the coming year, we will continue to implement practices that will further advance our economic, social, environmental, and governance performance in line with United Nations Sustainable Development Goals. In our priority value areas, we constantly monitor our progress with our effective and sustainable organizational structure and strong corporate governance.

In our 2021 Sustainability Report we share our milestones on our sustainability journey with an ongoing commitment to continuous development, and we thank all our stakeholders who are together with us on this journey.

Best regards,

**Ahmet ÇALIK**  
Chairman





# Global business activities with more than 14 thousand employees

Çalık Holding operates in seven industries: energy, construction, finance and banking, textile, mining, telecommunication, and digital, and it's widely known for its solid reputation, reliability, robust financial structure, and long-term collaborations with global companies.

## ÇALIK HOLDING IN BRIEF

Maintaining its consistent growth performance since its founding in 1981, Çalık Holding operates in 31 countries with more than 14,000 employees in seven industries, including energy, construction, finance and banking, textile, mining, telecommunications, and digital.

As part of its international operations, Çalık Holding, which derives most of its income from international projects and investments, has equity partnerships with large-scale and well-known public companies such as Mitsubishi Corporation, SECOM, SSR Mining and Sand Storm, and long-standing business and solution partnerships with General Electric, Honeywell, Siemens. The Holding also closely cooperates with international financial institutions and export lending agencies such as JBIC, JICA, HERMES and UKEF. Çalık Holding is the first Turkish company to be invited to become a member of the Japanese Business Federation Keidanren.

Çalık Holding's main goal is to treat all cultures, beliefs, ethnicities, and genders equally by prioritizing diversity, sustainability and solidity in all sectors and geographies where it operates.

Throughout its operations across the world, Çalık Holding is widely known for its solid reputation, reliability, robust financial structure and long-term collaborations with global companies. The Holding develops innovative business models and moves forward in



# 31

Countries of Operation

Çalık Holding has equity partnerships with large-scale and well-known public companies such as Mitsubishi Corporation, SECOM, SSR Mining, and Sand Storm, and also has ongoing business and solution partnerships with General Electric, Honeywell, and Siemens.

its diversified business lines by pursuing sustainable growth. Dedicated to creating lasting value in every geography where it operates, Çalık Holding realizes pioneering business and social initiatives via its business processes, services and products developed with a sustainability approach.

### Business Areas

Operations in seven sectors including energy, construction, finance and banking, textile, mining, telecommunication, and digital

### Goals

- To rank among the leading players in all industries in which the Group operates, with strong and reliable brands
- To achieve sustainable growth through innovative investments

### Competitive Advantages

- Deep expertise and know-how
- Reliability associated with the "Çalık" brand across all its businesses
- Dynamic, innovative management understanding
- Top priority given to employee satisfaction
- Consistent growth with prudent investment decisions
- Strong, long-term partnerships in international markets
- Strategies aimed at delivering customer satisfaction beyond expectations
- Continuously renewing while achieving breakthroughs
- Ongoing investments in digital transformation





## ÇALIK HOLDING IN BRIEF

Gathering its commercial activities which started in 1981 under the umbrella of Çalık Holding in 1997, Çalık Group carries out its operations in wide geography covering 31 countries in Central Asia, the Middle East, Africa, the Balkans, and Eastern Europe.

### ENERGY



ÇALIK ENERJİ

**Çalık Enerji**, operates in wide geography including the Middle East, Central Asia, Africa, and the Balkans in the fields of EPC power systems, renewable energy investments, electricity, and natural gas distribution. With an agreement made in 2015, the 20-year collaboration between Mitsubishi Corporation and Çalık Enerji turned into a partnership.



YEDAŞ

**Yeşilirmak Elektrik Dağıtım A.Ş. (YEDAŞ)** was founded in 2005 and acquired by Çalık Group in 2010 within the scope of privatization efforts in Turkey. YEDAŞ provides service to the provinces of Amasya, Çorum, Ordu, and Sinop with Samsun being the center. It received many awards in the field of operational excellence at home and abroad for its R&D investments, uninterrupted service, and customer-oriented service approach.



YEPAŞ

**Yeşilirmak Elektrik Perakende Satış A.Ş. (YEPAŞ)** provides electricity supply services to a wide audience from industrial enterprises to residential subscribers in the provinces of Amasya, Çorum, Ordu and Sinop with the center in Samsun. YEPAŞ is the electricity supplier of about 2.2 million people who consume electricity with nearly 1.9 million subscription contracts.



KEDS\*

**Kosovo Çalık Limak Energy Sh.A. (KEDS)**, which was acquired with Çalık Holding and Limak Holding partnership, operates in the youngest country of Europe, Kosovo, in electricity distribution and retail. The Company ensured the implementation of new technologies and effective measures by restructuring its energy distribution organizations and increased its operational efficiency. KEDS, the only company in the field of electricity distribution and retail in Kosovo, covers 100% of the country's electricity consumption.



Aras EDAŞ

**Aras Elektrik Dağıtım A.Ş. (Aras EDAŞ)**, which was acquired by Çalık Group and the Kiler Group through privatization in 2013, provides electricity distribution services in 7 provinces in a wide geography of 70.554 km<sup>2</sup> in eastern Turkey. It provides power to more than 2.2 million people in Ağrı, Ardahan, Bayburt, Erzincan, Iğdır and Kars provinces with the center in Erzurum.



Aras EPSAŞ\*\*

Operating in the field of electricity retail sales, **Aras Elektrik Perakende Satış A.Ş. (Aras EPSAŞ)** carries out electricity retail sales activities in Erzurum, Erzincan, Ağrı, Ardahan, Kars, Bayburt and Iğdır provinces and is the main electric supplier of more than 2.2 million people.

### CONSTRUCTION



GAP İNŞAAT

**Gap İnşaat** was founded in the 1990s to carry out the construction of Çalık Holding's textile factories, which were planned to be commenced at home and abroad, and entered the contracting sector with its structuring in 1996. Gap İnşaat, which provides contracting services for projects of infrastructure, superstructure and residential projects and industrial facilities in international markets as well as in energy, oil and natural gas areas. The goal of Gap İnşaat is to be among the leading companies of the world in its sector.

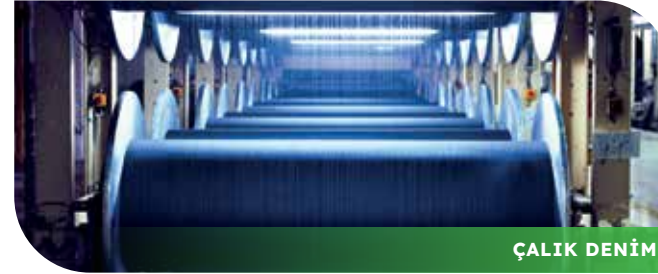
### MINING



LİDYA MADENCİLİK

Having realized its first largest international cooperation in the Turkish mining sector in 2009 between Alacer Gold and Çalık Group, **Lidya Madencilik** started its activities in 2010. Lidya Madencilik aims to become the most valuable mining company in Eurasia by continuing its activities in Turkey and the region with competitive and high standards while continuing its project evaluation studies in the African continent.

### TEXTILE



ÇALIK DENİM

**Çalık Denim**, the first company of Çalık Group, is among the leading premium denim fabric producers in the world today. The company, which designs authentic denim collections with an innovative approach it develops at the powerful R&D center, makes production for various popular world brands. As of the end of 2021, Çalık Denim has an annual production capacity of 55 million meters on a closed area of 407,685 m<sup>2</sup>. Determining its sustainability strategy as "Passion for Denim Passion for Life" to lead the industry and make a positive impact for a better life, Çalık Denim carries out sustainability activities within the framework of this strategy.



GAP PAZARLAMA

**Gap Pazarlama**, established in 1994, is one of the major trading companies of the world textile market with its expert and experienced staff, technical background and continuous P&D activities. With its innovative designs, new collections, quality assurance, and logistics solutions, Gap Pazarlama adds value to a broad customer base across Europe, the USA, Russia, and Turkey and contributes to the sustainable development of suppliers.

\*Partnership with Limak Holding A.Ş.

\*\*Partnership with Kiler Holding A.Ş.



## ÇALIK HOLDING IN BRIEF

Known for its reputation, reliability and long-term cooperation with international companies within the framework of its ongoing activities in various regions of the world, Çalık Holding develops innovative business models and progresses by ensuring sustainable growth in its business areas.

Dedicated to creating lasting value in every geography it operates, Çalık Holding realizes pioneering projects for society and the business world through its corporate processes, services and products developed with sustainability approach.

### FINANCE



AKTİF BANK

Turkey's largest privately-owned investment bank, **Aktif Bank**, continues its activities as the largest financial technologies ecosystem in Turkey with its innovative business models and technology investments, in which it reinterprets investment banking. Aktif Bank acts as both a business partner and a competitor of financial technology companies in Turkey and globally with the products it offers in physical and digital channels. Having customer orientation incorporated in its genetic codes, the Bank addresses to its more than 10 million customers within more than 10 business lines at each and every point of the life on 360 degrees basis and within a wide range covering loans insurance, transportation, card services, payment systems and the world of entertainment, together with its subsidiaries and business partners.



BKT ALBANIA

**Banka Kombëtare Tregtare**, which was founded in 1925 and is one of the long-established banks in Albania, was acquired in the ratio of 60% in 2006 and fully in 2009 by Çalık Group. BKT, the largest bank in the country as of 2014, has been the largest bank in Albania, with the highest market share among Turkish banks operating abroad.



BKT KOSOVO

**BKT Kosovo** started its activities in the country in 2007 as a branch of BKT Albania and brought the inherited experience of over 80 years to this newborn country. BKT Kosovo Branch changed its status from "A Foreign Bank Branch" to a subsidiary under the name of Banka Kombëtare Tregtare Kosovë J.S.C. in 2017.

### TELECOMMUNICATION



ALBTELECOM

**ALBtelecom**, which is one of the well-established companies in Albania and was founded in 1912, serves as the country's largest fixed-line operator in the areas of electronic communication, fixed and mobile internet access, IPTV, and information technologies. The company, which was included in the Group in 2007, distinguishes itself from its competitors with its advanced fiber optic infrastructure and data quality.

### DIGITAL



ÇALIK DIGITAL

**Çalık Digital**, which started its activities at the beginning of 2018, works to determine roadmaps in the digital transformation processes of critical sectors such as health, energy, production and public services and develops innovative and competitive products and services. Çalık Digital develops projects in the fields of IoT, data science, digital twin, cybersecurity, specific software and IT infrastructure with local and global business partnerships and aims to increase the digital capabilities of its customers through strategic industry 4.0 applications.





## ÇALIK HOLDING IN BRIEF

# Vision to grow 4-fold on 4 continents in 2025

Çalık Holding dedicates all its energy to improving human life. The priority of the Company is the happiness and development of its employees, customers, and all the people it touches with the values it produces.

## OUR MISSION, VISION, AND VALUES



## Mission

To contribute to an increasing prosperity through the generation of solutions that provide value to human life in all the regions that we operate in with our skills and drive.



## Vision

To grow four-fold on four continents by our 44<sup>th</sup> anniversary in 2025, providing value to every life we touch in all areas that we operate in, with reliable teams enlivened by our environmentally friendly sustainable policies and entrepreneurial spirit focused on innovation.



## Our Values

### Fairness

At work and in our principles, we are a family that is motivated by what is right and fair.

### People-Oriented

We devote all our energy to improving people's lives. Our priority is always the development and happiness not only of our employees and customers but of all the people touched by the value we generate.

### Reputation

We put our good name above all else.

### Work from the Heart

Regardless of the conditions, we work diligently for our company, for our goals and for our projects that we believe will add value to human life.

### Innovation

We constantly improve our solutions and business models, and discover what will make us different.

### Agility

We have the flexibility and speed to overcome all challenges.

### Sustainability

We value long-term, continuous success and respect the environment.



## ÇALIK HOLDING IN BRIEF

# The journey of creating sustainable value

As a member of the Çalık Family, which has operated in the textile sector since the 1930s, Ahmet Çalık launched his first business in the textile sector in the 1980s.

## OUR MILESTONES

**1930**

- As a member of the Çalık Family, which pursues activities in the textile sector since 1930s, Ahmet Çalık carried out his first business activities in the textile sector in the 1980s.

**1981**

- Making his first personal investments in 1981, Ahmet Çalık continued his breakthroughs in the textile sector during 1980s.

**1987**

- Ahmet Çalık established Çalık Denim, which today is among the world's biggest denim manufacturers.

**1994**

- Gap Pazarlama was founded in scope of the Group's target to expand its market share in the international textile trade.

**1995**

- The Group started its operations in Ashgabat, Turkmenistan to establish its first denim factory in Central Asia and became one of the first foreign companies investing in Turkmenistan.

**1996**

- Gap İnşaat was initially set up to construct the Group's textile factories, and was restructured with a broader focus on business development.

**1997**

- Çalık Holding was established and all Group subsidiaries were reorganized under a single banner.

**1998**

- Çalık Enerji was established.

**1999**

- The Holding entered the financial services sector.
- Çalık Bank was established.

**2004**

- Bursagaz, the natural gas distribution company of the city of Bursa, was acquired by Çalık Enerji through a privatization tender.

**2006**

- Çalık Holding acquired a 60% stake in Banka Kombëtare Tregtare (BKT), one of Albania's two biggest banks.

**2007**

- Çalık Holding issued five-year Eurobond worth USD 200 million.
- Çalık Holding acquired ALBtelecom, Albania's largest fixed-line operator and internet service provider, by winning the privatization tender.
- Çalık Enerji acquired Kayserigaz, a natural gas distribution company operating in Kayseri.

**2008**

- In line with its growth strategy and restructuring initiative, Çalık Enerji sold off a part of its shares in Bursagaz and Kayserigaz to the Germany-based international energy company EWE.
- Çalık Holding completed the legal processes for the takeover of the media group ATV-Sabah Commercial and Economic Entity with a bid of US\$ 1,1 billion at the tender held by the Turkish Savings Deposit Insurance Fund. Çalık Holding sold a 25% stake in the ATV-Sabah Media Group to the Qatar Investment Authority (QIA).
- The Group's financial services subsidiary was restructured and renamed Aktif Bank.

**2009**

- Çalık Holding entered the mining sector via a joint venture with the Canada-based Anatolia Minerals, a Toronto Stock Exchange-listed concern.
- Çalık Holding became the sole owner of Banka Kombëtare Tregtare (BKT) by purchasing the remaining 40% stake from the EBRD and IFC.
- During the privatization of electricity distribution, Çalık Enerji won the privatization tender for Yeşilirmak Electricity Distribution, which distributes electricity to the Turkish provinces of Samsun, Amasya, Çorum, Ordu and Sinop.

**2010**

- The Holding's mining sector subsidiary was restructured and named Lidya Madencilik.
- The handover procedure of Yeşilirmak Electric Distribution Company (YEDAŞ) was completed and the company was incorporated in Çalık Enerji.

**2011**

- Çalık Cotton was established.

**2012**

- Lidya Madencilik increased its stake in Anagold as a partner from 5% to 20%.
- Geological survey commenced in the Polimetel Madencilik's sites.

