

Sustainability Report 2020





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About the Report

Scope, Limitations, Framework and Principles, External Audit

Türk Telekomünikasyon A.Ş., TTNET A.Ş. and TT Mobil Hizmetleri A.Ş. (hereinafter referred to as "TTG") Sustainability Report is the first report of the group sharing its sustainability efforts with its stakeholders.

Unless otherwise stated, the report is prepared annually and covers the financial reporting period of the Company, from January 1 to December 31.

Since this report is the first sustainability report of the Company, it includes some of the sustainability focused projects that were initiated in previous years. However, the data in the report covers the period from January 1, 2020 to December 31, 2020. Türk Telekom "2020 Sustainability Report" reflects the core activities of the group, and the data of subcompanies and subsidiaries are not included.

The report has been prepared within the framework of the GRI Standards and the United Nations Global Compact principles. In addition, GRI's materiality, stakeholder engagement, sustainability scope, integrity principles were also taken into account in the Company's materiality and stakeholder engagement activities.

Since the Company makes CDP reporting, climate energy data is calculated based on the CDP. The Company announces its Sustainable Development Goals (SDGs) based targets in this report for the first time.

Details of these studies are included in the report and in the index tables.

Türk Telekom's sustainability approach, focus areas, targets and activities have been determined with a wide participation including the Company's senior executives. Stakeholder communication activities, which are also important for these studies, were carried out to a limited extent due to the COVID-19 pandemic. The report has not been subjected to third-party auditing.

The information contained in the report is obtained from internal reporting systems (such as financial, legal obligations, human resources etc.), the database formed by the relevant departments (employees, customers and other stakeholders) and project-based outputs. All data were obtained in joint and/ or one-on-one meetings with the relevant departments of the institution. Information on detailed data collection methods and tools of the departments, if any, is included in the report where necessary.

The report is prepared in accordance with the GRI Standards - Core option.

Our report can be easily accessed and monitored by our stakeholders via https://www.ttyatirimciiliskileri.com.tr/en-us/financial-operational-information/pages/sustainability-reports on Company websites.

For any feedback and/or comments on the report, please contact us at surdurulebilirlik@turktelekom.com.tr.

You can access the United Nations Global Compact Progress Report of the Company from https://www.unglobalcompact.org/participation/report/cop/create-and-submit/active/450907



We are all looking for sustainable economic growth. Sustainability reporting that is correctly prepared by the business world keeps us on this path.

Andrew Raingold, Executive Director, Aldersgate Group



Management Messages



Dr. Ömer Fatih SAYANChairman of the Board of Directors

Türk Telekom, Turkey's integrated and leading telecommunication operator, closely monitors the fundamental change in the world and develops strategies and solutions to meet the needs and expectations shaped by this change. In the recent period, when the importance of technology and communication was once again understood, Türk Telekom correctly grasped the environmental, social and economic problems experienced on a global basis, included risks and opportunities in its business processes, and took important steps in the field of sustainability. Starting from this year, our Company begins to share its sustainability efforts with all its stakeholders through this report.

Türk Telekom, as an institution that considers the needs and expectations of all its stakeholders, has further deepened its sustainability focused strategy development and implementation efforts since 2020 and has designed a roadmap in line with the Sustainable Development Goals (SDGs), in order to improve life for future generations in a sustainable way. Focusing on people and embodying the power of growth in its deep-rooted culture through sharing positive values it creates with the society, Türk Telekom continues to offer value to its stakeholders.

Being aware of our responsibility towards our stakeholders while continuing our activities, we are cognisant that a sustainable world and environment, social equality and efficient use of resources are vital for our planet. As a company at the center of the Information and Communication Technologies (ICT) industry, we are aware of the contribution of our industry to global sustainability, and we will continue to support this contribution by improving our own sustainability. With the service we provide all over the country, we carry out pivotal activities in order to ensure social equality in access to information by making communication accessible to all.

By systematically reducing our energy consumption and carbon emissions, we report our development in this regard to global initiatives and support the "Zero Waste" project. With the products and services we have developed for our next-generation cities, we provide high efficiency in all areas of smart living, from traffic to public safety, from irrigation to lighting.

With our corporate social responsibility projects that add value to Turkey, we support the access to information of those who cannot participate in public life for various reasons. Within the scope of our "Life is Simple with the Internet" and its successor "Life is Simple with the Internet for Women with a Goal" projects, where we provide internet literacy training all over Anatolia, we lead the way for women to participate in economic life through digital marketing, entrepreneurship, and design-oriented thinking workshops.

We owe the great pride of successfully meeting the rapidly increasing communication demand during the COVID-19 pandemic, which spread all over the world in a short period of time, to our valuable human resource, who work devotedly all over the country. Our employees, who have contributed greatly to the successful completion of this challenging year, have demonstrated the best examples of responsible business conduct that every company should own.

With the awareness of our responsibility for the sustainable development of Turkey, our intensive work in the field of sustainability will continue. We will continue to achieve success in this field with all our stakeholders, for whom we work hard to make them feel valuable.

Thank you for your trust and support.

Management Messages



Ümit ÖNAL

As Türk Telekom, we have been exerting ourselves in the field of sustainability for many years with the strength we derive from our 180-year deep-rooted history and our projects that shape the future. As of this year, we are happy to meet you, our esteemed stakeholders, through our "Sustainability Report". While expressing the vision we created in order to provide solutions to the problems our world is exposed to in a concrete way, we compile the value we strive to create for our country and the world in our sustainability report.

Today, we are aware of the changing priorities and expectations regarding sustainability and social issues, and we aim to integrate the universal principles of sustainability into our business model and strategies. As of 2020, we have decided to establish a holistic sustainability management system, and by addressing our activities in this field on a strong and inclusive basis, we have established our focus areas as "Trust", "Value for Human", "Climate Change and Environment", "Customer Focus" and "Contribution to Society". Although we did not know that we would be experiencing the COVID-19 pandemic that affected the entire world while designating our sustainability focus areas, today we once again realise the importance of our decision we had made.

As Türk Telekom, we are leading the digital transformation of Turkey and introducing information and communication technologies, which are the main driving force for sustainable economic growth and social development, to every corner of Turkey. We put people at the centre of our activities, and we grow by providing uninterrupted service to the most remote corners of Turkey. The change experienced in education, business life and daily life due to the COVID-19 pandemic has revealed the importance of this approach. We believe that digital means and communication technologies are crucial for the future of societies.

We continue our investments and optimisation efforts to systematically reduce our carbon emissions. We report to the Carbon Disclosure Project (CDP), an international initiative that supports the transition to a low carbon economy and is considered one of the most prestigious environmental projects in the world, and we share our approach towards the subject and our relevant data. We are the first Turkish telecommunications company to have participated in this global initiative with our 2011 report. We believe in the circular economy for the efficient use of resources and contribute to the

'Zero Waste Project'. Accordingly, we continue to work for the recycling of electronic waste that we enable our customers to use.

Within the scope of positive environmental planning for the future, we are constantly working on energy efficiency and renewable energy. According to the report of the Global e-Sustainability Initiative (GESI), we are among the few operators in the world that have reduced their electricity consumption in recent years. We have completed the installation of our solar power plants (SPP) in 1,700 locations to support the development and expansion of renewable energy sources in Turkey, increasing the total installed power of our renewable energy systems to 2.3 MW. We care for contributing to clean and national energy. We are the first operator in Turkey to take concrete steps in smart city applications and as Türk Telekom, we embrace the vision of transforming all cities into smart city status. We invest in innovative technology applications to help build sustainable, efficient and high quality cities by leading the country to a future where cars, homes, schools, businesses and cities will be smarter.

In today's world where communication technologies are constantly changing, we are aware that our employees are the most crucial constituent to assure trust in our brand; and accordingly, we prioritise the professional and personal development of all our employees. We continue to achieve sustainable outstanding success with our competent and high-performing employees.

In addition to the products and services we develop, we take it as our corporate responsibility to enable access to information for all segments of the society that cannot participate equally in social life due to economic, social or physical reasons; and we carry out our activities with the principle of "accessible communication for all". On this basis, you can follow our valuable projects, which we have put into practice under our Corporate Social Responsibility and that we have transferred to the digital environment within the scope of "Turkey is Worth All Our Efforts" understanding.

As a supporter of the United Nations Sustainable Development Goals (SGDs) and a party to the UN Global Compact, we will continue to create value and work unceasingly in line with our principle of "Makes You Feel Valuable" by putting people at the centre with our sustainability principles. We would like to thank all our stakeholders who supported us on this path.

Management Messages



Ali GÜRSOYHead of Enterprise Risk and Business Continuity

We observe that several topics under the heading of sustainability have turned into growing risk focus areas on a global scale. As Türk Telekom, we believe that sustainability is an approach for creating long-term value through effective management of risks and opportunities. Considering the distribution of risk areas in the Global Risks report published annually by the World Economic Forum (WEF), it is acknowledged that the major risks to the global economy are clustered in the main areas under the sustainability heading, such as climate-related environmental risks. Accurately analysing the changing global risk environment and responding swiftly and effectively to stakeholder expectations clustered around the Sustainable Development Goals (SDGs) are key elements for our future success. This shows us the necessity of adopting sustainable development as a business model.

The COVID-19 pandemic, which has affected the entire world, has once again proven the significance of risk management on a global basis. Together, we have witnessed that negative effects can be overcome with the management of crisis and risks, which are predicted and measured with an increased precision, by applying risk analytics techniques, and that those who can create a competitive advantage stand out.