**2013**

- Çalık Holding, in partnership with Kiler Holding, acquired Aras Electricity Distribution, which distributes electricity to seven provinces in Eastern Anatolia.
- E-Kent became the Central System Integrator by winning the e-ticket tender of the Turkish Football Federation (TFF).
- Çalık Holding recognized the sales of ATV-Sabah Commercial and Economic Entity (Turkuvaz Medya).
- Lidya Madencilik raised its stake in Polimetel Madencilik, a joint venture with Alacer Gold, from 50% to 80%

**2014**

- Çalık Enerji's 1,250 MW Al Khairat Power Plant project was awarded the "World's Best Project" in the industry category by Engineering News Record.
- Çalık Enerji expanded into the African market with the 550 MW Al Khoums Power Plant project in Libya.
- Gap İnşaat held the groundbreaking ceremony for the Turkmenbashi International Seaport turnkey project, which will become a key logistics hub in the Caspian region, widely considered the new "Silk Road."
- Foundations were laid for the Garaboğaz Fertilizer Factory, to be built by a consortium between Gap İnşaat and Japanese Mitsubishi Corporation for USD 1.3 billion.



## ÇALIK HOLDING IN BRIEF

# Long-term sustainable investment strategy

In 2021, Çalık Holding started to establish a significant presence in Africa in the energy, mining, contracting, and finance sectors with projects in Senegal, Congo, Angola, Guinea, Malawi, Sudan, and Mauritania.

## OUR MILESTONES

**2015**

- Çalık Enerji completed and delivered the Gardabani Natural Gas Combined Cycle Power Plant. The company also carried out the operation of the facility, thereby venturing into the area of power plant operation.
- After more than 20 years of close collaboration in constructing industrial facilities dating back to the early 1990s, Mitsubishi Corporation and Çalık Holding entered into a full partnership agreement. Mitsubishi Corporation acquired a 4.48% stake in Çalık Enerji.

**2016**

- Çalık Enerji began oil production at the South Çalıktepe-1 oil field in the southeastern Anatolia region.
- The 40 MW Demircili and the 32 MW Sarpıncık Wind Power Plants in Izmir started their operations.
- The construction of the Morphology, Neurology, Dangerous Infections Center and the Public Health Center in Turkmenistan were completed and their openings were held.
- The physical separation of YEDAŞ and YEPAŞ, which have been engaging in electricity distribution and retail sales in the same service areas until 2016, was completed.
- In addition to its current lines of business, Gap Pazarlama ventured into the petrochemical industry and began its operations in 2016.

**2017**

- In cooperation with Çalık Enerji and Mitsubishi Corporation, the construction agreement for the 18 MW Tedzani-4 Hydroelectric Power Plant, which will be the first HEPP in Sub-Saharan Africa, was signed.
- Aden Fast-Track Mobile Power Plant, the first mobile power plant contract in the Middle East and the first project in Yemen, commenced operations.
- Gap İnşaat opened the Endocrinology Hospital, which serves as an Endocrinology and Surgery Center housed in two buildings in Ashgabat, Turkmenistan.
- BKT Kosovo was established.

**2018**

- Completed in 2018 as the largest combined cycle power plant in the world, Mary-3 Combined Cycle Power Plant was opened in Turkmenistan.
- The most important energy project of Asia, the TAP 500 Project was carried out and the funding, engineering, construction and maintenance-repair of the project was undertaken.
- In 2018, the opening ceremony was held for the Turkmenbashi International Seaport Project, which is the largest port of the Caspian Sea and the most important logistics center on the historical Silk Road. Turkmenbashi Seaport Project was awarded the "Best Global Airport/Seaport Project" by ENR.
- Çalık Alexandria plant in Egypt was re-commissioned in 2018 and started production.

**2019**

- Çalık Enerji started Tedzani Hydroelectric Power Plant Capacity Increase Project (Tedsani-4) in Malawi.
- Gap İnşaat initiated activities in the Gulf Region with Qatar following activities in Central Asia.
- In order to create a common development culture in the business world, Çalık Enerji became a signatory of the Global Compact, which recommends universal principles.
- Secom Aktif Güvenlik Çözümleri company was established in partnership with Secom, the electronic security industry market leader in Japan.

**2020**

- Romanian Power Plant Project, the first EPC construction work undertaken by Çalık Enerji in Europe, and the largest and first combined cycle power plant project of the country in Senegal started.
- Gap İnşaat opened and delivered the Burn Treatment Center and Cosmetology Center built in Ashgabat, the capital of Turkmenistan.
- Çalık Denim implemented the Dyepro technology, which enables dyeing without using water.
- Lidya Madencilik completed all permits for the Polimetel Balıkesir Gold Mine Project and started construction works.

**2021**

- Çalık Holding started to establish a significant presence in Africa in the energy, mining, contracting, and finance sectors, and to realize projects in Senegal, Congo, Angola, Guinea, Malawi, Sudan, and Mauritania.
- Çalık Holding became a member of the Business Council for Sustainable Development (BCSD Turkey), an organization engaged in efforts in five focus areas under the UN Sustainable Development Goals in order to increase the awareness and impact of the business world on sustainable development in Turkey.
- The Holding introduced a systems infrastructure for money transfer between Turkey and Azerbaijan under an agreement signed between the first local, global money transfer and payment platform UPT, PTT, Azerpost (Azerbaijan Post Office), and Aktif Bank.
- Committed to adding value to people and the world with its sustainable investment strategy, Çalık Holding issued its first Sustainability Report "Pioneering Ideas, Sustainable Investments" covering its sustainability related activities in 2020 and prior.



## KISACA ÇALIK HOLDİNG

# Consistent growth performance since 1981

Displaying a consistent growth performance since its establishment in 1981, Çalık Holding operates in 31 countries with more than 14,000 employees in seven different industries, including energy, construction, finance and banking, textile, mining, telecommunication, and digital.

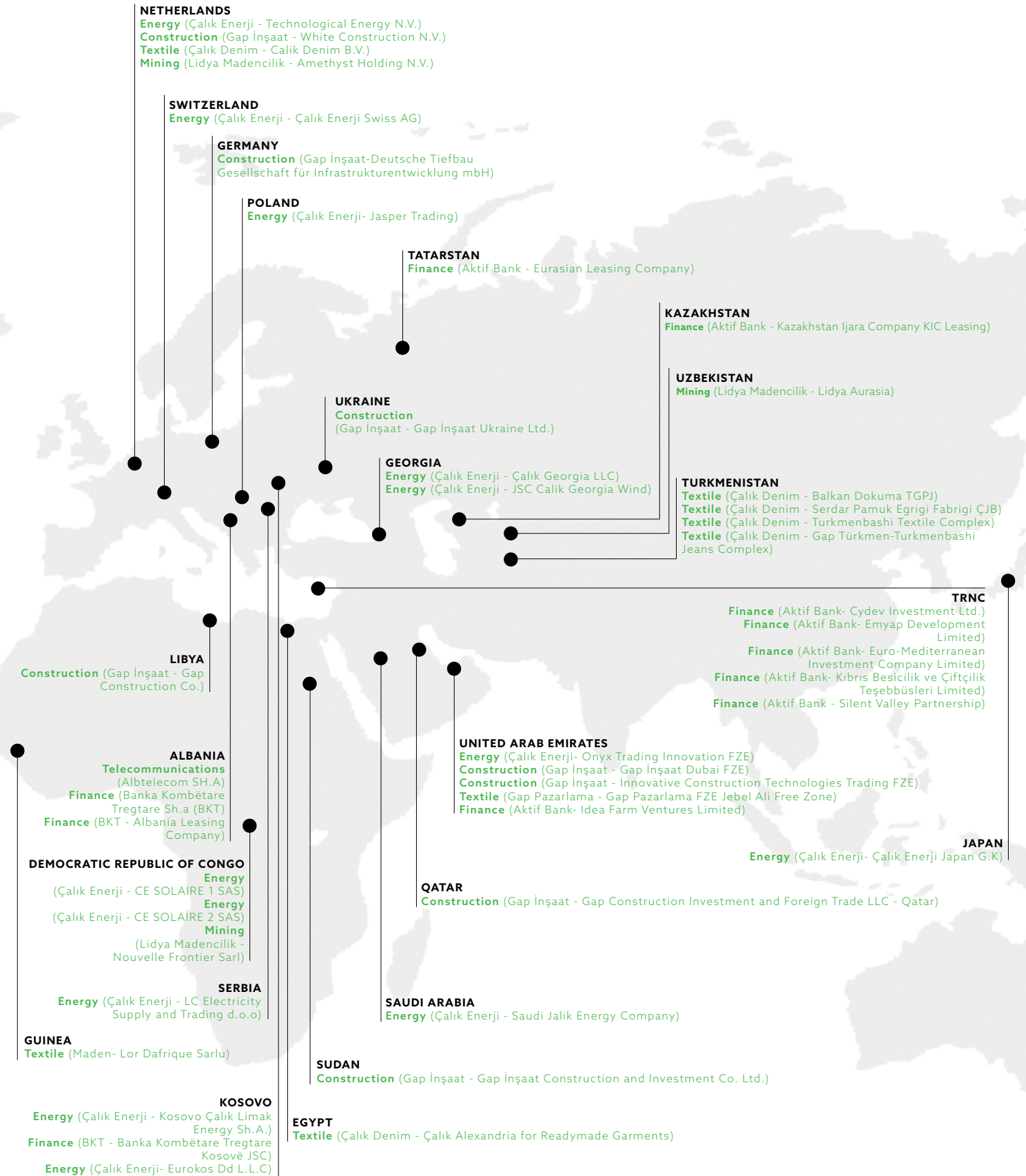
## OUR OPERATIONAL GEOGRAPHY

**USA**  
Textile (Gap Pazarlama - Gappa Textile Inc.)  
Finance (Aktif Bank - Dome Zero Inc.)

With a vision to create significant added value and enrich countries in which the Group companies operate, Çalık Holding was established in 1997 to bring all of them together under a single banner. Today, the Holding operates in seven main industries with more than 14 thousand employees in 31 different countries.

Çalık Holding operates in a wide range of industries – energy, construction, textiles, mining, telecommunications, finance and digital sectors.

Throughout its operations across the world, Çalık Holding is known for its integrity, reliability, and long-term collaborations with international companies. It develops innovative business models and moves forward in its lines of business with sustainable growth.





# Strategic objectives in all business lines

Çalık Holding comes to the forefront as a leader and a powerful player in the business areas it focuses on with its deep-rooted corporate structure, rich corporate culture, highly qualified human resources, pioneering initiatives, innovative approaches, and right strategies.

## OUR STRATEGY AND PORTFOLIO MANAGEMENT PRINCIPLES

Çalık Holding aims to be the most prominent in its fields of activity. The company comes into prominence as a leader and strong player in the business areas that it focuses on with its rooted corporate structure, rich corporate culture, high-quality human resources, pioneer ventures, innovative approaches, and correct strategies, and it ceaselessly continues its efforts in all business lines with a sustainable growth target.



Çalık Holding accepts the United Nations Sustainable Development Goals as a guide for what needs to be done for a livable world by 2030.

With this approach, it guides the companies in its portfolio to maintain their activities with a culture that is innovative, compatible with sustainability principles, centered on customer satisfaction, compatible with ethical rules and Holding values, always developing itself, and with a perspective offering a good working environment for its employees.

Çalık Holding, which uses sustainable technologies and constructs sustainable working and production processes with its R&D activities, acknowledges the United Nations Sustainable Development Goals as a guide for what needs to be done until 2030 for a livable world.



## VALUES, PURPOSE, MISSION, VISION

- Corporate Communications
- Policies
- Common Services
- Strategy
- International Relations
- Audit
- Public Relations

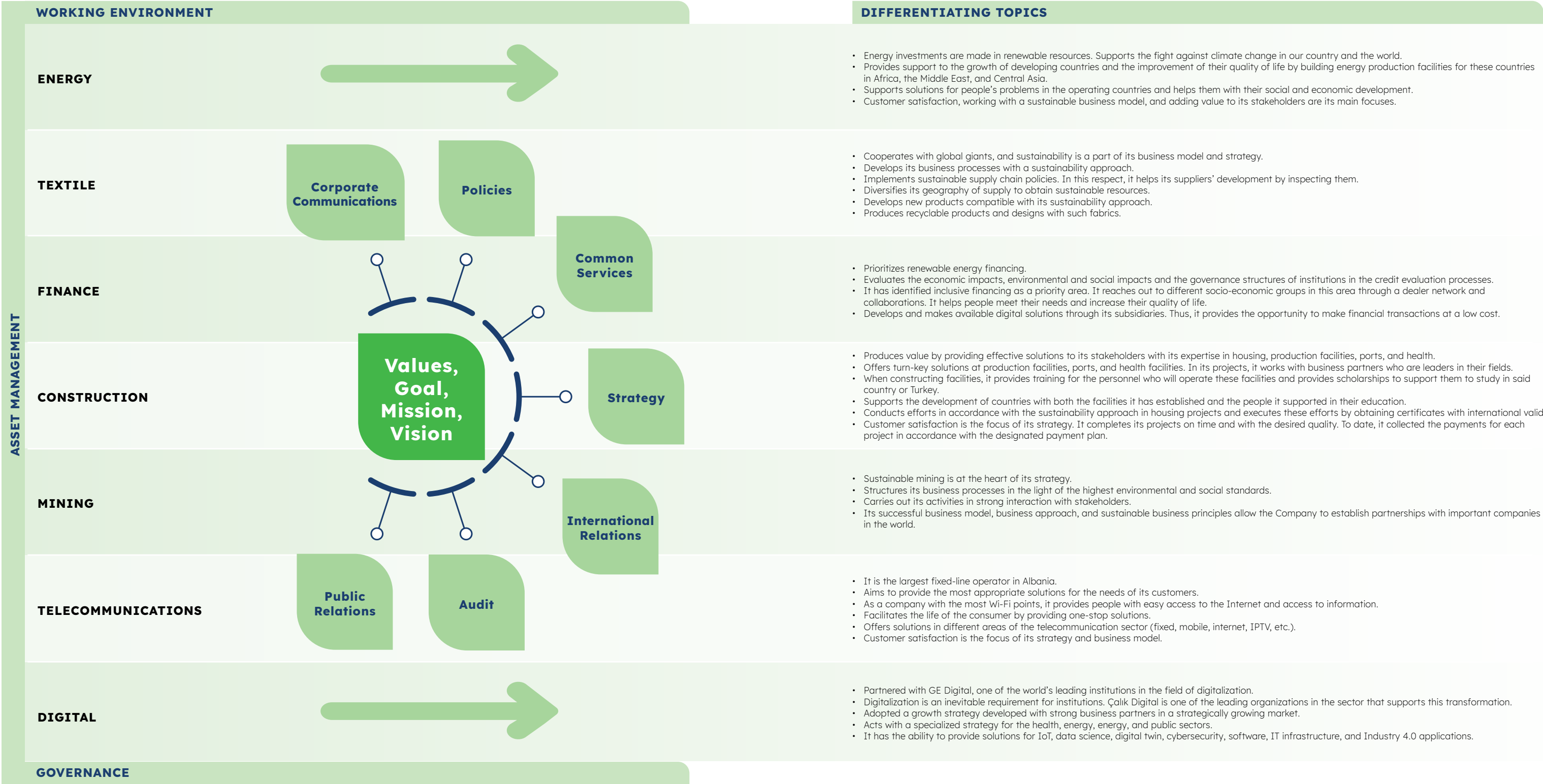
## ORGANIZATIONS WITH MEMBERSHIP

- Foreign Economic Relations Board (DEİK)
- Turkey-US Business Council (TAİK)
- Turkish Industry and Business Association (TÜSİAD)
- KEIDANREN (Japan Business Federation)
- Turkish Exporters Assembly (TİM)
- Electricity Distribution Services Association (ELDER)
- Istanbul Chamber of Commerce (İTO)
- Istanbul Chamber of Industry (İSO)
- The Union of Chambers and Commodity Exchanges of Turkey (TOBB)
- Ankara Chamber of Commerce (ATO)
- Istanbul Textile and Raw Materials Exporters' Association (İTHİB)
- Istanbul Textile and Apparel Exporters' Association (İTKİB)
- Independent Industrialists' and Businessmen's Association (MÜSİAD)
- Turkish Contractors Association (TMB)
- Turkish Clothing Manufacturers' Association (TGSD)
- Business Council for Sustainable Development Turkey (BCSD Turkey)
- Turkish Marine Environment Protection Association/TURMEPA
- The Banks Association of Turkey (TBB)
- Supply Chain Management Association (TEDAR)
- Turkish Capital Markets Association (TSPB)
- Ethics and Reputation Society (TEİD)
- Turkish Employers' Association of Construction Industries (İNTES)



OUR STRATEGY AND PORTFOLIO MANAGEMENT PRINCIPLES

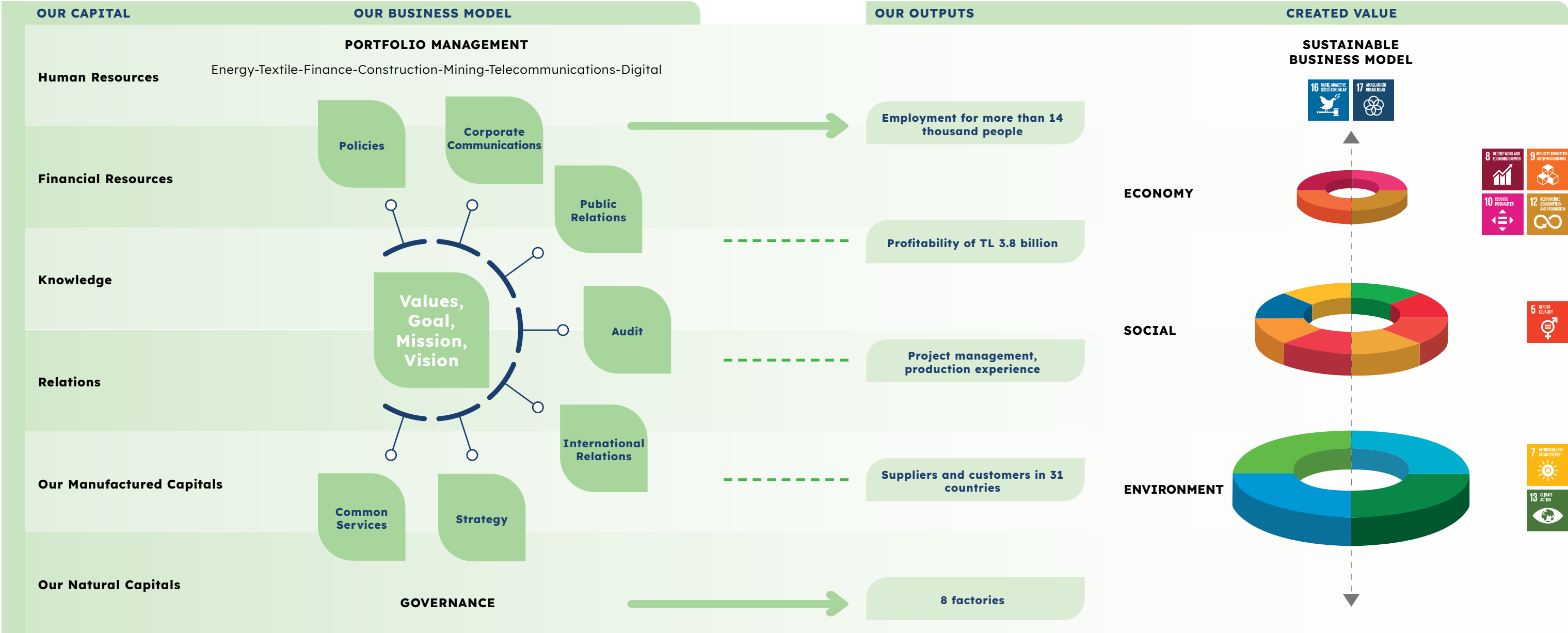
Çalık Holding guides the companies in its portfolio to maintain their activities with a culture that is innovative, compatible with sustainability principles, centered on customer satisfaction, compatible with ethical rules and Holding values, always developing itself, and with a perspective offering a good working environment for its employees.





VALUE CREATION MODEL

Sustainability approach integrated into the value creation model





# Business model shaped with a focus on sustainability

Çalık Holding produces business models that enable it to look to the future with confidence with its strong corporate understanding and deep-rooted structure. The company creates value for its stakeholders and contributes to the development of the country and the improvement of the quality of life.

## OUR BUSINESS MODEL

Çalık Holding carries out its efforts to introduce solutions that will add value to human life and increase prosperity, with its Group companies in all the regions it operates, as part of its mission.

The Group companies operating in seven different fields employ more than 14 thousand people while the Group's activities cover 31 countries. With these activities, it creates value for all its stakeholders and contributes to the development of countries and the improvement of people's quality of life.

The Holding has achieved significant progress thanks to its ability to adapt to an ever-changing environment, coupled with its long-standing corporate values and long-term objective of sustainable success. Çalık Holding, which produces business models formed with years of experience that enable it to take confident steps towards the future in its activities in different fields, focuses on new opportunities and new horizons with the strategies it has created.



Çalık Holding has achieved significant progress thanks to its ability to adapt to an ever-changing environment, coupled with its long-standing corporate values and long-term objective of sustainable success.

The main function of the Holding is to create policies in order to guide the Group and determine the rules and values regarding the approaches to doing business. The prepared policy documents, values and rules are shared with the Group companies, meetings and trainings are held on their dissemination. One of the main functions of the Audit Department is to inspect the business processes of both the Holding and the Group companies and to support the adoption of these values and rules by playing a guiding role on necessary issues.

The Board of Directors and Senior Management of the Holding take decisions related to the formation and management of the Holding portfolio. The same team plays a guiding role in the creation of the strategies of the Group companies in accordance with the expectations of the Holding.

The human resources structure of the Holding helps to create a common approach and culture within the institution by developing policies and methods recommended to be applied throughout the Group.

In areas where it is considered that a joint execution constitutes synergy, the Holding works as the party performing these services. The Central Purchasing Department of the Holding produces value in terms of standardization of procurement processes, ensuring efficiency with the increased bargaining power, and creating central purchasing policies.

The human resources structure of the Holding helps to create a common approach and culture within the institution by developing policies and methods recommended to be applied throughout the Group. It plays an important role in appointing managers and senior management of group companies by evaluating the talent pool of Group companies as a whole in internal appointments. The Holding's Human Resources also prepares the Group's policies and approaches for recruiting talent.

Holding's Corporate Communications Unit carries out the communication of the strategies determined by the Holding's management and ensures that the communication actions of the group companies progress with a common vision. It also creates synergy and efficiency by bringing together companies from different industries under one roof in international communication activities.

The Holding assumes the roles of guiding, initiating relationships, and providing support to both its own and Group companies regarding existing and future relationships with international bodies. The success of this strategy and business approach is seen in the Group's long-standing business partnerships with the world's leading companies and the demands for the creation of new ones.

Another important area in which the Holding acts as a guide is public relations. The Holding determines the main approaches in this area. Each Group company conducts public relations related to its own subject and, when necessary, requests support from the Holding. The Holding plays a leading role in representing the Group before the public and establishing high-level relations.

The Group's activities provide support to the realization of Sustainable Development Goals.

## ENVIRONMENTAL



## SOCIAL



## ECONOMIC



## GOVERNANCE





# Important subjects selected through stakeholder interaction

The Senior Management of the Holding works in close interaction with both internal and external stakeholders. Thus, they have information about topics such as needs, expectations, and areas that need to be improved.

## MATERIALITY TOPICS

At the stage of conducting the Çalık Holding Sustainability Report study, progress was made by taking the opinions of senior managers. Each manager linked and relayed the efforts in his/her area of responsibility with core topics in the sustainability approach and prioritized them by defining the materiality topics. The stakeholder perspective was included in the study, taking into account the priorities defined within the Group companies.

The Senior Management of the Holding works in close interaction with both internal and external stakeholders. Thus, they have information about topics such as needs, expectations, and areas that need to be improved. No interaction with external stakeholders was carried out during the preparation of the report. However, as mentioned above, the opinions of the stakeholders are also represented in this study since the management staff, who shaped the study with their opinions, interact closely with stakeholders and have knowledge about their needs. Stakeholder definition; relationship method, requirements and frequencies were defined. The development area was determined and a planning infrastructure was developed accordingly for the coming periods.

The results of the study on identifying materiality topics were at first presented to the Senior Management. After the Senior Management evaluation, the materiality matrix was finalized within the framework of the recommendations. Following the approval of the Senior Management the materiality matrix prepared was submitted to the Board of Directors and the approval of the Board was also obtained.

### IMPORTANT TOPICS

- Sustainable Profitability
- Digital Transformation and Innovation
- Corporate Governance
- Effective Risk Management
- Sustainable Business Model
- Collaborations/Partnerships Management
- Climate Change/Renewable Energy Investments
- Geographical Diversity
- Employee Satisfaction and Supporting Employee Development
- Responsible Purchasing and Supply Chain
- Development of Relations with International Financial Resources
- Equal Opportunity and Diversity



MATERIALITY TOPICS	WHY IS IT IMPORTANT?	HOW ARE WE MANAGING IT?
Sustainable Profitability	Sustainable profitability is of great importance for the continuity of an organization. The organization cannot continue its activities if it is not profitable. An organization that cannot maintain its activities cannot generate value for its stakeholders.	Çalık Group implements a growth strategy in which sustainable costs are kept under control. It invests primarily in digital channels. It develops applications that will facilitate the lives of customers and improves processes. For example, Aktif Bank improves its service network and profitability by using subsidiary and dealership approaches instead of physical branches and by constantly monitoring and improving the quality of service in these places.
Digital Transformation and Innovation	Business processes are increasingly being transferred onto the digital environment. Digitalization is important both to adapt to change, improve the ability to make quick decisions, to keep costs under control, and to develop the ability to generate value for different stakeholders, and thus to grow and increase profitability.	Each of the Group companies conducts work on digitalization. By commissioning many digital applications especially in the field of finance it leads the way in this field and increases its competitiveness. The Holding's Information Technology Department provides support to the planning of the activities in this field, the establishment and operation of systems for both the Holding and the Group companies.
Corporate Governance	Corporate Governance ensures that the Organization makes decisions based on the right perspective and with a systematic approach. Good governance improves the decision quality of the institution. A good governance approach helps to make decisions that are evaluated from different perspectives by supporting data-based, participatory decision-making.	Diversity is given importance at the Board of Directors. The Board of Directors consists of people with experience in business fields. Authority is delegated between the Board of Directors and the management.



MATERIALITY TOPICS

Each manager linked and relayed the efforts in his/her area of responsibility with core topics in the sustainability approach and prioritized them by defining the materiality topics.

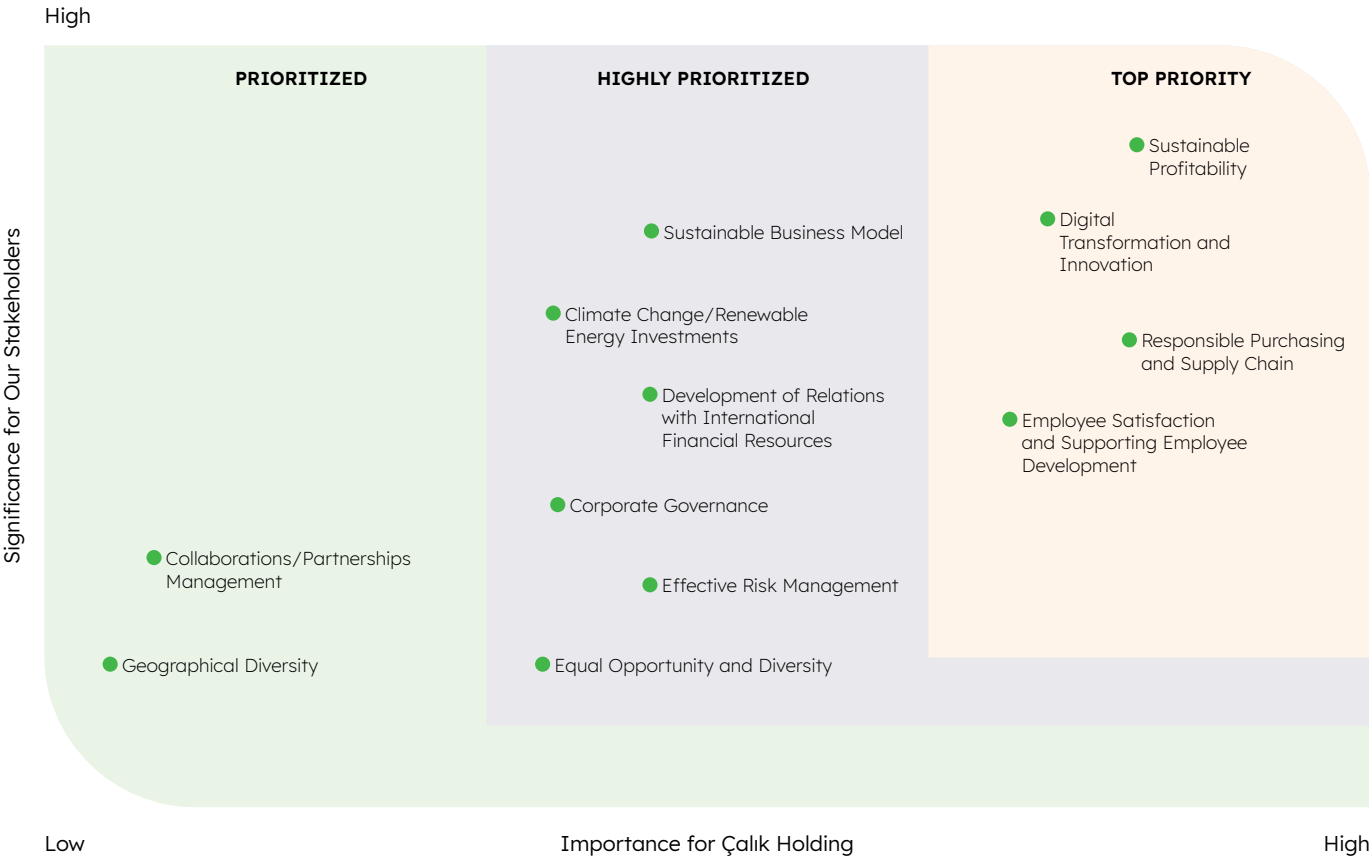
MATERIALITY TOPICS	WHY IS IT IMPORTANT?	HOW ARE WE MANAGING IT?
Effective Risk Management	Organizations can survive only as long as they manage their risks effectively. When identifying risks, it is necessary to evaluate non-financial risks as well as financial risks. Because over time non-financial risks cause financial consequences.	Under the supervision of the Boards of Directors, Çalık Holding Group companies carry out the studies on managing the risks in their fields themselves. The Holding develops recommendations on how to manage risks by evaluating risks from a higher level within its own business portfolio. These recommendations are communicated through the Board of Directors to include areas that are useful both in guiding portfolio-related practices and in taking action by Group companies.
Sustainable Business Model	Working with a sustainable business model is no longer a choice. In order to understand and manage their risks, organizations need to create business models and strategies, taking into account financial and non-financial issues. It should be realized that the main goals of organizations are to add value to themselves, their stakeholders and the societies in which they exist.	Çalık Holding’s corporate values include sustainability. Sustainability has a significant impact on the activities of the Group companies. That is why Group companies work to harmonize their business models with a sustainability approach.
Collaborations/ Partnerships Management	Collaborations and partnerships are important for expanding the field of activities, strengthening the quality of work done, and growing.	Çalık Holding and Çalık Group companies are always considered as trusted partners. Collaborations and partnerships with world giants have been continuing for a long time, and new ones are being added to existing ones.
Climate Change/ Renewable Energy Investments	Climate change is one of the most important problems in the world and is important for all fields of activity. The Group companies have the opportunity to contribute to the fight against climate change by planning their activities correctly, directing their investments to the right areas, and shaping their business models based on this perspective.	Çalık Holding attaches importance to the issue of climate change. It supports the efforts of its Group companies in this direction. For instance, Çalık Enerji invests in renewable energy, Aktif Bank provides renewable energy loans, Gap Pazarlama and Çalık Denim are trying to act in accordance with environmental impacts in their supply chains.