As such, the effective management of risks in many areas such as the following continues to be an important agenda item all over the world and in our country.

- Re-evaluation of business strategy and priorities in line with risks and opportunities,
- Increasing digital security risk with practices such as accelerated digital transformation and remote working,
- Ensuring network resilience and uninterrupted communication to meet changing customer behavior and increasing information and communication demand,
- The risks and opportunities brought by the dynamic and digital workforce increased with the transformation of working models,
- The approach to the Supply Chain that may be susceptible to interruptions during the pandemic and the new normal.

Our customers demand creative solutions, more flexibility and quicker response from us. While responding to this change, we see that being respectful to the environment and people, considering the needs of future generations, and being customer-oriented and agile are now prioritised, and to this end, we take the necessary steps to effectively manage our risks. At Türk Telekom, we position risk management as a systematic process used to determine strategies and applied throughout the organisation. In this regard, we have established the general basis and principles of the framework to be used in accordance with the ISO 31000 Enterprise Risk Management System. We consider the sustainability risk defined within this framework not only as a process through which we manage negative impacts, but also as an area where we can create value by effectively managing opportunities. We adopt a sustainability approach which is based on disclosing the long-term values we create to our stakeholders in line with the principles of accountability and transparency.

We present information on the management of climate-based risks, which has become the first agenda item of sustainability risk, to the stakeholders by reporting to the Carbon Disclosure Project (CDP); the most comprehensive environmental initiative in the world. In addition, as a sign of our commitment to sustainable development, we became a party to the United Nations Global Compact and committed to support its 10 fundamental principles in the fields of Human Rights, Labor Standards, Environment and Anti-Corruption. Starting from this year, we will be delivering our sustainability report prepared in accordance with the international standards of the Global Reporting Initiative (GRI).



General Overview

Global Developments, Sector and Türk Telekom

Global Developments and the Sector

2020 went down in history as a very special year. With COVID-19 pandemic, the entire world had to simultaneously deal with many issues that had not topped agendas until then. Although the ongoing uncertainty related to the pandemic has produced some different results in different countries, it has created a grave and unprecedented global crisis as a result of increasing inequality and tension on society all over the world. The macro effects of the pandemic in all sectors still continue at the time of this report's preparation.

With COVID-19 pandemic, similar changes which have been experienced on a global basis have also been observed in Turkey. One of the first actions taken to prevent the spread of the pandemic was to slow down the transmission of the disease by promoting social distancing. In this environment, remote working and video conferencing applications, which have risen due to the need for socialisation and the compulsory changes in the business models of institutions, have carried communication to telecommunication channels. In the same period, the transfer of education to the online platforms created a remarkable expectation from telecom companies. This situation, especially the increase in data consumption of households in fixed broadband internet usage (increased use of online entertainment platforms, video games and digital TV due to education, remote working and the obligation to stay at home) brought up some decisions and actions that need to be taken quickly by the sector. This change and demand continue in an accelerated pace.

The COVID-19 pandemic has once again confirmed the importance of digital transformation. The current environment and the crisis have led the Information and Communication Technologies sector to come to the fore as one of the major economic forces under the new conditions. Therefore, it is predicted that digital services will continue to gain market share from traditional sectors in the future, and new opportunities will arise in the fields of information technologies and cyber security.

What is happening today is a breaking and turning point for the future scenarios of the sector. Both mobile and broadband internet access services had to develop rapidly in order to meet the demand, and solution-oriented software, internet of things (IoT), data storage and connection-based digital services have grown rapidly and will continue to develop and grow.

This change will affect all sectors, but in future scenarios it will have the greatest impact on the Information and Communications Technology (ICT) sector.

Considering the global developments, it is acknowledged that the expectations and demands of the societies from companies and governments for the realisation of long-term sustainability goals have grown. Ecological impacts, emission reduction, increase in social problems and pressures for institutions to switch to a circular economy that minimises their environmental impact shape the agenda and regulations for companies and governments for a mandatory transformation in the short term. Considering that higher levels of transparency, equality and inclusion are demanded by the society to become a specific part of the business agenda, the United Nations Sustainable Development Goals (SDGs) are an important guide for institutions in their value creation journey.

Lately, voluntary reviews of countries designated by the United Nations show what governments can do when they are determined and focused on complex and critical issues such as healthcare, education, energy, environment, governance, agriculture, climate change and early warning systems. This study provides solutions in line with the expectations from Sustainable Development Goals.

It is observed that in an environment where equality is faced with many threats all over the world, cooperation with other stakeholders is as critical as the cooperation of institutions in the sector among themselves in order to achieve the Sustainable Development Goals by 2030. It is also a fact that the sector has an immense potential to rapidly realise the Sustainable Development Goals.

When a digital environment that can connect us to each other and to the Sustainable Development Goals can be offered, the entire society will likely be more willing to participate in the digital transformation in order to tackle the important challenges facing our planet.

Türk Telekom at a Glance

Türk Telekom and Group Companies

With its deep-rooted history of 180 years, Türk Telekom is the first integrated telecommunication operator of Turkey.

In 2015, Türk Telekomünikasyon A.Ş. adopted a "customer oriented" and integrated structure in order to respond to the rapidly changing communication and technology needs of customers in the most powerful and accurate way, while maintaining the legal entities of TT Mobil İletişim Hizmetleri A.Ş. and TTNET A.Ş. intact and adhering to the rules and regulations to which they are subject. Having a wide service network and product range in the fields of individual and corporate services, Türk Telekom unified its mobile, internet, phone and TV products and services under the single "Türk Telekom" brand as of January 2016.

Continuing its activities with the aim of carrying Turkey to the future, Türk Telekom, the leader of integrated technology services, is rapidly making technological infrastructure investments in order to become the leader of digital and technological transformation and to strengthen the competitiveness of the Turkish business world on the global platform, from the smallest enterprises to the largest institutions. At the same time, it is moving forward step by step to reach the most remote corners of the country and continues to grow.



R&D Company for 5G and Beyond Next-Generation Telecommunications Technologies

- vRAN: SDN (Software Defined Networks) based Radio Access Network technology for LTE and 5G with 40 patent applications (24 of which have been accepted).
- NPM/CEM: Network Performance Monitoring and Customer Experience Management solutions used by telecom operators in Turkey and in the world.
- **ULAK**: Turkey's first and only LTE base station development project.
- **DEFINE**: First domestic DPI (Deep Packet Inspection) solution development project of Turkey under the roof of OTAK A.Ş.
- SEBA+: Broadband access technology for fixed networks.
- Commercialisation of R&D studies.
- Member of BBF, member of ONF & ONAP with its subsidiary Netsia (USA)



Turkey's Leading Software Developer Company and System Integrator

- System Integration Solutions
- Fintech Solutions
- Smart City and Smart Store Solutions
- Health Solutions
- E-Transformation Solutions
- The IoT Platform and Solutions
- SAP, Business Intelligence, CRM, IT Governance, Project Management Services
- Managed Services, Outsourcing, Consultancy Services



International Arm of the Group that opens up to the World in Wholesale Data, Voice and Roaming Services

- A fibre network spreading over more than 45 thousand kilometres in Central and Eastern Europe (CCE), Turkey, the Middle East and the Caucasus region
- More than 110 points of presence (POP) in 22 countries
- Billions of minutes of transit voice traffic per year, more than 800 mobile roaming agreements and over 320 LTE mobile roaming agreements with more than 200 business partners
- Value added unique solutions
 - AMEERS: New route connecting Western Europe to the Middle Fast
 - SEA-ME-WE-5: Submarine cable system connecting Europe to Africa, the Middle East and Asia
 - KAFOS: Submarine cable system extending from the Black Sea to Europe
 - MEDTÜRK: Submarine cable system connecting the Middle East, Turkey and Europe



Turkey's Leading and Long-Established Educational Technologies Company

- E-education portfolio covering all grades from preschool to high school
- Leading education products: Raunt, SEBİT, VCloud and Vitamin
- Content and platform provider to the Ministry of National Education in national E-education transformation projects

GSSISTT

A Leading Customer Service Solutions Company

- Beyond traditional call centre services, salesmarketing, social media management, faceto-face services, revenue management, quality management, customer experience management, new technologies and digital solutions
- Customer Experience Centre, offering solutions as a strategic fellow companion with more than 13 thousand employees to large-scale private and public institutions.



A Payment Services and Electronic Money Company

- Electronic money license from the Banking Regulation and Supervision Agency (BRSA) for payment services
- A strong position in mobile payment
- Expansion plans in other payment services and products (Digital Wallet, Operator Billing, Money Transfer, Tax/Bill Payments, E-Money)



A Corporate Venture Capital Company

- Focus on investments which contribute to the growth of early-stage initiatives and scalable-target ventures especially in the areas of health, energy and education
- The first deal is in health sector vertical: DoctorTurkey
- The second deal is in education sector vertical: MentalUP
- The third deal is in energy sector vertical: Eltemtek

History

1840

Post Office was established.

1909

With the addition of telephone services, the institution was transformed into the PTT (Post, Telegraph, Telephone) Directorate.

1994

Türk Telekomünikasyon A.Ş. was established on June 30th, 1994.

1995

On April 24th, all PTT staff, assets, liabilities, and shares related to the telecommunications services were transferred to Türk Telekom, which was fully owned by the Undersecretariat of Treasury affiliated to the Prime Ministry of the Republic of Turkey.