MATERIALITY TOPICS	WHY IS IT IMPORTANT?	HOW ARE WE MANAGING IT?
Geographical Diversity	Geographical diversity is important both for reaching the right markets and for being able to get supply from sustainable sources.	Group companies operating especially in the textile sector provide their supplies from different geographies and thus diversify their supplies from sustainable resources.
Employee Satisfaction and Supporting Employee Development	Employees are the most important resources of companies. In today’s world, having competent human resources, attracting and retaining talents play an important role in the success of organizations. Regarding the values of companies, intangible assets gain importance. Human capital is one of these components.	Çalık Group is aware that its employees are its most important asset. It attaches importance to the development of human resources, ensuring a good working environment, and running an effective performance management system, thus aiming to increase employee satisfaction and commitment.
Responsible Purchasing and Supply Chain	The development of the supply chain is important both in terms of managing the risks of the organization and creating value for stakeholders.	Purchases outside textile companies and banks are made by the central purchasing department at the Holding. This department works both on the selection of suppliers and on their development. Tender operations are carried out at an electronic environment. Textile companies are sensitive about sustainable supply due to the demands of their customers on this subject. Holding approaches are being used in bank purchase transactions.
Development of Relations with International Financial Resources	Access to finance is critical for the sustainability of companies. The supply of resources both from home and abroad is important for risk management, cost and maturity management.	The Group is in contact with financial institutions abroad. When necessary, resources are obtained through the negotiations held with the relevant organizations.
Equal Opportunity and Diversity	Equal opportunity and diversity are important for reaching the skill pool of the entire society and attracting talents. Equal opportunity helps people feel safe about themselves and their careers and to increase employee satisfaction and loyalty.	Çalık Group’s ethical values stipulate that all its employees should be treated equally and that no one should face discrimination. The Holding’s Audit Group conducts audits on the implementation of this policy.



PRIORITIZATION ANALYSIS

The global trends, risks, and opportunities in the industries we operate in were taken into account while determining the important issues during the preparation of our prioritization matrix. An analysis was performed in line with the opinions of all of our stakeholders and the sustainability strategies of our Board of Directors.



FOR WHOM WE CREATE VALUE – STAKEHOLDERS

Çalık Holding plans and conducts all its business processes in line with the principles of fairness, transparency, accountability, and responsibility. It strives to create the highest possible value for its employees, customers, stakeholders, and society as a whole in all company operations.

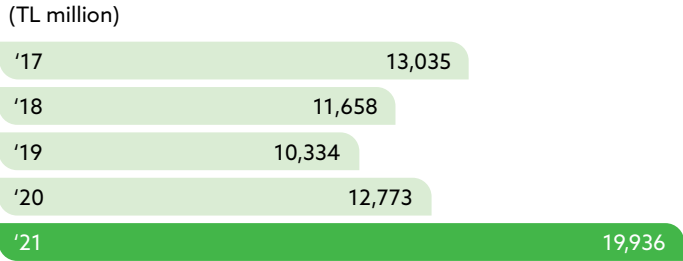
STAKEHOLDERS	COMMUNICATION TOPIC	COMMUNICATION METHOD	COMMUNICATION FREQUENCY
Shareholders	Evaluation and approval of the corporate strategy, briefing on auditing the conduct of business processes and activities in accordance with the strategy, values and ethical rules, and obtaining opinions on issues where support is requested	Board of Directors meeting, General Assembly meeting, reporting	Board of Directors meetings, and in case of need
Holding Departments	Project-based, informational contacts with departments in a coordinated manner	Meeting, phone calls and digital channels	Several times a month
Employees	Human Resources related processes, internal communication activities, announcements	One-on-one interviews, meetings, phone calls, digital channels, internal communication platform	Everyday
Potential Employees	Acquisition of new talents as needed by the organization	Announcements, social media, meeting invitations, interviews	In case of need
Collaborations/ Partnerships	Discussions with partners on existing and new projects	Visits, meetings, phone calls, digital channels, project teams	According to project requirements
Public Authorities	Reporting obligations stipulated in laws and legislations, information and opinion exchanges, opinion meetings	Visits, meetings, conferences, phone calls, digital channels	In case of need
Non-Governmental Organizations	The activities carried out together with NGOs at events (Turkish Red Crescent, Educational Volunteers Foundation of Turkey (TEGV), Children with Leukemia Foundation (LÖSEV), Foundation for the Support of Women’s Work (KEDV), etc.).	Event-based communication	According to project requirements
International Finance Organizations	Access to finance resources, project financing	Visits, meetings, phone calls, digital channels	In case of need
Media/Press	Informing about the Group, informing about business and social projects, discussions and interviews	Visits, meetings, phone calls, digital channels, press conferences, interviews, press releases	Regular communication
Advertising Agencies	Planning of work on the promotion of the Group	Visits, meetings, phone calls, digital channels	Regular communication
Suppliers	Realization of procurement processes, training, orientation, audit activities, tender processes	Visits, meetings, tenders, audit visits, training and development activities	Regular communication



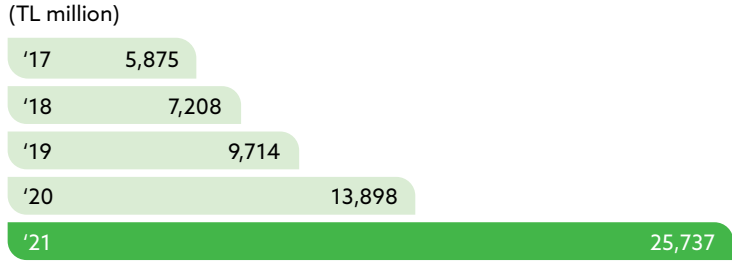
SUMMARY FINANCIAL INFORMATION

Sustainable financial achievements

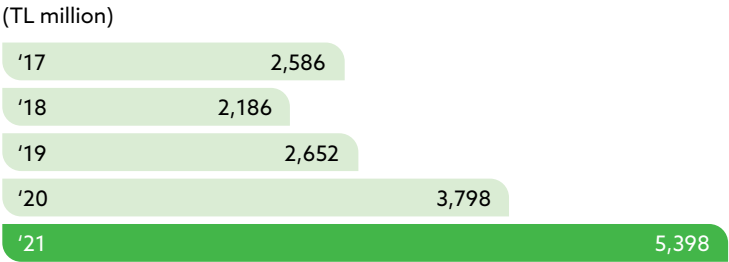
19.9  
TL Billion  
Net Sales



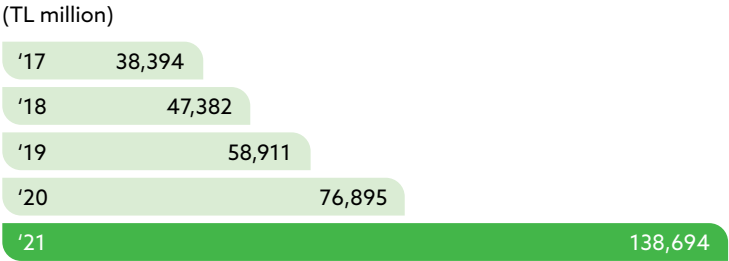
25.7  
TL Billion  
Total Equity



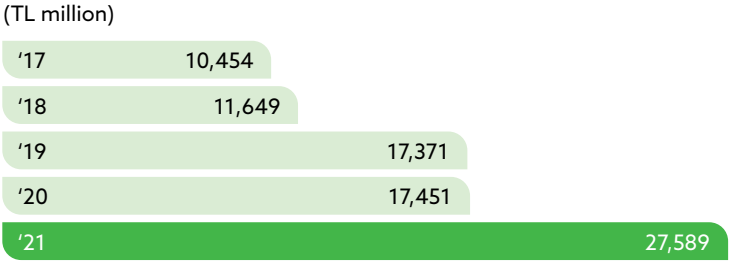
5.4  
TL Billion  
EBITDA



138.6  
TL Billion  
Asset Size



27.6  
TL Billion  
Financial Debts





# Financial stability and continuous development

Çalık Holding is a dynamic institution, which attaches importance to customer satisfaction, carries out studies that will provide a competitive advantage with its continuous growth trend, aims always at the highest quality, and maintains its pioneering position in the sectors it operates.

## SUSTAINABLE PROFITABILITY AND CUSTOMER SATISFACTION

Çalık Holding and its Group companies consider creating sustainable value for all their stakeholders as one of their main goals. To create sustainable value, the continuity of the Group and the sustainability of its profitability are necessary. The Group's sustainability is important for its own employees and customers, as well as the local people and states of its operating regions due to the economic value produced by the Company.

Continuity of the organization and sustainable profitability can be achieved by completing the works received on time, in accordance with the determined and expected standards, with a fair and ethical approach, smoothly and within the foreseen costs, and by ensuring customer satisfaction.

Çalık Holding is a dynamic institution, which attaches importance to customer satisfaction, carries out studies that will provide a competitive advantage with its continuous growth trend, aims always at the highest quality with its products and services, and maintains a pioneering position in the sectors it operates.

The company continues its activities to be a group that provides a competitive advantage by focusing on customer satisfaction, can compete with international brands, does not compromise on the quality of its products and services, and grows continuously and profitably with its operational and financial performance, and contributes to the society and environment.



Çalık Holding continues its activities to be a group that provides a competitive advantage by focusing on customer satisfaction, can compete with international brands, does not compromise on the quality of its products and services, and grows continuously and profitably with its operational and financial performance, and contributes to the society and environment.

The Group companies carry out their activities in the light of these principles and make new business connections because they successfully complete their jobs in the geographies where they operate. They expand their collaborations and business volumes by working with strategies and business models that focus on customer satisfaction.

Group companies regularly evaluate the expectations, complaints and opinions of customers. Customer satisfaction is regularly monitored, customer opinions are regularly taken as well. The processes are being improved to ensure customer satisfaction. All processes are realized together with stakeholders.

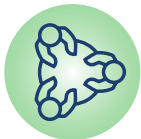
Another key factor in project management is collaborating with the stakeholders to manage the projects in terms of environmental and social issues. This approach aims to complete the work in time and properly, and to generate favorable results for all our stakeholders.

One of the most important components of ensuring customer satisfaction is the close monitoring of customer complaints and creation of quick solutions for these complaints. To this end, the Group companies established mechanisms for monitoring and resolving customer complaints. Emerging issues are being evaluated, and the most appropriate solutions for the parties are being developed and implemented. This approach is one of the important factors in ensuring business continuity of Group companies.

# International strategic collaborations

Strong business partnerships allow Group companies to offer their products and services with the highest standards. The Group companies care to establish fair and transparent relations and set up long-term reliable business partnerships in this way.

## BUSINESS PARTNERS



Business partnerships are of great importance for Çalık Holding and Group companies. The Group supports establishing business partnerships with leading and pioneering institutions in their fields.

Deriving most of its income from international projects and investments, Çalık Holding has equity partnerships with major and well-known public companies, namely Mitsubishi Corporation, SECOM, SSR Mining, and Sand Storm. Çalık Holding also has long-term business and solution partnerships with General Electric, Honeywell, and Siemens. The Holding closely cooperates with international financial institutions and export lending agencies such as JBIC, JICA, HERMES and UKEF.

Business partnerships are of great importance for Çalık Holding and Group companies. The Group supports establishing business partnerships with leading and pioneering institutions in their fields. Strong business partnerships allow Group companies to offer their products and services with the highest standards. The Group companies care to establish fair and transparent relations and set up long-term reliable business partnerships in this way.

Some of the Group's business partners are:



# Traceable and measurable supplier relationships

Compliance of the suppliers, who are considered business partners of Çalık Holding, with the internationally accepted legal, social, ethical, and environmental standards and principles is among the priorities.

## SUPPLIERS

Çalık Holding attaches importance to managing its supplier processes in a fast, reliable, traceable, and measurable manner. Çalık Holding and its Group companies take care to demonstrate a responsible purchasing approach in terms of sustainability.

Compliance of the suppliers, who are considered business partners of Çalık Holding, with the internationally accepted legal, social, ethical, and environmental standards and principles is among the priorities. Within this scope, the Group chooses its suppliers from individuals and institutions that share Çalık Group's values and adopt the same level of ethical standards. It also establishes a permanent and sustainable relationship with its suppliers.

Within the framework of these principles, suppliers are evaluated before the tender processes and an approved supplier pool is being created. This process, called the Supplier Lifecycle, is carried out online via SAP's SLC module.



Çalık Holding and its Group companies take care to demonstrate a responsible purchasing approach in terms of sustainability.

After preliminary examination, suppliers whose applications were approved are requested to upload their information and documents to the Supplier Portal. The information and documents uploaded to the system are examined in detail. At the end of this review, if deemed necessary, the applying supplier is visited and reports are made, which are open for the internal stakeholders' review. This visit is carried out in order to see and evaluate the activities of the relevant organization on site, and to understand their approaches and working conditions.

During the visit, the supplier candidates are scored in line with their answers to the questions specified in the Group's procedures. This list of questions, which contains many questions related to sustainability, measures the technical and commercial status of the supplier, as well as many environmental, economic and social parameters. If the scorecard score of the supplier candidate is appropriate, the relevant organization is included in the approved supplier list.



The action plan for the institutions, which are determined to need development, are requested online on the supplier life cycle portal. The necessary contacts and visits are carried out within the scope of this action plan and the improvements are followed up. If the expected level is reached as a result of the improvements performed by the supplier, the relevant supplier is included in the approved supplier list.

Supply processes and tender management are carried out online through SAP's Supplier Relationship Management module, SRM. Thanks to this module, which is also supported by the Electronic Tender system, sustainable spending transparency is ensured in the purchase. It is closely monitored and audited whether the organization awarded the tender performs the service and delivers the materials in accordance with the required quality and standards, and in case of non-compliance, corrections are requested. The aim of these follow-ups after the contract execution is to support the efficient operation of companies.

The performance of suppliers is closely monitored, and performance assessments are conducted with regular intervals and audited periodically. Improvement areas for the deficiencies identified as a result of inspections are reported to the responsible person through the Regulatory Preventive and Remedial



The performance of suppliers is closely monitored, and performance assessments are conducted with regular intervals and audited periodically.

Activities report and action plans for correction are requested from the supplier organizations. These plans are closely monitored and necessary audits are carried out. It is expected that the institution ensures compliance to the supply standards of Çalık Holding and Group companies. If it is determined that the conditions were met in the audit conducted after the completion of the action plan, the approval of the organization is kept on the supplier list.

In addition to effective supplier management, by migrating to joint category management, purchasing efficiency is improved by optimizing and consolidating the purchases of Çalık Holding and Group companies in the purchase categories determined each year. In addition, by increasing transportation efficiency thanks to the transportation optimizations of materials and equipment, attention is paid to minimizing carbon emissions.