2004

On February 19th, Türk Telekom's GSM Operator Aycell and Iş-TIM merged. TT&TIM İletişim Hizmetleri A.Ş. was established.

On October 15th, the tradename of the company was changed to Avea İletişim Hizmetleri A.Ş. (Avea)

2005

Privatisation efforts of Türk Telekom was completed on November 14th, and 55% share of the Company was transferred to Ojer Telekomünikasyon A.Ş.

2006

On May 14th, TTNET was established and started its operations after being awarded an internet service provider license.

On September 15th, TT purchased the 40.56% stake of İş-TİM for USD 500 million and increased its stake in Avea to 81.12%.

2008

15% of the shares in Türk Telekom were offered to public on May $15^{\rm th}$, and the shares started to trade on the İstanbul Stock Exchange.

2009

Türk Telekom's subsidiary, Avea (renamed as TT Mobil) started to successfully provide 3G services.

2010

Türk Telekom acquired Invitel International (renamed as Türk Telekom International), the leading wholesale capacity provider in the Central and Eastern Europe region.

2011

Türk Telekom became the first telecommunication company in Turkey to report carbon emissions to the CDP (Carbon Disclosure Project).

2012

Türk Telekom's total share in the Avea's capital increased to 89.99%.

2014

Türk Telekom issued bonds abroad with maturities of 5 and 10 years, totalling USD 1 billion.

2015

Türk Telekom got the full ownership of Avea İletişim Hizmetleri A.Ş. with the transfer of the shares of Avea owned by the İş Bank Group, to Türk Telekom.

Avea became the mobile operator with the largest frequency per subscriber.

2016

Avea, Türk Telekom and TTNET brands were all integrated under the single brand of "Türk Telekom".

Türk Telekom became the first operator to integrate Turkey's first domestic and national LTE base station ULAK into its network which was developed by Aselsan, Netaş and Türk Telekom's R&D subsidiary, Argela.

2017

Türk Telekom's subsidiary, TT Ödeme Hizmetleri A.Ş. (TT Payment Services) obtained a license to operate.

A total of 6.68% of Turkish Telekomünikasyon A.Ş. shares held by the Undersecretariat of the Treasury of the Republic of Turkey (5% Group B, 1.68% Group D), were transferred to the Turkish Wealth Fund following the relevant decree of the Council of Ministers.



2018

55% shares of Türk Telekom held by Ojer Telekomünikasyon A.Ş. (OTAŞ), a shareholder in Türk Telekom, were transferred to Levent Yapılandırma Yönetimi A.Ş. (LYY) (renamed as LYY Telekomünikasyon A.Ş.), which was established as a special purpose vehicle (SPV).

Türk Telekom established TT Ventures, the first corporate venture capital company in the Turkish telecommunications sector.

Turkey's largest Cyber Security Centre was opened in Ankara.

2019

In collaboration with Nokia, Türk Telekom became the first Turkish operator to test 5G Artificial Intelligence, the Cloud Radio Access Network (Cloud-RAN), Wireless PON (Wireless Passive Optical Network) and Industry 4.0 Smart Factory technologies.

Türk Telekom successfully completed a USD 500 million bond issuance.

2020

In January 2020, Türk Telekom has become a participating member to United Nations Global Compact, the world's largest corporate sustainability initiative.

Argela increased the total number of international patents obtained in the field of 5G to 40.

Vision, Mission, Values

Türk Telekom works for this country's future with the strength it derives from its deep-rooted history of nearly two centuries. As the telecom operator that leads the digital transformation of Turkey, its most essential task is to carry Turkey into the future. Türk Telekom's priority is to go beyond being a technology company and to make its stakeholders "Feel Valuable" by creating value in every field it operates.

Values, Türk Telekom

1	is human-oriented	10	is excited
2	is brave	11	works for social good in technology
3	is honest	12	understands social responsibility
4	is sincere	13	is at peace with its past
5	is lean	14	is domestic and national
6	is a leader	15	cares about its values
7	is innovative	16	is productive
8	is agile	17	is sharing
9	is young-spirited	•	

Strategic Priorities

While Türk Telekom maintains strong growth in its core business lines, it has determined strategic focus areas with the vision of seizing opportunities in new areas and maximising customer experience, especially considering the situation caused by the COVID-19 pandemic.

Türk Telekom Strategic Focus Areas

Core Services

Growth and digitalisation in main business lines

- Strong growth and leadership in retail and wholesale fixed broadband
- Provide high-quality and fast internet access nationwide by pioneering Turkey's fibre transformation
- Increase the number of access lines and expand household footprint
- Achieve fair market share in the mobile segment by encouraging data usage
- Journey to Turkey's leading digital TV/OTT platform with technological transformation and attractive content

Customer Focus

Redefining the customer experience

- · A digital and end-to-end redesigned customer experience
- Develop customer-oriented, agile working models
- Provide personalised offers and content, in addition to digital products and services to enrich the customer experience

Strategic Priorities

Efficiency

Improving efficiency with digitalisation and new operational models

- Increase efficiency with digitalisation, virtualisation and new working models
- $\boldsymbol{\cdot}$ Disciplined management of capital expenditures by focusing on profitability
- ${}^{\bullet}$ Be ready for the technological transformation 5G and next-generation technologies

New Income Areas

Growth in new areas supporting our main business lines

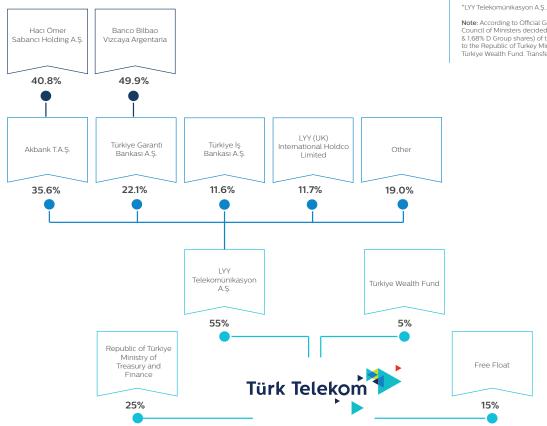
- \bullet TV/OTT and ICT/Cloud investments with high revenue potential to support the customer base
- Provide accessible cloud/ICT/IoT services for the digitalisation of companies
- Create added value with opportunistic initiatives

Türk Telekom **Shareholder Structure**

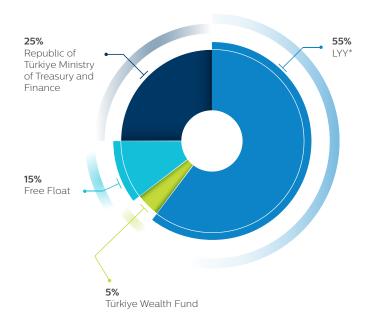
Türk Telekom is among Turkey's leading companies with its strong capital structure. LYY Telekomünikasyon A.Ş. has 55% share, the Republic of Turkey Ministry of Treasury and Finance has 25% share, Türkiye Wealth Fund has 6,68% share (of which 1,68% in free float) in Türk Telekom, while 15% of the shares are public.

- The Republic of Turkey Ministry of Treasury and Finance's Group B non-public share ownership is 25%. In addition, it owns a (Group C) "Golden Share" with nominal price of TL
- LYY Telekomünikasyon A.Ş.'s Group A non-public share ownership is 55%.
- Non-public share (Group B) ownership of Turkey Wealth Fund is 5% Turkey Wealth Fund's (Group D) public share ownership is 1,68%
- Public shares (Group D) constitute 15% of total capital.

Shareholder Structure



Capital Structure

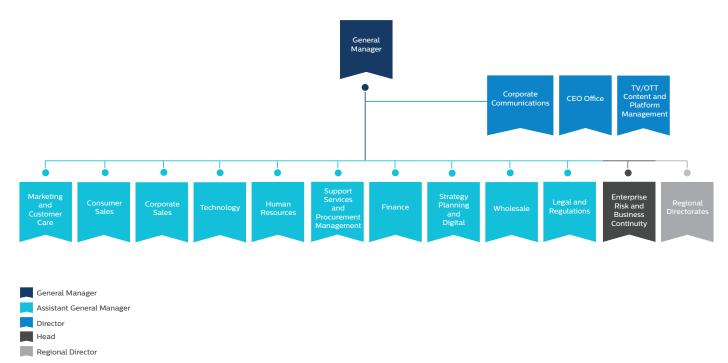


Note: According to Official Gazette published on 5 February 2017. Council of Ministers decided to transfer 6,68% (58 B Group shares & 1,68% D Group shares) of the shares of the Company belonging to the Republic of Turkey Ministry of Treasury and Finance to the Turkiye Wealth Fund. Transfer of shares was completed in 2017.

Management Structure

No member of Türk Telekom Board of Directors is in the management. The Company has three independent members of the board of directors. The term of office of the board of directors is 3 years.

Although Türk Telekom has a Board of Directors Women Membership Policy, there are no female members in the Board of Directors yet.



Products and Services











Turkey's next-generation platform: Tivibu GO

Türk Telekom's all-in-one TV platform, offering multi-screen support, national and private channels, options to rewind and watch thousands of movies documentaries and TV series



Turkey's enriched digital music platform: Muud

Turkey's most preferred digital music platform: Downloading and listening to millions of songs in high quality, watching countless videos



Turkey's leader digital gaming platform: Playstore

Turkey's first and leading digital game platform and e-pin



Türk Telekom's educational platform: Türk Telekom Academy

The training platform of Türk Telekom employees has been re-launched to be available to all Türk Telekom internet customers.