Çalık Holding and its Group companies expect the organizations included in the supplier list to operate in a manner that respects human rights and the environment, that is sensitive to occupational health and safety, and to employ their employees in appropriate conditions and environments. They provide the necessary support for suppliers to improve themselves.



# Effective management understanding

In its strategic decisions, the Board of Directors primarily monitors the long-term interests of the Company with a rational and prudent risk management approach by keeping the Company's balance of risk, growth and return at the most appropriate level.

## BUSINESS APPROACH OF THE BOARD OF DIRECTORS



The Board of Directors works to realize the Group's vision in accordance with the Group's mission. The Board of Directors analyzes and approves the Company's strategy. It audits the management of activities in accordance with strategy, values, ethical rules and goals established.

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In its strategic decisions, the Board of Directors primarily monitors the long-term interests of the Company with a rational and prudent risk management approach by keeping the Company's balance of risk, growth and return at the most appropriate level. It takes decisions on all kinds of businesses and transactions necessary for the realization of the operation subject of the Company.

It creates internal control systems including risk management, information systems and processes that can minimize the impacts of risks that may affect the Company's stakeholders, especially the shareholders, by also taking into account the opinions of the relevant Board committees.

It ensures the effective functioning of the internal control system and internal audit, and provides that Independent Auditors conduct their audits under appropriate conditions.

Audit activities are conducted in line with the International Internal Audit Standards while audit and consultancy activities are carried out on financial, operational, information systems, and technical issues.

The purpose of establishing an effective internal control system and developing corporate governance practices is to ensure the accuracy and reliability of financial and operational transactions, compliance with legal regulations and Company procedures, protection of company assets and increase the efficiency and effectiveness of operational processes.

It reviews the effectiveness of risk management and internal control systems at least once a year.

It plays a leading role in maintaining effective communication between the Company and its shareholders, removing and resolving disputes that may arise.

It performs its activities in a transparent, accountable, fair and responsible manner.

The members of the Board of Directors are obliged to fulfill their duties with the care of a prudent manager and to observe the interests of the Company in accordance with the rules of integrity.

The Board of Directors determines the powers of the Company's Senior Management and the management.

A member of the Board of Directors does not participate in meetings and does not vote for decisions regarding to himself/herself or the parties with whom he/she is related to.

Each new member of the Board of Directors is subjected to an orientation program in order to get to know the organization.

## MEMBERS OF THE BOARD OF DIRECTORS



### Ahmet Çalık Chairman of the Board

Ahmet Çalık, one of the important business leaders of Turkey and the nearby geography, is the Chairman of the Board of Directors of Çalık Holding, which is currently operating in the energy, construction, mining, textile, finance, digital, and telecom industries.

Ahmet Çalık, a member of a family which has been operating in the field of textiles since 1930, started his first personal initiatives in the field of textiles in 1981. He founded Çalık Denim, one of the largest industrial investments in Eastern Anatolia in 1987. Çalık started his commercial initiatives abroad in Central Asia with the independence of the Turkic Republics in the 1990s and made investments in the fields of construction, energy, and finance with the aim of sustainable growth.

Çalık, acting with the goal of creating added value in the countries in which he is active, established Çalık Holding in 1997 by uniting all Group companies under one roof. Today, Holding operates in 7 sectors with 14 thousand employees on 5 continents. Çalık Holding is the first Turkish company to become a member of the Japanese Business Federation Keidanren.

Focusing on projects that benefit people and society with visionary investments, Ahmet Çalık prioritizes diversity, sustainability, and durability in all sectors and geographies in which he is active while continuing his investments and acts with the principle of treating all cultures, beliefs, ethnicities, and genders equally, and supports social responsibility projects.

### Fields of Operation

- Energy
- Construction
- Mining
- Finance
- Textile
- Digital

### Significant Investments

- Ortadoğu Tekstil, 1981
- Çalık Denim, 1987
- Gap Pazarlama, 1994
- Gap İnşaat, 1996
- Çalık Holding, 1997
- Çalık Enerji, 1998
- Aktif Bank, 1999
- BKT, 2006
- ALBtelecom, 2007
- Lidya Madencilik, 2010
- Yeşilirmak Elektrik Dağıtım (YEDAŞ), 2010
- Yeşilirmak Elektrik Perakende Satış A.Ş. (YEPAŞ), 2012
- Kosovo Electricity Distribution Company (KEDS), 2013
- Aras Elektrik Dağıtım (ARAS EDAŞ), 2013
- Aras Elektrik Perakende Satış A.Ş. (ARAS EPSAŞ), 2013
- Çalık Petrol, 2017
- BKT Kosovo, 2017
- Çalık Digital, 2017

### Awards and Honors

- Order of State of Turkmenistan – 1997
- Mahdum Guli Award Turkmenistan – 1997
- Order of Merit of the Turkish Republic – 1999
- Order of Merit of the Republic of Turkey Ministry of Foreign Affairs– 1999
- Order of Merit of Turkish Grand National Assembly – 2006
- Bursa Honorary Consul of the Republic of Kazakhstan, 2012
- USA Ellis Island Medal of Honor – 2014
- Albania Tirana University, Honorary Ph.D. – 2014
- Matsumoto Dental University, Japan, Honorary Ph.D. – 2014
- Turkmenistan “Garaşsyz, Baky, Bitarap Turkmenistan” Medal Certificate – 2015
- Japan Kindai University, Honorary Ph.D. – 2016
- Order of State of Japan (Order of the Rising Sun, Gold Rays with Neck Ribbon) – 2019
- Malatya Turgut Özal University, Honorary Ph.D. – 2020

### Social Responsibility Projects

- Malatya Educational Foundation
- Mahmut Çalık Education Complex
- Malatya Hasan Çalık Hospital
- Ankara Oncology Hospital
- Yalova Atatürk Mansion (Yürüyen Köşk) Restoration
- Renovations at the Geomatics Department, Faculty of Civil Engineering at Istanbul Technical University
- Renovation of the Precious Metals Laboratory at ITU Mining Faculty
- Boğaziçi University Faculty of Engineering - Hydraulic Laboratory Renovation
- Malatya Textiles Museum

### Missions at the State Level

- Bursa Honorary Consulate of Republic of Kazakhstan, 2012

### Personal

- 1958, Malatya
- Married with four children

## BUSINESS APPROACH OF THE BOARD OF DIRECTORS

### MEMBERS OF THE BOARD OF DIRECTORS



**Ahmet Yıldırım**  
**Board Member, President of the Financial Affairs and Strategic Planning Group (CSO)**

Graduated from Istanbul University, Department of Economics in 1991 and completed the Harvard Business School General Management Program in 2012, Ahmet Yıldırım joined Çalık Holding in 2014. Mr. Yıldırım has 24 years of experience in corporate banking, investment, and treasury banking. He has also served as CEO and Board Member at Yapı Kredi Bank Germany for five years. As of September 2014, he has been working as Çalık Holding Strategy and Financial Relations Group President and has been a Member of the Holding's Board of Directors in charge of finance, strategic planning, mergers and acquisitions, tax planning, and investor relations.



**Hakkı Akil**  
**Board Member and Chief Advisor to the Chairman**

Hakkı Akil, who was born in Kargı in 1953, graduated from Galatasaray High School in 1972 and Bordeaux University, Development Economics Department in 1977. He graduated from Ecole Nationale d'Administration in Paris with a thesis subject named "Iran-Iraq War and World Petroleum Supply" between 1987-1989. He continued his career as a diplomat at the Republic of Turkey, Ministry of Foreign Affairs between 1979-2016 and he served as Deputy Undersecretary and Sherpa of the President at G-20 between 2009-2011. As ambassador, he has been in Ashgabat, Abu Dhabi, Rome and Paris, respectively. Akil, who had served as the Chief Advisor to the Chairman at Çalık Holding since 2016, was appointed as a Member of the Board of Directors in 2019. He is married with one daughter.



**Mehmet Göçmen**  
**Board Member**

After graduation from Galatasaray High School and the Department of Industrial Engineering at the Middle East Technical University, Mehmet Göçmen received his master's degree from the Department of Industrial Engineering at Syracuse University in 1983, and he took on several duties at Çelik Halat ve Tel Sanayi A.Ş. between 1983-1995 and at Lafarge Turkey between 1996-2003. Working as the General Manager at Akçansa Çimento Sanayi ve Ticaret A.Ş. between 2003-2008, Göçmen was assigned to the Human Resources Group Presidency at Sabancı Holding in 2008 and worked as Cement Group President at Sabancı Holding between 2009-2014. Göçmen took office as the Energy Group President in 2014 and served as the CEO of and Board Member at Sabancı Holding between 2017-2019. Mehmet Göçmen has been serving as a Board Member at Çalık Holding as of 2020.



**Dr. Serdar Sümer**  
**Board Member**

Serdar Sümer graduated from Ankara University, Department of Business Administration, and completed the MBA program at The College of William and Mary in Virginia, the USA, and his banking doctorate at Marmara University, Banking and Insurance Institute in 2011. Having Financial Risk Manager (FRM) and Certified Public Accountant certificates, Sümer started his career as Bank Examiner in 1996. He assumed the position of Subsidiaries Management and Capital Markets Deputy General Manager at Aktif Bank between 2008-2014. Sümer, who worked as a managing partner in one of the leading investment institutions for a while and rejoined Aktif Bank as the General Manager in 2015, continued to serve as the Bank's General Manager and Member of the Board of Directors until the end of 2020. Serdar Sümer has been working as a Member of the Board of Directors at Çalık Holding, Aktif Bank, and its Subsidiaries, BKT and YEPAŞ as of 2021.



BUSINESS APPROACH OF THE BOARD OF DIRECTORS

BOARD OF DIRECTORS COMMITTEES

Audit Committee

The Audit Committee consists of at least two members elected by the Board of Directors of the Holding/ Company. The Holding/Company’s Chief Executive Officer/General Manager, Deputy General Manager or those who perform direct executive functions with similar positions do not serve at the Audit Committee.

The Audit Committee, in summary, supervises the accounting system, the disclosure of financial information to the public if required as per relevant legislation, independent auditing, and the operation and effectiveness of the internal control and internal audit system of the Holding/Company. In addition, the Audit Committee reviews and evaluates the results of the internal audit study. It monitors whether the warnings and recommendations included in the audit reports are implemented and informs the Board about all these issues.



DETERMINATION OF THE BOARD OF DIRECTORS MEMBERS

Criteria for the selection of Board members at Çalık Holding are:

- Having senior management experience,
- Having the ability and experience of multidimensional thinking that will contribute to the Company’s strategy,
- Being able to evaluate financial issues,

- Being compatible with corporate values,
- Being able to participate in and allocate time for the work of the Board,
- Having functional expertise (Audit, Law, Human Resources, Sales, Marketing, Information Technologies, etc.).

The members of the Board are elected for three-year terms. The members can be elected for two consecutive periods. However, taking into account the Company’s interests, cyclical situation, economic grounds, etc., this duration may be extended in cases requiring the continuation of membership of the Board.

Çalık Holding Audit Group is responsible for conducting audits and where necessary, consultancy activities at Çalık Holding and Group companies on financial, operational, information and technical systems in accordance with the annual audit plan.

Internal Audit

Çalık Holding Audit Group is responsible for conducting audits and where necessary, consultancy activities at Çalık Holding and Group companies on financial, operational, information and technical systems in accordance with the annual audit plan.

To carry out its activities in line with the principle of independence, Çalık Holding Audit Group functions directly under the Chairman of the Board of Directors and Audit Committee in the organizational structure.

The Audit Group continues all of its activities in line with the policies and procedures of Çalık Holding as well as the International Internal Audit Standards (IIAS), uses modern technologies and digital infrastructures effectively during the audit processes, and informs the Audit Committees/BoD about the audit results periodically.



The annual audit plan prepared within the framework of a risk assessment model and risk-based audit approach in compliance with international standards is implemented after obtaining approval from the Chairman of the Board of Directors and Audit Committee.

Audit Group audits the Internal Control System of Çalık Holding and subsidiaries in line with the COSO standards and best practices, and evaluates their effectiveness.

The annual audit plan prepared within the framework of a risk assessment model and risk-based audit approach in compliance with international standards is implemented after obtaining approval from the Chairman of the Board of Directors and Audit Committee.

The Audit Committees, which play a major role in corporate governance, aim to establish an effective internal control system across Çalık Holding and Group companies; oversee corporate governance practices; and help the Boards of Directors perform their duties and responsibilities related to auditing and supervision in an effective manner.

## ETHICS

Çalık Holding's business approaches are guided by the Holding's Code of Ethics. All employees, managers, and business partners of Çalık Holding and its Group Companies are obliged to act in accordance with the Holding's Code of Conduct and the relevant annex procedures.

### ETHICAL VALUES

Çalık Holding's business approaches are guided by the Holding's Code of Ethics. All employees, managers, and business partners of Çalık Holding and its Group Companies are obliged to act in accordance with the Holding's Code of Conduct and the relevant annex procedures.

Çalık Holding ensures that the Group's activities are carried out in accordance with the perspectives of the Group's values of fairness, human centrality, reputation, working from the heart, innovation, agility, and sustainability in compliance with Çalık Holding's vision and mission. Group's all activities must comply with applicable legislation in all regions, including the Republic of Turkey.

Since September 8, 2020, Çalık Holding is a corporate member of the Ethics and Reputation Association (TEİD), which has been operating in the field of business ethics.

Çalık Holding organizes ethics and compliance training covering local and international obligations as part of raising awareness about the code of conduct and responsibilities and the continuous development of its employees every year. These training sessions are both general and customized considering the departments and business areas.

#### Responsibility to the Laws

Employees act in compliance with the laws and legislations of the countries they operate in while performing their duties. Documents, information and records are kept regularly, completely and securely. All information to be disclosed by the Company to the public and submitted to authorities is shared in accordance with the applicable standards and in a transparent way.

#### Responsibility to Employees

The company demonstrates an honest and fair approach towards its employees and provides a safe and healthy working environment. Within this approach, discrimination is not allowed in our Company against employees based on their language, race, skin color, gender, political view, belief, religion, observance, age, physical disability or other similar characteristics, in order to create and maintain a fair and safe working environment. Attention is paid to provide equal opportunities for equal individuals. Violating privacy of our employees in the workplace or any other place they are in for business purposes through physical, sexual or emotional harassment is not allowed.

#### Responsibility to the Stakeholders

The Company's employees avoid taking unmanageable risks and act in a way that ensures sustainable profitability, in line with the Company's goals of sustainability and value generation for shareholders.

It is expected that the company's employees behave within the principles of transparency, accountability and honesty and use the company's resources efficiently and effectively.

It is essential that the company's employees inform the public and shareholders correctly.

#### Responsibility to the Customers

The aim is to respond to the needs and demands of customers quickly and accurately, focusing on customer satisfaction. Customers are approached with respect, decency, fairness and equality, by following courtesy rules. The priority is to produce value for customers, increase customer satisfaction and establish a long-term environment of trust in relations with customers. Employees are expected to be sensitive about these issues and to show the necessary care.

#### Responsibility to the Suppliers

The company engages with the individuals and corporations it works with based on honesty, fairness, respect and goodwill and pays attention to fulfill its legal obligations in time. The company and the employees are responsible for carefully protecting confidential information of the individuals and corporations they work with.



#### Responsibility to the Competitors

The Company adheres to fair competition rules of all countries in which it operates, as well as supporting laws and regulations. Competition with competitors is carried out only in legal and ethical fields, and unfair competition is avoided.

All employees in the company are obliged to comply with the laws and regulations in the field of competition.