Turkey's interactive education platform: Vitamin & Raunt

Turkey's largest online education platforms: Vitamin for students from pre-school to high school, Raunt for university preparation



Turkey's first smart and hyperlocal keyboard: Tambu

Turkey's first domestic and smart digital keyboard



Turkey's most comprehensive online reading platform: e-dergi

Türk Telekom's online magazine and newspaper reading platform, offered with advantageous campaigns for mobile customers of Türk Telekom



Turkey's most comprehensive security platform: Türk Telekom Security

The most comprehensive and secure anti-virus and family protection services in Turkey



Turkey's widest WiFi broadband network: Türk Telekom Wifi

Turkey's largest fixed broadband network with WiFi hotspots, and service on Turkish Airlines flights



Turkey's advantageous integrated cloud platform: Dijital Depo

Türk Telekom's new operator-independent cloud storage product, Dijital Depo, offers its users the opportunity to securely store their photos, videos, music and all files with its user-friendly design.

Türk Telekom with Numbers

In 2020, Türk Telekom Group posted its highest revenue growth and net income since the IPO.

23.2 million Mobile

subscribers

10.6 million Fixed voice subscribers

13.4 million Broadband subscribers

3.1 million

Pay Tv (Home and GO)

subscribers

62%*Multiple product ownership

*Among constant customer sub-universe that provided consent in 2019.

Türk Telekom Fibre Network



TL **28.3** Billion consolidated sales revenues **20%** revenue growth

TL **3.2** Billion net income **2.6** Million subscriber increase
Services for **50.4** Million subscribers

~ **45%** Fibre-connected LTE base stations

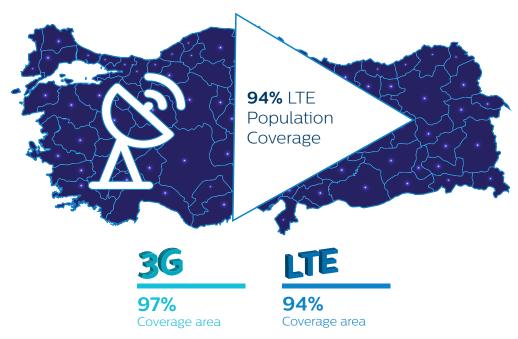
331 thousand km Fibre infrastructure in 81 cities

94% LTE population coverage

26.8 million Fibre household coverage in 81 provinces 2nd Player in Pay TV market

34,748 number of employees in 81 provinces

Wide Coverage Area



Other data

- 6.2 million high-speed fibre subscribers
- Approximately 45 thousand km fibre network in 20 countries outside Turkey
- The largest wireless backbone network in Europe
- The first Web TV and IPTV application in Turkey
- Data centre with Tier 3 certification



Sustainability Approach

Creating Value in the Digital Age

Global Developments, Sector

Türk Telekom is aware that sustainability requires institutions to take responsibility.

Operating in all provinces of Turkey with its 50.4 million customers and 34,748 employees, Türk Telekom works diligently to reduce the negative aspects of its environmental and social impacts, which may further increase with the rapid growth experienced due to the COVID-19 pandemic, and to achieve positive results for the society.

In today's world, where the important problems facing our planet and societies are gathered under big headings such as climate change and social values, participatory and remedial roles of institutions are indispensable for comprehensive and permanent solutions. Those companies with sole purpose of making profits will unlikely survive in the future.

Technology and telecommunication companies, which put innovation at the centre of their activities, seem to be the companies that will shape the future by taking on a much bigger role on this basis. Today, where uninterrupted and secure communication is more essential than ever, the expected contribution from the Information and Communication Technologies (ICT) companies has become even more important. In addition to its own activities, the Information and Communication Technologies Sector establishes and provides infrastructure for the success of other sector institutions and organisations, develops and protects them when necessary.

Information and Communication Technologies sector, offers fundamental solution tools in the fields of economy, innovation, health, education, ensuring social equality, protecting the environment and combating the climate crisis, reducing emissions, improving our quality of life and many more. Thus, it also directly serves the Sustainable Development Goals.

Creating Growth, Efficiency, Value

Although efficiency has been on the agenda of companies for a long period of time due to increasing resource costs, this issue goes beyond just using resources efficiently and mitigating costs. Efficiency studies are combined with alternative resource creation and use, as well as innovation. New areas such as Industry 4.0 and the Circular Economy have been incorporated into company operations and management. These developments are full of opportunities especially for companies providing information and communication services such as Türk Telekom. However, it also creates a challenging environment. Türk Telekom has placed the concept of Efficiency within its Strategic Priorities.

Türk Telekom does not only generate value for its own customers, but also helps corporate customers to create value.

Today, what is expected by society and stakeholders is for companies to create solutions to the common problems of the world while performing their work with innovative perspectives. With this understanding, Türk Telekom has started taking effective steps in the field of sustainability.

1'1

Our Goal

Türk Telekom aims to contribute to a more liveable future by using technology in the transformation process of our country into an information society and to create sustainable value for all stakeholders. For this purpose, it aims to strengthen the working environment with the Sustainability Management System for a long-term, strong and successful business model, and to manage it effectively by closely monitoring the effects on economic, corporate, environmental and social issues in its activities.

Our Sustainability Strategy

Risk Management and Sustainability Relationship at Türk Telekom

Risk management is a systematic process that is used to determine strategies at Türk Telekom and applied throughout the organisation. Sustainability is not only considered as a risk management tool, but also as a value creation tool, and it has long been assessed within both strategic and operational risks.

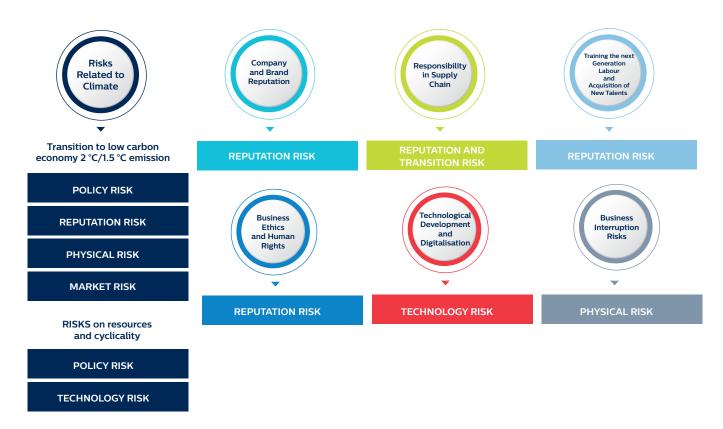
The main risks that Türk Telekom Group is exposed to are monitored under 3 main headlines: Financial Risks, Strategic Risks, Operational Risks.

Financial Risks: Financial issues are fundamental risks. Türk Telekom may be exposed to financial risks such as liquidity risk, foreign exchange exposure, interest rate risk and counterparty risk

Strategic Risks: Proactive risk management activities are conducted within the framework of the Company's strategic priorities, which will contribute to the increase in company revenues as well as meeting customer expectations. The fact that the Information and Communication Technologies (ICT) sector offers solutions for preventing global sustainability risks also ensures that strategic risk management is perceived as a value-creating sustainability activity.

Operational Risks: Operational risk is generally defined as the risk of loss arising from inadequate or failed internal processes, employees and systems, or external incidents. Türk Telekom carries out intensive work to protect itself and its subscribers against business interruptions and security breaches by overseeing the implementation of correct practices, standards and policies, and taking important steps, including obtaining certificates such as ISO 22301, ISO 27001 and PCI-DSS.

Risks and Opportunities Related to ESG (Environmental, Social and Governance)



Customer Related Risks

- 1. Information Security and Cyber Risk
- 2. Data Management Risk
- 3. Digital Growth and Diversification Risk
- 4. Innovation Risk
- 5. Reputation Risk
- 6. Network Transformation Risk Transformation and Development of Infrastructure and Network Technologies
- 7. Supply Chain Risk
- 8. Sustainability Risk
- 9. Organisational Agility Risk

Climate Change and Environment Related Risks

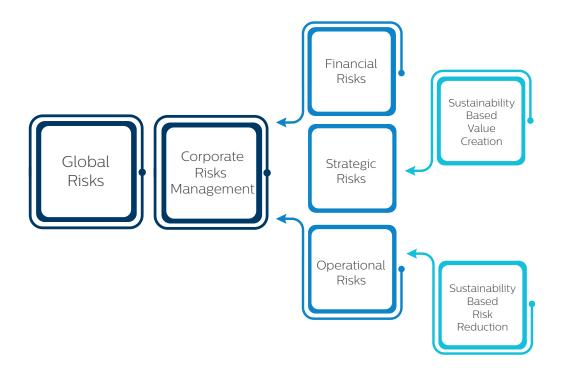
- 1. Reputation Risk
- 2. Sustainability Risk
- 3. OHS Risk
- 4. The Risk of Drought and Water Crisis
- 5. Recycling
- 6. Waste
- 7. Energy Requirement/Density

Risks Related to Contribution to Society

- 1. Innovation Risk
- 2. Reputation Risk
- Inability to be Positioned as a Beneficial Company to Society Risk



Sustainability is considered as one of the main components of risk management at Türk Telekom.



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Our Sustainability Strategy

Sustainability Focus Areas and Our Policy

Türk Telekom aims to build a more livable future and to create sustainable value for all stakeholders by using technology in the transformation process of our country into an information society. For a strong and successful business model in the long run, it creates a working environment based on sustainability principles and manages its activities by closely following the positive and negative effects on economic, corporate, environmental and social issues.