#### Responsibility to the Public and Humanity

The company and its employees attach importance to the protection of human rights and the environment, educational and charitable work, the elimination of crime and corruption. The Company acts sensibly and responsibly in social issues. It is essential to mind the traditions and cultures of the countries we operate in, adjust to the social structure and avoid any behavior that may have a negative impact on the social sphere.

It is essential that corporate donations and social aids are granted to the projects, organizations or institutions that are in line with the ethical principles and corporate reputation.

Employees are encouraged to participate in social activities such as environmental, healthcare, educational, and sports activities. Employees are accepted to participate in individual voluntary activities with their own resources, outside the workplace and in a way that does not affect job performance.

#### Responsibility to the Environment

Çalık Holding acts in accordance with the environmental legislation of each country in which it operates. The Group pays attention to protect and prevent damage to the environment while carrying out its activities.

#### Protection of Trade Secrets

The Company's employees are obliged to protect confidential information, information that has not yet been disclosed, personal rights, and information of employees within the framework of "confidentiality agreements" signed with third parties, as well as intellectual property rights of the Company. The Company's employees pay attention to the protection of confidential information, including those belonging to suppliers, customers, and stakeholders. In cases where it is legally mandatory and at the request of the state, they can share information with authorized persons upon the approval of the Company's Senior Management.

All policies related to the secure management, distribution, transportation, storage or destruction of confidential information were established and shared with all employees. Employees were informed about the Personal Data Protection Law and the Çalık Group's Policy on the Protection and Processing of Personal Data.

#### Communication

Information is shared with external stakeholders in an open and transparent way. Any financial or sectoral information requests from external stakeholders must be answered by authorized employees under coordination of the Corporate Communications Department. Making a statement to any broadcasting organization, conducting an interview, participating as a speaker in seminars, conferences, etc., is subject to the approval of the Company's senior managers.

Except for official declarations, unconfirmed information is not shared on social media, copyrights are respected, content and photos that may cause conflicts and uncertainties or violate privacy are not shared on social media.

#### Political Activities

Demonstrations, propaganda and similar purposeful activities are not allowed within the boundaries of workplaces with regard to political activities. Company resources (such as vehicles, computers, e-mail) cannot be allocated to political activities.



ETHICS

All employees and all third parties acting on behalf of Çalık Holding and its Group companies are obliged to comply with all of the national and international anti-bribery and anti-corruption rules and the legal requirements of the countries in which they do business, including the Republic of Turkey.

ETHICAL VALUES

Conflicts of Interest

Any benefits or interests gained by the employees or their relatives, acquaintances, or individuals and organizations they have a relationship with due to the position of said employees are defined as a “conflict of interest.”

Employees are expected to avoid all kinds of activities that may cause a conflict of interest. Company name or reputation are not allowed to be used for gaining personal benefit. Employees, within the scope of their jobs, are prohibited from entering into any mutual or gratuitous business relations that may provide benefit to their family members, relatives or other third parties they have relations with. This must also be considered when deciding on the suppliers to work with.

It is strictly forbidden for employees to obtain or cause others to obtain any commercial benefits, including the purchase and sale of shares from domestic and foreign stock exchanges by leaking any information belonging to the Company.

Employees may not become members of the board or auditors of any company other than the Group companies unless the Board of the Company employing the employees gives permission to do so. They may not have a second job outside the company. Working as an arbitrator, intermediary or expert as authorized by judicial or administrative bodies or working as a lecturer at universities are not subject to this restriction.

Employees may not use and allow the use of the Company’s assets for their personal interests or for the benefit of third parties. Employees may not use the Company assets or information that they acquired through their titles and positions unethically, illegally or in bad faith. Employees do not devote time to their private affairs during working hours and cannot be assigned to private affairs by managers.

Anti-Corruption and Anti-Bribery

Çalık Holding and Group companies are against bribery and all kinds of corruption. All employees and all third parties acting on behalf of Çalık Holding and its Group companies are obliged to comply with all of the national and international anti-bribery and anti-corruption rules and the legal requirements of the countries in which they do business, including the Republic of Turkey. Çalık Holding, its Group companies, and business partners may not pay or receive bribes, corrupt payments, facilitation payments, or give/receive inappropriate gifts to anyone, or authorize anyone accordingly.

Use of the Assets

Employees take maximum care not to abuse the Company’s resources and to protect the Company’s name and reputation. An employee obtaining ill-gotten gains by using or seizing Company resources and assets intentionally and inappropriately is considered to be within the scope of misconduct and corruption.

Accepting or Offering Gifts

Employees are prohibited to accept any gifts, income, aid, entertainment, special discount or commissions for their self-interest that may affect their impartiality, decisions or behaviors. Non-cash offers such as free holidays, discount vouchers, gift vouchers from customers and suppliers should also not be received as they are considered gifts. However, in the events where it is considered that the rejection of gift offers from customers and suppliers is not in accordance with commercial traditions and customs, the cost of the gift received cannot exceed the limits specified in the relevant ethical regulation. If the gift exceeds this limit or is estimated to exceed as its value is not known, the relevant manager and the Company’s Compliance Officer are informed and the gift is delivered to the Human Resources Department for registration as Company’s fixture. Awards, plaques and similar gifts with a symbolic value other than cash can be received as a memento for participating at seminars and similar organizations as representatives of the Company. Similarly, suppliers and customers of the Company, and people who participate in organizations organized within the Company as speakers and instructors can be given gifts having symbolic value and provided from the Corporate Communication Department of the Company.

Employees are required not to accept cash or borrow money, regardless of its amount, from suppliers, rivals or customers and not to have their travel expenses, event expenses, and similar payments covered.

Çalık Holding pays attention that its employees act by the rules of business ethics in their decisions and actions. The code of conduct is considered in evaluating the situation, determining on the steps to be followed, and evaluating the decisions.

ETHICAL DECISION-MAKING CYCLE

The Code of Conduct and working principles set the fundamental rules about how employees should act and do their jobs. Compliance with these rules is the fundamental responsibility of all employees. It is recommended that employees follow the following stages to make ethical decisions when performing their duties:

- 1. Understanding of the incident, decision or issue:**
- Has anything been asked to be done that is considered possible to be wrong?
  - Do you know of any illegal and immoral behavior, attitude of any employee?
  - Do you know the relationship of the Code of Business Ethics with the decision/action you will take?

- 2. Deciding on the business steps to follow:**
- Reviewing all relevant events and information,
  - Planning the most accurate business steps,
  - Consulting with interested parties.

- 3. Evaluation of decisions:**
- Listing of questions that need to be considered,
  - Checking the compliance of the decision with Company’s values.

- In order not to violate the Codes of Business Ethics in their decisions and actions, employees are required to ask themselves the following questions:**
- Does my decision seem right to me?
  - Is my decision compatible with the Codes of Business Ethics?
  - Is there a legal obstacle?
  - Could it have negative reflections on myself or the Group?
  - Who else can the decision and action affect?
  - Is there an alternative decision or action that will not conflict with the Codes of Business Ethics?

ETHICS

All employees can communicate their concerns to the Ethics Line easily and anonymously. The person who made the notification will be protected against retaliation, and necessary actions will be taken against those involved in the retaliation. Çalık Holding makes various advertisements and provides briefings throughout the year to encourage its employees to report on illegal and unethical issues and to prevent retaliation.

ETHICS LINE

Ethics Line is the entire practice established for employees to report any claims of violation they encounter by using notification channels or to inform the Notification Officer by contacting Holding/Company Senior Management, other affiliated managers, Holding/Company Code of Ethics Advisor, Çalık Holding Chairman of the Ethics Committee or the Notification Official directly, through communication channels created within the scope of Codes of Business Ethics and Implementation Principles Regulation and for the storage and execution of such claims of violation. All employees can communicate their concerns to the Ethics Line easily and anonymously.

The complaints of the notifying person do not harm their rights arising from labor law and the person is not subjected to any criminal penalties for the notification made. The person who made the notification will be protected against retaliation, and necessary actions will be taken against those involved in the retaliation. All complaints and reports received by the ethical line remain confidential. Identities of reporting parties are never disclosed.

The Ethics Committee investigates the reported case in confidence, determines whether the case violates any corporate rules, values or laws and takes necessary actions.

Çalık Holding makes various advertisements and provides briefings throughout the year to encourage its employees to report on illegal and unethical issues and to prevent retaliation.

COMPLIANCE POLICY

Çalık Holding's Compliance Policy collects the corporate compliance culture and written standards supported by the senior management and monitored by the Legal Department with the participation of all parties. Compliance Manager in charge of Compliance under the Directorate of Law at Çalık

Holding A.Ş. conducts periodic training within the Code of Business Ethics and Compliance Regulation together with Compliance Officials in companies and performs decision-making, development, execution, and monitoring processes regarding compliance issues. In addition, policies and procedures related to the impact areas of compliance studies are prepared or current documents are updated.

The main goals of the Compliance Policy are to create policies, procedures and controls that will prevent, detect and manage compliance violations in companies, to provide continuing training support to ensure that employees are aware of what is expected of them, to conduct awareness campaigns, and to create an accurate and effective reporting and documentation system.

The Ethics Committee evaluates nonconformities determined within the scope of the Code of Conduct or notifications made through the ethics line and imposes a disciplinary penalty as part of the defined policy, where necessary.

ETHICS COMMITTEE

The Ethics Committee consists of three principle and two substitute members from senior managers working under the Chairman of Çalık Holding. The Ethics Committee is formed of the following personnel:

- President - Çalık Holding Audit Group President
- Member - Çalık Holding Operations Group President
- Member - Çalık Holding Director of Legal Department

The Ethics Committee was established:

- To resolve conflicts of interest,
- To evaluate the notifications reported about the violation of the Code of Ethics,
- To advise the management of the group companies on the ways, methods and practices to be followed in case of violations of ethical rules.

The Ethics Committee conducts work within the framework of the following principles:

- Notifications and complaints, as well as the identities of notifying or complaining people are kept confidential.
- Everyone who notifies the Ethics Committee is under the protection of the Ethics Committee, and they cannot be exposed to behaviors such as pressure, discrimination, psychological harassment (mobbing) due to these notifications.
- The Ethics Committee conducts the investigation within the confidentiality rules as much as possible.

- All kinds of information and documents obtained are being examined limited only to the subject of the investigation.
- The examination and investigation process is recorded from beginning to end.
- Examinations and investigations are carried out urgently and the result is reached as quickly as possible.
- The Ethics Committee Decision is notified to the relevant departments and authorities.
- The decisions taken by the Committee are being implemented immediately.
- Members of the Committee are not to be pressured and indoctrinated about the issues of the examination and the investigation.
- If the Committee deems it necessary, it can opt for expert opinion and use experts by taking measures that will not violate the principles of confidentiality during the investigation.



# Proactive risk management approach

Risks are detected in companies with the Corporate Risk Management approach, their impacts and probabilities are analyzed, and measures are determined to reduce the threats hidden inside the risks and to reveal the opportunities.

## RISK MANAGEMENT



Risk Management has always been an integral part of the decision-making process of the Holding companies operating in various geographies and different industries, and has covered strategic, operational, and external risks alongside the financial risks.

Çalık Holding is an asset company that manages its subsidiaries. Çalık Holding has achieved long-term success by carefully managing its risks to date. Risk Management has always been an integral part of the decision-making process of the Holding companies operating in various geographies and different industries, and has covered strategic, operational, and external risks alongside the financial risks.

Risk Management activities of Çalık Holding are carried out by the Senior Management team of the organization under the supervision and inspection of the Board of Directors. Risks are detected in companies with the Corporate Risk Management approach, their impacts and probabilities are analyzed, and measures are determined to reduce the threats hidden inside the risks and to reveal the opportunities.

Çalık Holding Audit Group conducts audits on how risk management approaches and processes are carried out both by the Holding and by the Group companies. The Audit Group works directly under the Board of Directors.

The Group's risks are classified as follows:

**Financial risks:** asset liability risks, credibility, capital/indebtedness relation, exchange rate risks, and other risk factors that may impact the financial condition of the Company.

**Operational risks:** risk factors that may impact the effectiveness, efficiency, profitability, reputation, and business continuity of operations in line with the Company's goals.

**Strategic risks:** risk factors that arise from the country, geography, and competitive environment where the Company is located, and which may impact the Company's existence and sustainable growth.

**Extraordinary situations and disasters:** risk factors that can negatively impact the continuity of business, such as fires, earthquakes, and floods.

These risks are evaluated from a portfolio perspective at the Holding level. Risk management approaches to these issues are developed by the Holding's Senior Management.

The risk management activities of the Group companies are carried out by the companies' Boards of Directors, the Holding's Senior Management members responsible for the sector and the Company's Risk Management Team.

Risks are reviewed regularly and risk management plans are prepared according to the results of the studies made. The effectiveness of risk management processes is regularly audited by the Holding's Audit Department and reports are presented to the Holding's Board of Directors.



# Human resources with high motivation and a sense of belonging

Attaching great importance to human resources, Çalık Holding supports the professional development of its employees and carries out studies to motivate them and ensure that they have job satisfaction to have qualified employees competent in their areas.

## HUMAN RESOURCES

The main purpose of Çalık Holding's human resources policy is to reach the maximum achievement and ensure sustainability in the operational sectors through investing in manpower that is professional, self-confident, responsible, solution-oriented with high loyalty, and prioritizes corporate and ethical values, develops personal and occupational competencies continuously to reach the corporate goals.

Attaching great importance to human resources which are strategically important in corporate success, Holding aims to have qualified employees who are competent in their areas, constantly improve their creativity and can use up-to-date information and technology effectively. To this end, Holding supports the professional development of Group personnel while working to ensure their motivation and job satisfaction.

The Holding's Human Resources policy is based on the training of the talent within the Group and career management be handled in this direction. In this regard, "New Graduate Programs" designed under the Holding and the Group companies are implemented at certain periods in line with the needs.



Attaching great importance to human resources which are strategically important in corporate success, Çalık Holding aims to have qualified employees who are competent in their areas, constantly improve their creativity and can use up-to-date information and technology effectively.

In-house activities that cement a sense of unity among employees, foster corporate loyalty, build team spirit and promote the exchange of thoughts and feelings are supported by Çalık Holding. Efforts to adopt the corporate culture and strengthen employee loyalty are managed by the Human Resources Department.

The Human Resources Department works in cooperation with all departments in order for the Group to achieve its goals, and monitors the practices by creating common Human Resources policies, processes and application rules to be implemented in Holding and Group companies.

In parallel with the Group's constantly growing and expanding organizational structure, global human resources management processes and technologies are put in place. Up-to-date organization-related modifications are made to meet evolving corporate needs efficiently and effectively. Çalık Holding has created the necessary systems to selection and development of qualified manpower who will carry the Group forward into the future, and these are reviewed and improved based on needs every year.



## RECRUITMENT

Within the scope of its human resources strategic management approach, Çalık Holding aims to provide a competitive advantage in the current market, achieve a sustainable success, become the preferred organization and incorporate the most suitable talents to the business with its corporate culture.

General rules and policies on recruitment are prepared by the Holding's Human Resources department. Group companies create selection and placement strategies specific to their industry and identify selection and placement tools as well as act in accordance with the determined rules and policies.

The recruitment process begins as the manager of the department in need for human resource informs the relevant human resources department about expectations in terms of competence, talent, training and expertise. The human resources department conducts the candidate search in relation to the request by evaluating the organization, the group and external candidates. Interviews are made with candidates who are deemed to meet the conditions. Department managers who make requests are also present at interviews.



Within the scope of its human resources strategic management approach, Çalık Holding aims to provide a competitive advantage in the current market, achieve sustainable success, become the preferred organization and incorporate the most suitable talents into the business with its corporate culture.