Determining its sustainability strategy as creating value for its stakeholders in the transition to the digital age and making them feel valuable, Türk Telekom defines the Environmental, Social and Governance (ESG)-based focus areas in designing a sustainable future as follows.

- Trust Focus Responsible Business Conduct
- Climate Change and Environmental Focus
- Focus on Value for Human
- Customer Focus
- Focus on Contributing to Society

Türk Telekom manages and develops all its focus areas based on the understanding of risk management and responsible business conduct.

The Company is aware that the responsible business conduct approach, which it positions as the basis of its management strategy, is critical in ensuring the trust that stands out in the digitalised world. Türk Telekom adopts a sustainability approach based on sharing its long-term values with shareholders, customers, employees and other relevant stakeholders in accordance with the principles of accountability and transparency.

The Company pays equal attention to the compliance of its activities with the principles of sustainability and creating value for its stakeholders. With this understanding, while creating value for all its stakeholders, the Company "Makes You Feel Valuable".

Following national and international good practices, Türk Telekom considers it as its primary goal to raise awareness of all its stakeholders, especially of the management team and employees, in order to make sustainability approach a part of the corporate culture.



Türk Telekom offers a general approach to Environmental,

Sustainability Policy

Social and Governance (ESG) focus areas and principles. Operating under the principle of "accessible communication for all", Türk Telekom commits to acting in accordance with the 10 basic universal principles of the United Nations Global Compact (UNGC) and takes the Sustainable Development Goals as its guide in its business conduct.

The Company defines focus areas in designing a sustainable future as follows:

Trust Focus – Responsible Business Conduct

Trust is a fundamental element in the digitalising world. Believing in the importance of gaining the trust of all stakeholders, Türk Telekom undertakes its activities in a reliable, honest, legal and ethical manner.

- 1. Türk Telekom Group Companies comply with the regulations related to bribery and corruption in all countries where they operate and are represented. The Company acts with a "zero tolerance" approach against bribery and corruption and carries out its activities in a reliable, honest, legal and ethical manner.
- 2. Transparency, sincerity and honesty constitute the main values in procurement processes. The Company directs its suppliers to act in accordance with Türk Telekom's sustainability policy.
- 3. With a sustainability approach based on sharing the long-term values with shareholders, customers, employees and other stakeholders, it participates in sustainability-based initiatives and indices; and carries out sustainability reporting.

Climate Change and Environmental Focus

Türk Telekom is aware of the risks posed by global climate change and works to combat these risks. The Company creates systems based on the responsible use of natural resources and ensures their continuity while taking it upon as a duty to fulfil its environmental responsibilities. Türk Telekom:

- 1. Complies with all national and international legal regulations and other obligations related to the environment to which it is subject.
- 2. Controls the significant environmental impacts arising from its activities and targets continuous improvement of environmental performance.
- 3. Participates in the Zero Waste Project in order to prevent the rapid depletion of natural resources. It works for the recycling of materials and resources that remain idle as a result of technological transformation.
- 4. Aware of the impact of high energy consumption on society and the environment, Türk Telekom puts emphasis on the investments and activities in the areas of energy efficiency and renewable energy.
- 5. Monitors carbon emissions in its activities and participates in the Carbon Transparency Project (CDP). It provides products and services that support low-carbon economy. It contributes to reducing greenhouse gas emissions by supporting different sectors through these services.
- 6. Makes electromagnetic field measurements before and after the installation of base stations and ensures that they work safely for people and the environment.
- 7. With the products and services it has developed for the next-generation cities, it provides high efficiency in smart living under the headings of transportation, security, energy, health, environment and life.

Value for Human Focus

Considering the employees as its most important asset, Türk Telekom aims to apply its "Makes You Feel Valuable" principle to all Human Resources policies, systems and processes by putting people at the centre.

- Adopting the respect for human rights as one of its most fundamental values, Türk Telekom respects the fundamental human rights within the scope of the United Nations Universal Declaration of Human Rights, the material and spiritual existence of human beings and carries out all its activities in this direction.
- 2. Rejects all practices of forced labor, including compulsory work, child labor, employing illegal immigrants and foreign personnel without a work permit, debt slavery and all forms of human trafficking.
- 3. Values differences, considers this an important asset, and commits to equal opportunities.
- 4. Contributes to the development of employees' knowledge and skills, adaptation to new technologies, and increasing their performance and competence through the training opportunities it offers.
- 5. İs aware of the necessity of collaborating with its employees for the success of its sustainability strategy. Attaches importance to improving employee experience.
- 6. Follows all national and international legal regulations that it is subject to regarding occupational health and safety. By displaying a proactive approach in creating a healthy and safe working environment, carries out activities for the identification of risks, the prevention and reduction of occupational accidents and occupational diseases that may occur as a result of existing risks.
- Supports the rights of its employees to organise meetings, unionise and form associations within the framework of legal regulations.

Customer Focus

Türk Telekom takes a customer-oriented approach in its operations and cares for enriching the customer experience. The Company aims to provide continuous and secure communication services with its robust infrastructure in every corner of our country.

- While improving the customer experience by increasing productivity with its digital products and services developed with an innovative perspective, supports its customers in gaining advantage in local and international competition. Establishes collaborations and business partnerships, when necessary, in this regard. Thus, generates direct and indirect value for the country's economy.
- With the responsibility of being the telecommunication company that establishes and develops Turkey's communication infrastructure, aims to ensure the resilience of its infrastructures and the continuity of communication.
- As Turkey's cyber security operator, works to ensure our national security by protecting the country's data.
 Follows the legal legislation for the protection of its employees, customers and all personal data in its field of activity and fulfils all its obligations in this regard.

Focus on Contributing to Society

Türk Telekom offers information technologies, which are the main driving force for sustainable economic growth and social development, to use throughout Turkey.

- In addition to the products and services it develops,
 Türk Telekom considers contributing to the accessibility
 of information for the segments of society that cannot
 participate equally in social life due to economic, social
 or physical reasons, as a corporate responsibility and
 carries out its activities with the principle of "accessible
 communication for all". Moreover, Türk Telekom supports
 the United Nations Sustainable Development Goals
 (SDGs) with its way of doing business and corporate
 social responsibility projects. The Company contributes
 to increasing the accessibility of information for all
 segments of society aiming to eliminate digital divide.
- 2. Sets an example with projects that offer solutions to primary needs of the society and aims to increase public awareness.
- 3. Implements the 'inclusive business model' in its social responsibility activities, which is considered indispensable for sustainable global development and aims to improve the living conditions of disadvantaged groups while also bringing them into the economy and guides its ecosystem in this area.
- 4. Plays a key role in the access of all segments of the society to information and the dissemination of education to every corner of the country, thanks to its products, services and social responsibility activities. Provides equal opportunities in terms of access to education and information for the disadvantaged segments of the population in particular.

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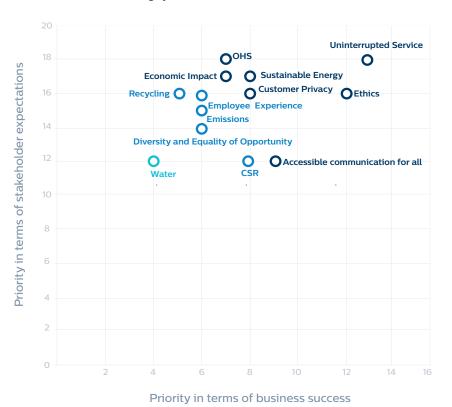
Sustainability Issues

Sustainability Issues and Limits

Stakeholder evaluations within the scope of Türk Telekom Sustainability studies, which started to be handled holistically with the management system established in 2020, were held with limited participants with external stakeholders and evaluations from internal departments, due to the impact of the COVID-19 pandemic. A sustainability awareness seminar was given to the managers of the relevant departments and the regional representatives; followed by a survey to identify stakeholder and sustainability issues within the Company. The results of the survey were internally evaluated under the leadership of independent experts and the Enterprise Risk and Business Continuity Department, and the Sustainability Matrix and Stakeholder breakdowns were prepared. In the answers provided and the evaluations made, it was requested to consider the outcomes of the in-house meetings and the feedback from the stakeholders within the last 2 years.

The sustainability issues of Türk Telekom that have been approved by the management are included in the following Sustainability Prioritisation (materiality) matrix.

TTG Sustainability prioritisation matrix





Top Priority

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Limits

Sustainability issues determined as a result of company surveys and meetings are the topics designated on the basis of the organisation's own work. At this stage, the limits of the selected topics were evaluated as Türk Telekom based activities, and reflected in the report in this way. The Company will also include the assessment of sustainability issues based on both its subsidiaries and suppliers in the future.

Considering the stakeholder expectations, it is seen that most of the issues considered as top priority are the areas that form the basis of Türk Telekom's business and are directly related to the way of doing business. On this basis, while determining its strategy, the Company is aware that doing its work better and keeping the trust of the stakeholders strong will render the stakeholder loyalty permanent. Türk Telekom considers the principle of responsible business conduct as the basis of all other focus areas.

OHS and Sustainable Energy, which are sine qua non for business continuity, are among the primary sustainability issues. While Türk Telekom develops and improves its OHS activities every year, it also invests in renewable energy.

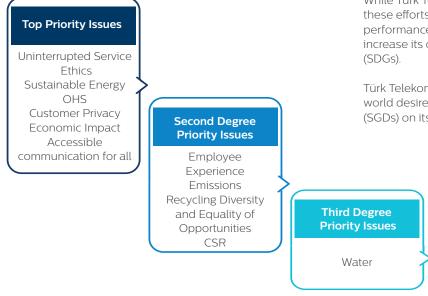
Second degree priority issues are part of the understanding that will predominantly offer solutions to global problems.

While the Company reports its measurement and reduction activities on emissions, which is one of its environmental priorities, for CDP every year, it also improves its performance with recycling and zero waste activities, which are the initial phases of the transition to the in house circular economy.

The employee experience approach, which was reconsidered and restructured in a more comprehensive manner in 2020, focuses on the human resources of the Company and aims at employee engagement, development and advancement in business life.

While Türk Telekom achieves more professional results in all these efforts, it also aims to improve its own sustainability performance together with its stakeholders, and thus rapidly increase its contribution to the Sustainable Development Goals (SDGs).

Türk Telekom is aware of the positive impact of the level the world desires to reach with Sustainable Development Goals (SGDs) on its own business outcomes.



Sustainability Management

Governance Structure

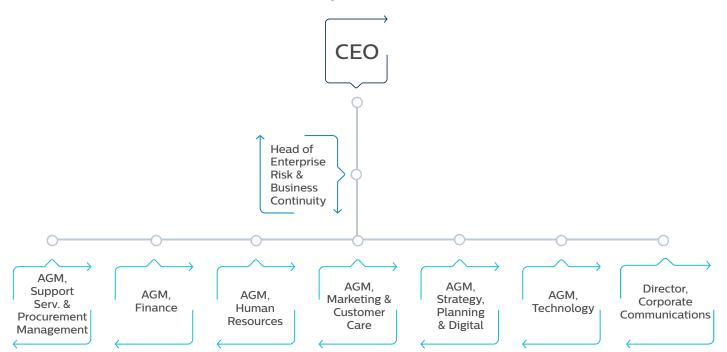
Türk Telekom attaches importance to the participation and ownership of the senior management in achieving the goal of taking economic, environmental and social factors into account in company activities and decision mechanisms along with corporate governance principles, and effectively managing the risks associated with these factors. The Sustainability Committee, formed as a part of this approach, determines the long-term sustainability vision and strategies. It reviews sustainability activities and evaluates them within the scope of sustainability goals.

The committee consists of management representatives and continues its activities under the leadership of the CEO. The Head of Enterprise Risk and Business Continuity carries out the overall coordination and management of sustainability within the organisation and acts as the committee's secretariat.

The sustainability committee may establish Sustainability Working Groups on the Company's material issues to ensure that the activities are carried out effectively by the operationally responsible persons, and to ensure coordination between the teams.

Türk Telekom cooperates with its employees for the success of its sustainability strategy. Managers and employees at all levels take part in the implementation of the Sustainability Management System, contribute to the processes and support sustainability studies.

Sustainability Committee Structure



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Stakeholder Relations

Stakeholders and Stakeholder Relations

Setting out with the strategy of creating value for its stakeholders in the transition to the digital age, Türk Telekom works with the aim of providing the products and services that its stakeholders need in order to support them to create value for the society.

Based on this approach, Türk Telekom determines the sustainability effects of its activities on economic, corporate, environmental and social axes, and determines its policies by taking into account the expectations of all its stakeholders in these areas. The Company shapes these policies in light of its responsibilities, obligations and duties towards the environment, its employees, all its stakeholders and society.

The stakeholders identified in the meetings by the managers responsible for sustainability activities within the Company are the subjects of the value chain.

The stakeholders and communication issues listed in the report are reflected as a summary of the feedback the Company has received from relevant stakeholders in the current and past years. These feedbacks, compiled from the departments where each stakeholder is mainly in contact, are composed of the recent survey results and field projects that are still underway. In addition, one-on-one meetings with investors through different channels throughout the year are reflected in the report in its most up-to-date form. The feedback received will also guide Türk Telekom's future work.



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Employees & Their Families

Employees, their families, unions, potential employees (new graduates, young talents, outstanding performers)

Customers

Consumer, corporate (SMEs, Large Company & Institutions), public institutions, other institutions & organisations, business partners, social media organisations

Suppliers

Sub-contractors, supplier companies, business partners, technology firms

NGOs & Professional Association

NGOs, unions, foundations, associations, research organisation, professional organisation, international organisation, think tanks

Financial Institutions

Banks, equity and bond investors, analysts, credit rating agencies, insurance and leasing companies

Local Community & Public Opinion

The people living in the regions and the centre, non-profit organisation, environmental organisation, cultural associations and organisation, active users of social media

Main Shareholders

LYY Telekomünikasyon, Ministry of Treasury and Finance, Türkiye Wealth Fund

Group Companies

TT Mobil Communications, TTNET and all affiliated companies

Public & Local Authorities, Regulatory & Supervisory Agencies

 $Government\ and\ Ministries,\ local\ authorities\ and\ institutions,\ EU\ institutions,\ national\ and\ local\ institutes$

Media

 $Written, audio-visual, local\ and\ international\ media\ organisation, social\ media\ platforms, opinion\ leaders$

Competitors

Local and foreign telecommunications & infrastructure companies

Academic Institutions

Secondary and higher education institutions, other academic institutions $% \left(1\right) =\left(1\right) \left$

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	Main Category of Stakeholder	Form of Communication	Our Communication Topics
			Potential best practices in benefits, equal approach, career plan, defined working conditions and clear job descriptions,
	Employees &	Survey, feedback	• Expansion of rights granted to relatives of the employee
	Their Families, Young Talents	meetings, seminars, projects	 The continuation of the connection of former employees with the Company, continuity of vested rights Company promotion, side benefits, career opportunities, overseas and education opportunities, above-average salary, talent-oriented development
	Curtonan	Survey, feedback,	Corporate Customers: Infrastructure, continuous service, private call centre along with its experts, corporate-specific services and products, transparency
	Customers	customer meetings, events	 Consumer Customers: Affordable pricing, uninterrupted communication, high-quality service, campaigns, wide coverage, free applications, applications in verticals
Priority Stakeholders	Suppliers	Survey	Inclusive, clear contracts, employee resource and budget allocated for technological developments, the timing of payments, creating/referencing new business opportunities
	NGOs and Professional Association	1-1 meetings	Participation in events, being a speaker, project support, financial support, educational collaborations, creating public opinion on issues concerning the sector, employment, access for all
	Financial Institutions	Meetings with financial institutions, General Assembly meetings, Public Disclosure Platform (KAP), website	Financial and operational data, company strategies, loans, green loans, risks and risk management, governance, measures against climate change, waste management, base stations, access to services, community service, transparency and fairness, development data in sustainability performance by years
	Main Shareholders	General Assembly meetings, one-on- one meetings, Public Disclosure Platform (KAP), website	Financial performance, environmental sensitivity, service to society, transparency and fairness, support for disadvantaged groups, awareness of social responsibility
	Regulatory & Supervisory Institutions, Public	Auditing, reporting meetings	Secure service, data security and protection, service continuity, legal and regulatory compliance
	Local Community & Public	Feedback, market polls	• Inclusive and engaging services, fast and continuous internet, wide infrastructure, affordable prices.
	Group companies	Community projects and meetings	A holistic approach, acting consistently and harmoniously, new products and services with synergy
Complementary Stakeholders	Media	Press conferences	• Company activities, new projects, Company's position in the sector, investments, collaborations for contribution to society
	Competitors	Collaborations, joint events and goals	 Development of the sector, being domestic and national, cyber security, the Law on the Protection of Personal Data (KVKK), products and services in verticals, infrastructure sharing
	Academic Institutions	R&D studies, research, career development centres	Collaborations for training and product and service development

Sustainability Journey

Our Sustainability-Based Participation and Commitments

Türk Telekom actively participates in the following Sustainability-focused initiatives, reports where necessary and improves these efforts over time.



BIST Corporate Governance Index: Türk Telekom, which has been in the BIST Corporate Governance Index since 2009, is the only telecom company in the Index.



Carbon Transparency Project (CDP): Türk Telekom became the first Turkish telecommunications company to report to the CDP (Carbon Disclosure Project) in 2010. In the evaluation made among the companies reporting to the CDP in BIST100 in 2011, Türk Telekom was awarded as one of the two companies that made the best reporting in terms of methodology and transparency, and was among the top 5 companies in 2012. Reporting, which was suspended due to Company's structural changes and mergers, started again in 2016.



Sustainable Development Goals (SDGs): Being aware of the importance of the Sustainable Development Goals for the world, for our country and for all societies locally, the Company has set its sustainability goals in parallel with the SDGs. To date, numerous value-added studies have been carried out, although it has not been shown in connection with the SDGs in the reports. The first breakdown of the SDGs is included in this report, and the values created in this field will be included in the Company performance indicators as of 2020.





FTSE4GOOD: Türk Telekom is included in the international FTSE4Good index, which evaluates the performances of companies with strong and exemplary practices in the field of environmental, social and corporate governance (ESG) practices. As of 2020, Türk Telekom's ESG rating has increased continuously for three years in a row since 2018, thanks to the steps taken and developments in environmental, social and governance areas. Thus, the ESG rating was also above the sector average.



BIST Sustainability Index: Türk Telekom has been included in the BIST Sustainability Index since the creation of the index in 2014. The value it attaches to environmental, social and corporate governance policies and its exemplary practices play an important role in Türk Telekom's successful performance in the BIST Sustainability Index.