Recruitments and appointments for director and above positions within the Group companies are carried out by the Holding's Human Resources in coordination with the general manager of the relevant company and the human resources department.

Every candidate in the selection and placement process is provided with an equal and fair opportunity regardless of religion, language, race, gender, age, education, place of birth, health or physical condition. Evaluation processes that form the basis for this are implemented. In case of detection of violation of this article in the audits carried out by Çalık Holding Audit Group, the necessary interventions are made.

Recruitment processes are carried out transparently for internal and external candidates.

At Çalık Holding and Group companies, an orientation program is being implemented in order to accelerate the adaptation process of newly recruited employees to the Company culture, working environment, processes and practices, and to ensure that their contribution to the Company is realized at the highest level and that loyalty is formed.



## HUMAN RESOURCES

Occupational health and safety includes practices for keeping employees away from accidents and dangers; development, dissemination and implementation of protective and preventive activities necessary for the safe and healthy continuation of processes without any interruptions in accordance with the laws.

As part of the orientation process for the newly recruited manager and lower positioned employees, a department employee is appointed as a “Çalık Guide” to support the newly recruited employee for a period of 2 (two) months. The guide is a colleague, who supports the newly recruited employee socialize within the Company and get used to the organization.

As part of the orientation program, visits to different departments are carried out and compulsory trainings are organized.

### OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety includes practices for keeping employees away from accidents and dangers; development, dissemination and implementation of protective and preventive activities necessary for the safe and healthy continuation of processes without any interruptions in accordance with the laws.

There is a committee established to monitor issues related to occupational health and safety, which makes plans, carries out studies and audits measures. The committee includes representatives of employees and employers, an occupational safety specialist, a workplace physician, and a representative of human resources group.



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The committee creates the occupational health and safety policies and rules of the Company and ensures that all employees are informed. It makes training plans on occupational health and safety issues for employees. Risk assessment studies are carried out under the coordination of this committee.

OHS training to be given to employees at the workplace is provided by a Workplace Physician and Occupational Health and Safety Specialist assigned at the workplace within the scope of the “Regulation on the Procedures and Principles of Occupational Health and Safety Training of Employees.”

Training plans are organized once every 3 years. Training sessions to be given to employees are repeated no later than every 3 years. Training sessions are planned to be at least 8 hours. The knowledge, skills, behaviors, and attitudes that each employee in the workplace should have to perform their duties in the best possible way must be set forth separately and measurably. Those who were away from work for more than 6 months for any reason are given information refresher training before re-engagement. Training sessions are carried out under three headings: general topics covering labor legislation and workplace layout, health issues, and technical issues related to occupational health.



The committee regularly audits measures and practices through an occupational safety specialist and monitors them by ensuring that measures are taken to improve the identified development issues.

The goal is to have zero work accidents.

### PERFORMANCE AND CAREER MANAGEMENT

Çalık Holding sees the performance management as a mechanism that allows the implementation of a vision and strategy that ensures sustainable alignment of individual goals and performances with the Company's strategy. Furthermore, the basic and managerial competencies appropriate for the Çalık DNA are evaluated by both employees and managers.

The performance management system from this perspective creates a bridge between the Company's strategy and its employees and culture, and increases success in managing and directing the performance of individuals, the effectiveness of the organization, employee productivity and achieving business goals.

When determining personal goals, critical success factors that were created in accordance with the Holding's corporate strategies,



Çalık Holding sees the performance management as a mechanism that allows the implementation of a vision and strategy that ensures sustainable alignment of individual goals and performances with the Company's strategy.

corporate goals and annual budget plans are determined in 4 sub-dimensions (finance, customers, processes, learning and development goals).

The relevant manager and employee conduct their interviews one-on-one and face-to-face during the target setting, interim evaluation and performance evaluation periods. It is expected that the relevant manager will regularly provide feedback on employee performance without waiting for evaluation periods. In this way, the personal development of employees is more effectively ensured by the development and sustainability of the performance.

The goal setting interview takes place between the relevant manager and the employee. The goals that are planned to be included in the goals card are evaluated in detail in the goal setting interview. When the performance evaluation period arrives, the data required to be collected throughout the year are evaluated together in order to determine whether these goals are measurable, what measurement criteria will be used, what will be the weight of each goal compared to other goals, and the level of target realization. It is important that each issue on the goals card is clearly understood, and that no subjective element is left out.

## HUMAN RESOURCES

Çalık Holding carries out development activities in order to increase the performance of employees, develop the necessary knowledge, skills and competencies to achieve the Company's goals, and create common values among employees.

In the Semester Performance Evaluation, the employee and the relevant manager come together to evaluate the semi-annual target realization situation and prepare the necessary action plans.

In the End-of-Year Performance Evaluation, the employee and the relevant manager interview and determine the performance evaluations based on target and/or criteria and the performance itself. In the interview, the relevant manager gives feedback to the employee about the business results s/he revealed throughout the year, after this feedback, the parties express their opinions and negotiate on the results and come to an agreement. S/he also evaluates the employee's expectations for the future and whether the current expectations of the employee are met in this interview.

Performance evaluation results play a decisive role in development management.

### DEVELOPMENT OF EMPLOYEES

Çalık Holding carries out development activities in order to increase the performance of employees, develop the necessary knowledge, skills and competencies to achieve the Company's goals, and create common values among employees.



As a result of the employee's annual performance evaluation, the areas of development are determined by mutual agreement, taking into account the level of attainment of business goals.

In addition to these training programs, special development programs are being created to support the development of high-potential employees. Occupational health and safety rules are located on the Company's intranet portal.

Some of the trainings are carried out by the Company's employees. In this way, both the Company's employees have the opportunity to share their knowledge with other employees and enable them to understand the value that the institution places on successful and knowledgeable personnel.

As a result of the employee's annual performance evaluation, the areas of development are determined by mutual agreement, taking into account the level of attainment of business goals. Short, medium and long-term development plans for the employee's development needs are prepared by the employee, the department manager and the Human Resources Department. Training activities are planned on a long-term basis in line with the career management strategies of the employees. Employees who advance their professional knowledge, skills, and improve their competencies are guided to positions of with higher responsibilities.



The Human Resources Department plans and organizes training programs to improve employees' corporate skills and professional competencies. The Holding's Human Resources Department assumes the coordination and management roles in designing and implementing shared programs.

### WAGE MANAGEMENT

The company's strategies, the wages and performance criteria prescribed for the same level in the market constitute the main parameters of the compensation policy. The Group's compensation policy is shaped according to the scope and scale of the business, competitive conditions in the market, and budget criteria. While a remuneration system in which the contribution of individuals in achieving corporate goals is prioritized in line with the person's responsibility level, there are also fringe benefits made available and categorized according to title levels. The remuneration and fringe benefit activities to Group companies are kept up-to-date with their wage structures, market position and regular industrial researches.



The company's strategies, the wages and performance criteria prescribed for the same level in the market constitute the main parameters of the compensation policy. The Group's compensation policy is shaped according to the scope and scale of the business, competitive conditions in the market, and budget criteria.

### DIVERSITY AND EQUAL OPPORTUNITY

The company aims to demonstrate an honest and fair approach towards its employees and to provide a safe and healthy working environment. Within this approach, discrimination is not allowed in our Company against employees based on their language, race, skin color, gender, political view, belief, religion, observance, age, physical disability or other similar characteristics, in order to create and maintain a fair and safe working environment.

### MONTHLY MEETINGS OF THE HUMAN RESOURCES GROUP

Human Resources teams of Çalık Holding and Group companies convene regularly under the coordination of the Holding Human Resources Directorate to discuss sector-specific strategies, listen to needs and reach solutions through joint decisions.



# Projects that add value to the society

Acting with the principle of creating permanent values in every geography where it operates, Çalık Holding adds value to life with social, environmental, and cultural benefits through the sustainability approaches it focuses on.

## CORPORATE SOCIAL RESPONSIBILITY

Placing the principle of providing added value to the society in all countries where it conducts business, at the heart of its social responsibility approach, Çalık Holding and Group companies continued their social responsibility activities in six different areas including education, innovation, entrepreneurship, social solidarity, environment, arts, and sports in 2021.

### WE SUPPORT SPREAD OF INNOVATION AND ENTREPRENEURSHIP

YEDAŞ aims to award authentic, innovative, and technology-based R&D ideas of students, academicians, and start-ups for their activities in the distribution area of YEDAŞ through the “R&D Marathon Acceleration Program” for the electricity distribution sector in its service area in which students, academicians, and start-ups will participate.

By organizing an R&D Project Contest, YEDAŞ created an R&D culture among the entire Company’s employees. Efforts to increase energy quality and provide efficiency were determined based on the project suggestions from the employees, and the employees who made the best suggestions were rewarded.



In 2021, Çalık Holding and Group companies continued their social responsibility activities in six different areas including education, innovation and entrepreneurship, social solidarity, environment, arts and sports.

Aiming to bring energy companies that continuously improve, come up with innovative solutions and adapt to changes rapidly to the sector, “You’re My Energy Program” initiated by the Electricity Distribution Services Association (ELDER) and ODTÜ TEKNOKENT under the coordination of the Energy Market Regulatory Authority (EMRA) focuses on realizing innovative business ideas and projects for the energy sector. Participating in the You’re My Energy Program, YEDAŞ gathered with entrepreneurs, start-ups, Technoparks and R&D companies.

### WE HELP DEVELOP EDUCATIONAL CULTURE

Denim Anatomy was established by Çalık Denim in 2015, combining theoretical and practical education with the collaboration of Istanbul Technical University (ITU). With this organization aiming to contribute to the development of sector professionals every year, a two-days program is presented to the managers and employees of the brands in the industry, in which all stages of denim, from cotton to production, are examined and their usage areas are explained. Within the scope of the program, theoretical information regarding denim is provided to the participants by expert academicians of ITU, and then practical information is given by showing denim production processes at the Çalık Denim Malatya Factory. At the end of the program, participants are issued certificates by ITU.



Çalık Denim takes action being aware of the importance of the younger generation in terms of the future, and in this regard, supports and provides scholarships to the university students who need economic assistance through the Malatya Educational Foundation.

Çalık Enerji, which operates for a cleaner future with its environmentally friendly projects, realized the Energetic Schools Social Responsibility Project within the scope of cooperation with the Ministry of National Education. Thanks to the solar panels installed within the scope of the project, both schools produce the energy they need and students are introduced to renewable energy. The project, which supports schools to produce their own energy and aims to increase students’ awareness of renewable energy sources and sustainability issues, is realized with the “value for people, investment in the future” approach. The first leg of the Energetic Schools Social Responsibility Project, which is planned to continue for a long time, was started under the coordination of the Amasya Provincial National Education Directorate.

Gap Pazarlama continued to establish close relations with universities in 2021. Within this scope, bilateral cooperation works (Design project development, education cooperation, seminar and



Çalık Denim takes action being aware of the importance of the younger generation in terms of the future, and in this regard, supports and provides scholarships to the university students who need economic assistance through the Malatya Educational Foundation.

conference participation, etc.) are carried out with 4 universities (Mimar Sinan University, Istanbul Technical University, Çukurova University, and Marmara University).

Aras EDAŞ participated in the project initiated by the Iğdır Provincial Coordinatorship to provide young minds to be individuals who question, search, think analytically, and produce information by providing the students with the culture of reading. The company donated books to the library of a designated school to raise children’s perception and awareness about the concept of a library.

In addition to the scholarship opportunities provided to university students every year within Artmin and Polimetel, tablet support was also provided to students in need who had difficulty in accessing distance education activities during the pandemic in 2021.

BKT Albania, which cooperates with New York University, supports the Department of Applied Banking and its students financially. Job opportunities are offered to students who graduate at the end of the school program which is organized as part-time theoretical training and part-time on-the-job training. In addition, financial literacy education is given to primary school students to encourage financial education and participation.

## CORPORATE SOCIAL RESPONSIBILITY

Çalık Holding participated in the donation campaign initiated by the TEMA Foundation to re-green the forest areas damaged due to the fire disaster experienced throughout Turkey by donating 40 thousand saplings in its 40<sup>th</sup> year.

### WE HELP DEVELOP ENVIRONMENTAL PROTECTION AWARENESS

Çalık Holding participated in the donation campaign initiated by the TEMA Foundation to re-green the forest areas damaged due to the fire disaster experienced throughout Turkey by donating 40 thousand saplings in its 40<sup>th</sup> year.

YEDAŞ, which fulfilled its social responsibilities at full speed as well as providing quality and sustainable energy supply in the provinces of Samsun, Ordu, Çorum, Amasya, and Sinop, created a memorial forest in Deniz Village, Çorum with the slogan “Zero Carbon.”

Çalık Holding carried out awareness activities within the company as part of Electronic Waste Day and supported the “Atma Bağışla” campaign of the Educational Volunteers Foundation of Turkey (TEGV) by ensuring the collection of electronic waste with the participation of volunteers within the Group in 2021 as well.

Gap İnşaat implemented the Carbon Emissions Measurement Project for the first time in 2021 to minimize its negative impact on the environment and climate.



Çalık Holding carried out awareness activities within the company as part of Electronic Waste Day and supported the “Atma Bağışla” campaign of the Educational Volunteers Foundation of Turkey (TEGV) by ensuring the collection of electronic waste with the participation of volunteers within the Group in 2021 as well.

GAP İNŞAAT was awarded the LEED GOLD Certificate with the office block of the Taksim 360 project. The LEED BD+C (Building Design + Construction) GOLD Certificate, which covers new buildings or large renovation projects, is a pioneer in its field in Turkey.

The main philosophy of Gap Pazarlama is to produce “responsible clothing for a sustainable future.” Therefore, the Company aims to ensure that its production processes and products are sustainable. The company successfully passed the GOTS and GRS certification audit in the Egypt Factory. Calik Alexandria carried out works for the factory modernization and decided to invest in laser, ozone washing, and e-flow machines. 16 Picanol machine contracts were signed and orders were placed for the modernization of the TJK Factory in Turkmenistan. With new investments, chemical and water consumption was reduced, and awareness of respect for the environment and nature was increased.



Within Lidya Madencilik and its subsidiaries, the activities for the set-up of an Integrated Management System within the framework of ISO 14001, 45001, and 9001 were continued in 2021. It is aimed to achieve the goal of sustainable mining with the implementation of a holistic and inclusive management system after the works are completed and documented. In 2021, to make Water and Carbon Footprint calculations, preparations were made for the necessary data collection studies, a zero waste system was established and a Zero Waste Certificate was obtained.

Polimetal Madencilik, a subsidiary of Lidya Madencilik, donated 300,000 saplings to Balıkesir by signing a protocol with the Balıkesir Regional Directorate of Forestry as a reflection of an understanding of sustainable mining in 2021 when it started production. As such, Turkish pine, jujube, almond, stone pine, acacia, and cypress saplings were planted in Merkez, Yağcılar, Çağış ve Balatlı neighborhoods of Bigadiç District.



Gap İnşaat was awarded the LEED GOLD Certificate with the office block of the Taksim 360 project. The LEED BD+C (Building Design + Construction) GOLD Certificate, which covers new buildings or large renovation projects, is a pioneer in its field in Turkey.

Aras EDAŞ initiated landscaping projects in 7 provinces and 58 districts that are served with the slogan “Garden is On Us Gardening is On You.” Teams that were created to provide the gardening and arrangement of enterprise gardens performed their duty elaborately and planted fruit and vegetable saplings in suitable places. Besides, the nests of storks on the migration routes were checked and cleaned one by one. Feeding works were carried out for wild and street animals that had difficulty finding food during the pandemic.