The UN Global Compact: The Company joined the UNGC initiative in January 2020. The Company published its first progress report in April 2021.

Sustainability Focused Investments

Financial Performance and The Value Created

In 2020, Türk Telekom Group posted its highest revenue growth and net profit recorded since the IPO with its operational and financial performance.

Türk Telekom Group completed the year with an outstanding performance. In 2020, consolidated revenues posted 19.6% year-on-year growth, marking its highest annual increase since the IPO. EBITDA rose to TL 13.2 billion, while the EBITDA margin was 46.8%. Despite the negative exchange rate movements throughout the year, net income amounted to TL 3.2 billion and reached its highest level with an annual growth of 32%.

Financial Indicators

Sales Revenues, EBITDA and Net Income

Consolidated revenues rose 19.6% year on year to TL 28.3 billion, the highest annual growth since the IPO. Excluding IFRIC 12 accounting impact, revenue growth was 17.2% year-on-year, above the 2020 guidance of 16%.

Consolidated EBITDA grew by 18.5% year-on-year to TL 13.2 billion, ahead of the 2020 guidance with an EBITDA margin of 46.8%. Excluding the IFRIC 12 impact, EBITDA margin increased by 28 basis points year-on-year to 49.1%.

Created and Distributed Economic Value ('TL Million')	2018	2019	2020
Created Economic Value (Revenues)	20,431	23,657	28,289
Economic Value Distributed to the Stakeholders			
Operating Expenses	11,995	12,487	15,052
Benefits to the Employees	3,015	3,429	3,862
Benefits to the State	5,682	6,843	7,490
Benefits to the Capital Providers	0	602	1,873
Benefits to the Society (Donations and Aids)	27	36	62
Non-distributed Economic Value (Profit)	1,391	1,805	1,305
Received Financial Investments			
Tax Deductions / Loans	162	66	134

Operating profit increased by 22.4% year-on-year to TL 7.9 billion. Net income reached TL 3.2 billion in 2020, its highest level, despite the unfavorable FX movements throughout the year.

Environmental financing agreement with the EBRD

Türk Telekom signed an important agreement ahead of the World Environment Day celebrated on June 5th. In order to finance its investments within the scope of sustainability, especially in energy efficiency projects, Türk Telekom reached an agreement with the European Development Bank (EBRD) for a USD 100 million loan with 6-year maturity at a total cost of LIBOR + 2.85%.

Türk Telekom paid dividend after 3 years

Türk Telekom continues to create value for its shareholders. As per the temporary dividend regulation, introduced in 2020 within the scope of COVID-19 measures, the maximum dividend rate that can be distributed from 2019 profits was capped to 25%. Türk Telekom distributed TL 602 million, corresponding to approximately 25% of its 2019 net distributable profit to its shareholders.

AssisTT creates 5 thousand employments

AssisTT, Türk Telekom's customer services and call centre company, provided new job opportunities for a total of 5 thousand people as of 2020 year end, with 1,600 new jobs in 16 different provinces.

Sustainability Focused Investments

Infrastructure Investments

Türk Telekom continued its infrastructure investments and the fibre infrastructure transformation unabated in 2020. With the new investments, the total fibre infrastructure length reached 331 thousand km by the end of 2020.

Türk Telekom's strategy to expand its fixed network throughout the country enabled the Company to meet the unexpected 81% increase in network traffic throughout 2020, as well as the growing demand across the country from big cities to small towns. In 2020 Türk Telekom continued to invest in its infrastructure and added new capacity that touched approximately 1 million customers. In 2020, the Company increased the number of sites through which customers can access high-speed broadband services, and compared to previous years, it also accelerated the projects enabling the transformation of copper infrastructures to fibre on switch sites. Investments lead to significant improvements in network quality and customer experience.

Türk Telekom continued to modernise its mobile network and sites and increase its capacity throughout the country in 2020. As a result of this effort, there have been significant improvement in parameters such as download and upload speeds, call drops and outages. As of the end of 2020, while LTE population coverage ratio in Türk Telekom's mobile network reached 94%, the ratio of fibre connected LTE base stations stood at around 45%.

In 2020, total mobile data traffic increased by 61% in LTE network and 11% in 3G network, compared to the previous year.

5G Preparations

Türk Telekom has strengthened its position as a leading integrated operator in Turkey with new subscriber additions, while continuing its 5G preparations by focusing on the country's technological and digital transformation. With its strong fibre infrastructure, Türk Telekom is the readiest operator to 5G in Turkey.

Renewable Energy Investments

Working with the aim of reducing its carbon emissions systematically and maintaining its investments and optimisation efforts in energy efficiency without a pause, Türk Telekom installed solar energy systems at a total of 1,701 locations. The Company with its renewable energy systems with a total installed power of 2.3MW throughout Turkey, aims to contribute to the clean and nationally sourced energy with these projects, and to roll out similar SES applications in other suitable locations in Turkey.

Türk Telekom continues its work to attain resource savings at the highest level and to serve the needs of the sustainable society by providing next-generation communication technologies in energy, agriculture, industry, transportation, health, buildings and cities

Entrepreneurship Platform

Incubation service and growth capital investment (can be viewed in the innovation Entrepreneurship and Innovation section).

11

Türk Telekom brings solar energy-powered base station to Ağrı

Moving forward unwaveringly with its investments in Turkey, Türk Telekom commissioned a solar energy-powered base station in Ağrı. With this practice, Türk Telekom improved the quality of communication in the villages throughout the region, while adding value to the efficient use of Turkey's energy resources and the rollout of renewable energy.

With the aim of raising awareness on energy efficiency and contributing to reducing the dependency on foreign sources of energy, Türk Telekom installed a base station working with Solar Energy System (SES) on an area of pastureland in Güneysöğüt, part of the Taşlıcay District in the province of Ağrı, which is located within the service area of the Erzurum Regional Directorate. Thanks to the 50-metre-high solar energy-powered base station serving 7 villages in the region, the communication quality of the villages in the region has improved. On the other hand, a 20-hour backup time was secured with SPP, which is built on an area of 100 sqm, in order to prevent disruptions in mobile services which could be caused by the harsh winter conditions in the region.

Our Sustainability Targets and Sustainable Development Goals

SUBJECT OF FOCUS	DESCRIPTION OF THE FOCUS	DESCRIPTION OF THE TARGET*	BASE YEAR	TARGET YEAR	TARGET	RELATED SDG
Climate	Reducing our carbon footprint systematically	Targeting to reduce emissions by 35%	2020	2023	35% reduction**	9 NOUSTRY INNOVATION 13 CLIMATE ACTION
Change and Environment		Increasing energy production capacity from solar energy by 60%	2020	2023	60% increase	
		Hours of training per person	2020	2021	10 hours	4 QUALITY EDUCATION
Value for People	or People Supporting the development of our employees	The rate of employees receiving training throughout the organisation (Number of Employees Receiving Training for At Least One Day / Total Number of Employees)	2020	2021	45%	4 COUNTRY EDUCATION
		Digital marketing trainings for 5,000 women	2019	2021	Reaching 5,000 women	5 EQUALITY
		Mentoring 100 women	2019	2021	Providing mentorship to 100 women	5 EQUALITY
	Workshop on design-focused thinking for 500 women	2019	2021	Providing a design workshop for 500 women	5 GENORR COUNTY	

^{*} Target Responsibility: Target responsibility rests with the Sustainability Committee which is composed of the GM-led AGMs and the executive board managers to which it is affiliated.

 $^{^{**}}$ It is aimed to reduce the carbon emissions created during 2020, by 35%.

4 QUALITY EDUCATION	SDG4.7	Ensure all learners acquire knowledge and skills needed to promote sustainable development, including among others through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship, and appreciation of cultural diversity and of culture's contribution to sustainable development.
5 GENDER EQUALITY	SDG5.5	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.
5 GENDER COLUMNITY	SDG5.B	Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women. Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.
9 NOUSTRY, INNOVATION AND INFRASTRUCTURE	SDG9.4	Upgrade infrastructure and retrofit industries to make them sustainable, with increased efficiency in the use of resources and greater adoption of clean and environmentally sound technologies and industrial processes.

SDG13.2 Integrate climate change measures into national policies, strategies, and planning.





Our Sustainability Performance

Trust Focus – Responsible Business Conduct

Corporate Governance

Türk Telekom, which has been a publicly traded company since 2008, is the only Telecommunications company listed in the BIST Corporate Governance Index since 2009. Positioning corporate governance principles at the core of the Company's activities, the Company built its Sustainability Policy and Focus Areas on Corporate Governance Principles.

Paying the utmost attention to the implementation of the Corporate Governance Principles published by the Capital Markets Board, Türk Telekom protects the interests of all shareholders and stakeholders equally, in a transparent and close relationship.

Human Rights Policy, which was prepared to ensure that Türk Telekom complies with human rights in its relations with its employees, customers, suppliers, business partners and all of the Company's stakeholders, is built on The United Nations Universal Declaration of Human Rights, the Constitution of the Republic of Turkey, the International Labour Organisation (ILO) Conventions and other conventions ratified by the Republic of Turkey, as well as national legislation on human rights and work life

In addition, within the scope of the article 4.3.9 of the CMB Corporate Governance Principles, the "Board of Directors Women Membership Policy" was created in 2019 in order to give priority to women in the election of members for the Board of Directors of the Company and to strengthen the position of women in the Company's highest level decision-making mechanism.