BKT Kosovo, which carries out all of its activities with a sense of sustainability, improved its cooperation with the Green for Growth Fund (GGF) in 2021 and increased awareness and efforts to save energy in the following years. In this context, it developed a new product to finance energy-saving projects in 2021.



## CORPORATE SOCIAL RESPONSIBILITY

In 2021, support was provided as a “Contributing Organization”; to the Istanbul Film Festival with N Kolay Digital Banking and the Istanbul Music Festival with Aktif Bank Private Banking; and as a “Highly Contributing Organization” to the Istanbul Theater Festival with N Kolay Digital Banking.



**BKT Kosovo, which carries out all of its activities with a sense of sustainability, improved its cooperation with the Green for Growth Fund (GGF) in 2021 and increased awareness and efforts to save energy in the following years.**

As a member of the UN Global Compact, BKT Albania takes action for each SDG (Sustainable Development Goals). Activities in this context are grouped under two main headings. The organization and the world-citizen employees constituting the organization take actions such as creating awareness and making a first-hand contribution regarding the issues including the environment, equality of opportunity, gender equality, responsible consumption and production, human/employee health, etc. to fulfill their responsibilities to the environment and society. Moreover, the productivity in terms of society and organization is increased regarding the issues that are directly within the impact area of the Bank (such as not providing financing services in the areas against the product, service, and banking principles as well as that of the UN Global Compact and Holding; preventing bribery; and minimizing the carbon emission, energy, and paper consumption with the digitalization of daily banking operations) and investment is made in sustainable profitability. Contribution to forestation works in the cities where branches are located continues.

### WE SUPPORT SPREAD OF ARTISTIC ACTIVITIES THROUGHOUT THE SOCIETY

In 2021, support was provided as a “Contributing Organization”; to the Istanbul Film Festival with N Kolay Digital Banking and the Istanbul Music Festival with Aktif Bank Private Banking; and as a “Highly Contributing Organization” to the Istanbul Theater Festival with N Kolay Digital Banking.

Taksim 360 project, realized by Gap İnşaat in Tarlabası, hosted the Beyoğlu Culture Road event. As part of the event, the Istanbul photographs exhibition was organized by the Turkish Photography Foundation.

The restoration and modernization of a historical qualified building were carried out by Gap İnşaat within the scope of the cooperation with Beyoğlu Municipality. In cooperation with Beyoğlu Municipality and the Ministry of Industry, it is planned to open the building as a technology center.

### WE SUPPORT DEVELOPMENT OF A SOCIAL SOLIDARITY CULTURE

Artmin Madencilik, one of the important projects of Lidya Madencilik, started to develop projects in the region by giving priority to social investments in line with the understanding of responsible mining before the mine site has yet been commissioned. A social facility including a guesthouse, cafe, headman’s office, and cooperative was built in Yukarımaden Village and handed over to the headman. The guest house located in the social facility will be operated by Yukarımaden Village Women’s Initiative Production and Enterprise Cooperative and offer accommodation in the region. Another project realized by Artmin is the irrigation water project in Aşağımaden village, which aims to contribute to the sources of living in the region.

Lidya Madencilik provides resources to the local community by prioritizing local employment and purchasing in the project impact area. In this context, Polimetal Madencilik brought construction equipment and five service vehicles to Hacıömerderesi Agricultural Development Cooperative and contributed to the increase of business and employment potential alongside the locally procured labor force.



**As part of the “İftarımızı Anadolu’da Açıyoruz” event initiated by Çalık Holding in 2012, it provided shopping checks and food supplies to people in need in Erzincan in cooperation with the Red Crescent in 2021.**

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Çalık Enerji cooperated with non-governmental organizations such as TEMA, Food Rescue Association, and Purple Roof Women’s Shelter Foundation on special days and weeks such as new year’s day.

BKT Albania provides special services for people in need of social assistance and for isolated prison inmates to use financial services.

### WE SUPPORT SPORTS

The name sponsorship provided to the Istanbul Marathon by Aktif Bank subsidiary N Kolay was continued in 2021 as well. In addition to many different activities realized as part of the marathon during the year, with the N Kolay Idea Marathon young people were provided the opportunity to present creative suggestions specific to the marathon.





# Leave a better and livable world to future generations

Focusing on leaving a more livable world to future generations, Çalık Holding realizes a minimum level of energy consumption in its activities. It maintains its efforts to be able to minimize its negative impacts on the environment and climate.

## ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT APPROACH

### ENVIRONMENTAL POLICY

Çalık Holding and Group companies abide by the national and international legal legislations and regulations and pay attention that their products and services protect the environment.

- Ensuring that the environment is protected and passed on to future generations,
- Efficient use of resources in their activities,
- Conducting activities with environmentally friendly business approaches,
- Reduction of environmental pollution and waste,
- Regular review and improvement of business systems and processes,
- Raising the environmental awareness of employees and society

are the main goals of Çalık Holding and Group companies. It is expected that the Group companies behave in accordance with this policy.



Çalık Holding attaches importance to the environmental training process and aims for raising awareness through its efforts to increase environmental sensitiveness every passing day.

Focusing on leaving a more livable world to future generations, Çalık Holding realizes a minimum level of energy consumption in its activities. It maintains its efforts to be able to minimize its negative impacts on the environment and climate.

Çalık Holding attaches importance to the environmental training process and aims for raising awareness through its efforts to increase environmental sensitiveness every passing day. The unconscious consumption is prevented by informing employees about energy saving. The maintenance of the systems caused by heating is carried out and monitored periodically. Studies are carried out to avoid unnecessary energy loss.





# Works that prevent wastage and minimize waste

Çalık Holding and Group companies carry out activities to reduce, recycle, and dispose of waste in cooperation with the right business partners.

## WASTE MANAGEMENT APPROACH

Çalık Holding and Group companies carry out activities to reduce, recycle, and dispose of waste in cooperation with the right business partners. Each Group company aims to reduce its waste by methods specially developed for its own business, to dispose of hazardous waste by storing it in appropriate conditions and delivering to authorized institutions, and to maximize recycling.

Çalık Holding, which determined paper waste as a priority issue in the management of waste, applies two different methods in this respect. The first method is to popularize the paperless office approach primarily. The main objective is to carry out studies aimed at processing document movements and approval mechanisms through electronic media by minimizing the need for printing.

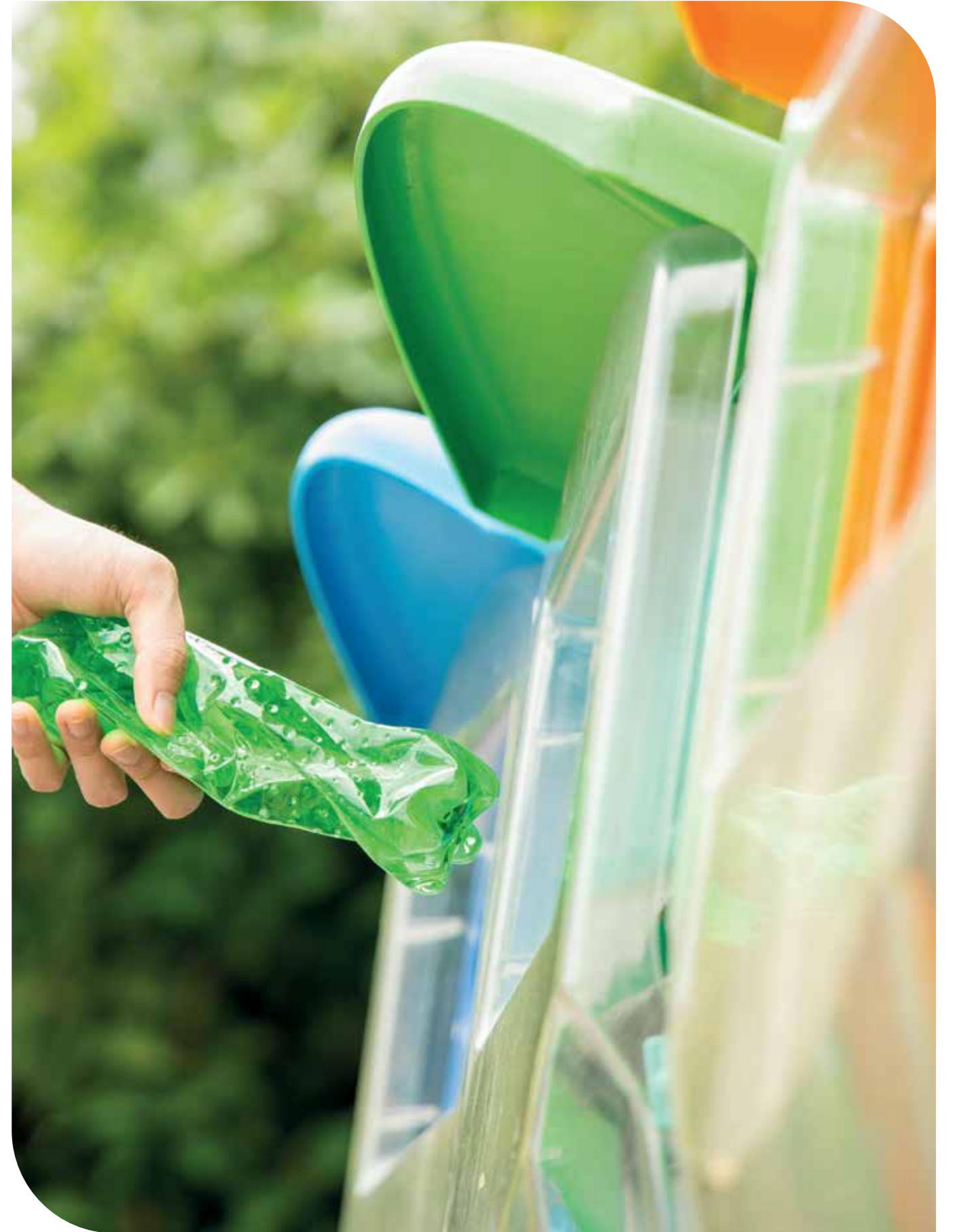
Being aware that it is not possible to completely eliminate the use of paper, the papers that become waste after use are collected and delivered to the municipality for recycling.



Çalık Holding performs awareness activities on the recycling of the electronic waste with the volunteering project it carries out every year within the Group.

Plastic waste used at Çalık Holding buildings is also collected with the same approach and delivered to the municipality for disposal and recycling.

Çalık Holding carries out awareness activities on the recycling of electronic waste with the volunteering project realized every year within the Group and supports the “Don’t Throw, Donate” campaign of the Educational Volunteers Foundation of Turkey (TEGV) by collecting electronic waste as part of Electronic Waste Day. With this project, a contribution is made to ensure that financially limited children receive a quality education with the support of TEGV thanks to the scrap value obtained from e-wastes.



GRI TABLE

GRI Standard	Description	Page Number/Direct Source	Reason of Omission
GRI 101: Foundation 2016			
GRI 102: General Explanations 2016			
GRI 102: GENERAL EXPLANATIONS 2016	Corporate Profile		
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	102-2	Çalık Holding in Brief, p. 16-29	
	102-3	Çalık Holding in Brief, p. 16-29 Contact, p. 84	
	102-4	Our Geography of Activity, p. 28-29	
	102-5	Çalık Holding in Brief, p. 16-29	
	102-6	Our Geography of Activity, p. 28-29	
	102-7	Çalık Holding in Brief, p. 16-29 Summary Financial Information, p. 44-45	
	102-8	Human Resources, p. 64-69	
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	102-10	Suppliers, p. 48-49	
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	102-12	Çalık Holding in Brief, p. 16-29	
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	Strategy		
	102-14	Message from the Chairman, p. 14-15	
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	Ethics and Integrity		
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	102-19	Business Approach of the Board of Directors, p. 50-55	
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GRI 102: GENERAL EXPLANATIONS 2016	102-26	Business Approach of the Board of Directors, p. 50-55	
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	102-35	Wage Management, p. 69	
	102-36	Wage Management, p. 69	
	Stakeholder Analysis		
	102-40	For Whom We Create Value - Stakeholders, p. 43	
	102-41	There is no collective bargaining agreement.	
	102-42	For Whom We Create Value - Stakeholders, p. 43	
	102-43	For Whom We Create Value - Stakeholders, p. 43	
	102-44	Materiality Topics, p. 38-41 Materiality Analysis, p. 42	
	Reporting		
	102-45	Since the Company is not a public company, auditor's reports are not open source.	
	102-46	About the Report, p. 12	
	102-47	Materiality Topics, p. 38-41 Materiality Analysis, p. 42	
	102-48	There are no changes.	
	102-49	There are no changes.	



GRI TABLE

GRI Standard	Description	Page Number/Direct Source	Reason of Omission
GRI 102: GENERAL EXPLANATIONS 2016	102-50	01.01.2021-31.12.2021	
	102-51	This is the second sustainability report of Çalık Holding.	
	102-52	Annual	
	102-53	Contact, p. 84	
	102-54	About the Report, p. 12	
	102-55	GRI Content Index, p. 80-83	
	102-56	No independent assurance statement has been received for this report.	
GRI 200: ECONOMIC STANDARD SERIES			
	Economic Performance		
GRI 103: GOVERNANCE APPROACH 2016	103-1	Our Sustainability Structure, p. 38-43	
	103-2	Our Sustainability Structure, p. 38-43	
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GRI 201: ECONOMIC PERFORMANCE 2016	201-1	Summary Financial Information, p. 44-45	
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GRI 203: INDIRECT ECONOMIC IMPACTS 2016	203-1	Çalık Holding in Brief, p. 16-29	
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GRI 103: GOVERNANCE APPROACH 2016	103-1	Our Sustainability Structure, p. 38-43	
	103-2	Our Sustainability Structure, p. 38-43	
	103-3	Our Sustainability Structure, p. 38-43	
GRI 205: ANTI-CORRUPTION 2016	205-2	Anti-Corruption and Anti-Bribery, p. 58	

GRI Standard	Description	Page Number/Direct Source	Reason of Omission
GRI 300: ENVIRONMENTAL STANDARD SERIES			
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GRI 103: GOVERNANCE APPROACH 2016	103-1	Our Sustainability Structure, p. 38-43	
	103-2	Our Sustainability Structure, p. 38-43	
	103-3	Our Sustainability Structure, p. 38-43	
GRI 306: WASTE 2020	306-1	Waste Management Approach, p. 78	
	306-2	Waste Management Approach, p. 78	
GRI 400: SOCIAL STANDARDS SERIES			
	Occupational Health and Safety		
GRI 103: GOVERNANCE APPROACH 2016	103-1	Our Sustainability Structure, p. 38-43	
	103-2	Our Sustainability Structure, p. 38-43	
	103-3	Our Sustainability Structure, p. 38-43	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1	Occupational Health and Safety, p. 66-67	
	403-2	Occupational Health and Safety, p. 66-67	
	403-3	Occupational Health and Safety, p. 66-67	
	403-4	Occupational Health and Safety, p. 66-67	
	403-5	Occupational Health and Safety, p. 66-67	
	403-6	Occupational Health and Safety, p. 66-67	
	Training and Education		
GRI 103: GOVERNANCE APPROACH 2016	103-1	Our Sustainability Structure, p. 38-43	
	103-2	Our Sustainability Structure, p. 38-43	
	103-3	Our Sustainability Structure, p. 38-43	
GRI 404: TRAINING AND EDUCATION 2016	404-2	Development of Employees, p. 68-69	
	Diversity and Equal Opportunity		
GRI 103: GOVERNANCE APPROACH 2016	103-1	Our Sustainability Structure, p. 38-43	
	103-2	Our Sustainability Structure, p. 38-43	
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GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1	Diversity and Equal Opportunity, p. 69	

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