In 2020, Türk Telekom published its **Anti-Bribery and Anti-Corruption Policy**. This policy aims to present the Company's approach to bribery and corruption in a clear and transparent manner, to establish rules and responsibilities regarding the detection and prevention of possible actions which could be considered within this scope, to raise awareness among its employees, and to protect the integrity and reputation by complying with national and international regulations.

Türk Telekom also expect its suppliers and business partners to comply with this Policy, and to encourage their employees to do so. For this purpose, Türk Telekom adds a section stating that this policy is expected to be complied with to the contracts signed with its suppliers and business partners, and once the agreement is signed, the organisation is informed about this practice.

Türk Telekom complies with the legal regulations on bribery and corruption in all countries where it operates and is represented. Türk Telekom adopts a "zero tolerance" approach in tackling bribery and corruption and undertakes to carry out its activities in a fair, honest, legal manner and in compliance with ethics rules. In the Company, which stands against all kinds of bribery and corruption, it is strictly prohibited to receive or offer bribes, regardless of their purpose.

Türk Telekom has identified receiving gifts, organising or attending an event and making or accepting donations, facilitating payments, relations with suppliers and business partners, representation and entertainment, sponsorships, political activities and the accuracy of records as the main areas of risk pertaining to bribery and corruption actions.

Claims and notifications regarding the violations of the Anti-Bribery and Anti-Corruption Policy are considered within the scope of ethical violations, and the Company's corporate website includes an ethical violation notification channel where stakeholders can report any transactions violating the legislation or unethical. Such reports are objectively reviewed by the Türk Telekom Business Ethics Board, which provides consultancy services to employees on ethical issues.

By ensuring that the Business Ethics Board carries out necessary research and investigation, decisions are made within the framework of the findings and any conflicts of interest included on the agenda of the Board are dealt with in a balanced manner. Policy violations result in disciplinary penalties and enforcement of legal action. If any such violations are detected, the sanctions set out in the disciplinary provisions are applied.

"Anti-Bribery and Anti-Corruption Policy E-Training" was prepared and assigned to all company employees. In a short period of time, the participation rate reached 55% and the trainings will continue in 2021.

Türk Telekom implements online trainings in order to ensure the functioning of internal processes in compliance with the CMB legislation and to raise awareness about compliance with the CMB legislation. Approximately 10 thousand employees attended the online trainings held in 2020.

The Company monitors its employees who have access to insider information through the system created for this purpose.

It has been reported that 6 Investigations conducted by Internal Audit in 2020 fall within the scope of Corruption.

In 2020, 2 employees were dismissed, and 1 person was fined. During the reporting period, there were no public lawsuits regarding corruption filed against the organisation or its employees.

Sustainability-Related Policies

Sustainability Policy

Corporate Governance Policies

- Disclosure Policy
- <u>Dividend Distribution Policy</u>
- Remuneration Policy
- Board of Directors Women Membership Policy
- Donation Policy
- Compensation Policy
- General Assembly Internal Directive
- Ethical Rules

Anti-Bribery and Anti-Corruption Policy Internal Sharing Rate 100%			
Location	Position	Number of Employee	
Headquarters	Management	1,199	
Headquarters	Employee	3,444	
Regions	Employee	13,420	

Persons Who Have Taken Internal Training on Anti-Bribery and Anti-Corruption Policy 52%			
Location	Position	Number of Employee	
Headquarters + 11 Regions	Management	446	
Headquarters + 11 Regions	Employee	9,027	

Corporate Governance Performance

In accordance with the Corporate Governance Principles published by the Capital Markets Board, Türk Telekom conducts its independent corporate governance compliance rating annually. The Company's rating was increased from 94.00 in 2019 to 94.03 in 2020. The reports are available on our website.

You can find the details of Türk Telekom Board of Directors members, including their experiences in corporate governance and sustainability, on this page.

The Türk Telekom corporate governance rating report was prepared on 14th December 2020 by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. which has permission to operate in Turkey to provide ratings in accordance with the Corporate Governance Principles of the Capital Markets Board. The Company received an overall average rating of 9.40 as a result of a corporate governance rating assessment. The Company's Corporate Governance Rating was determined with the assessment undertaken in four main categories (Shareholders, Public Disclosure and Transparency, Stakeholders, Board of Directors) with weightings assigned within the framework of the CMB's Corporate Governance Principles. The breakdown of corporate governance rating under these major categories was as follows:

	Weight	Note
Shareholders	25%	87.59
Public Disclosure and Transparency	25%	98.85
Stakeholders	15%	99.51
Board of Directors	35%	92.83
Total	100%	94.03

Corporate Governance Committee

The Corporate Governance Committee ensures that the Corporate Governance Principles are established, developed, adopted and implemented within the Company. The Corporate Governance Committee meets as often as it is considered necessary for the effectiveness of its work. The Corporate Governance Committee has effectively fulfilled its duties by holding two meetings in 2020.

The policies of the company in the shared links are the policies of compliance with the Corporate Governance Principles established in accordance with the Turkish Commercial Code and the Capital Markets legislation.



The Board of Directors Committees*

- Corporate Governance Committee
- Audit Committee
- Early Identification and Management of Risks Committee
- Nomination Committee
- Remuneration Committee

^{*}Each committee is chaired by an independent member.

Board of Directors

The Company's Board of Directors consists of nine members, three of which are independent members.

MEMBER	POSITION
Dr. Ömer Fatih SAYAN	Chairman of Board of Directors
Eyüp ENGİN	Vice Chairman of Board of Directors
Ertuğrul ALTIN	Member of Board of Directors
Can YÜCEL	Member of Board of Directors
Aclan ACAR	Member of Board of Directors
Dr. Muammer Cüneyt SEZGİN	Member of Board of Directors
Yiğit BULUT	Independent Member of Board of Directors
Dr. Nureddin NEBATİ	Independent Member of Board of Directors
Selim DURSUN	Independent Member of Board of Directors

Principles of Activity of the Board of Directors

Pursuant to the Articles of Association, the Board of Directors shall meet at least four times a year or shall meet whenever the Company's business requires so. The activities of the Board of Directors are run by the Board Secretariat. In this context, at least 10 business days before the meeting, a notice of the time and the agenda of meeting, which is accompanied by any relevant papers, are sent to the members of the Board of Directors for review. Meeting notices are sent to the members of the Board of Directors via e-mail. The agenda of the meetings of the Board of Directors is set by e-mails in view of the proposals set forth by members of the Board of Directors, the CEO - General Manager, Assistant General Managers and Executive members of the departments. The agenda is finalised by receiving the consent of the Chairman of the Board.

In 2020, the Company's Board of Directors convened 12 times in total to evaluate the strategic matters concerning the Company. The overall attendance rate of board members to the meetings was 96.3%. Pursuant to the 12th article of Articles of Association, resolutions of these meetings are passed by a simple majority of the votes of the Directors present at such meetings unless the resolution relates to a Supermajority Decision Relating to the Board.

Committees

Pursuant to the Corporate Governance Principles published by the Capital Markets Board (CMB), in order to monitor the Company's compliance with corporate governance principles, to carry out improvement activities and to offer suggestions to the board of directors; the Corporate Governance Committee was established on 17.10.2012. Moreover, in accordance with the Corporate Governance Principles, the Audit Committee was established on 16.06.2008, the Early Identification and Management of Risks Committee on 14.08.2013, and the Nomination and Remuneration Committees on 22.02.2019.

In order to ensure that the Board of Directors fulfils its duties and responsibilities in a healthy manner, sub-committees have been formed and all of these committees are chaired by Independent Board Members.

Due to the number of Independent Board members on the Company Board of Directors, some independent board members serve on more than one committee.

Corporate Governance Committee

MEMBER	POSITION
Dr. Nureddin NEBATİ	Chairman of the Committee / Independent Board Member
Selim DURSUN	Committee Member / Independent Board Member
Dr. Muammer Cüneyt SEZGİN	Committee Member / Member of the Board of Directors
Gülsen AYAZ	Committee Member / Director of Investor Relations

Audit Committee

MEMBER	DUTY	
Yiğit BULUT	Chairman of the Committee / Independent Board Member	
Selim DURSUN	Committee Member / Independent Board Member	

Early Identification and Management of Risks Committee

MEMBER	DUTY
Yiğit BULUT	Chairman of the Committee / Independent Board Member
Eyüp ENGİN	Committee Member / Vice Chairman of the Board of Directors

Nomination Committee

MEMBER	DUTY
Dr. Nureddin NEBATİ	Chairman of the Committee / Independent Board Member
Dr. Ömer Fatih SAYAN	Committee Member / Chairman of the Board of Directors
Aclan ACAR	Committee Member / Member of the Board of Directors

Remuneration Committee

MEMBER	DUTY
Yiğit BULUT	Chairman of the Committee / Independent Board Member
Eyüp ENGİN	Committee Member / Vice Chairman of the Board of Directors
Dr. Muammer Cüneyt SEZGİN	Committee Member / Member of the Board of Directors

Human Rights

Human Rights Policy

Türk Telekom's Human Rights Policy, which was prepared to determine the set of principles and rules ensuring that Türk Telekom's relations with its employees, customers, suppliers, business partners and all stakeholders are managed respectfully to human rights, is approved by the Board of Directors, and shared with stakeholders and the public on the Investor Relations website.

The policy is based on the <u>United Nations Universal</u>
<u>Declaration of Human Rights</u>, the Constitution and legislation of the Republic of Turkey, and the <u>International Labour</u>
<u>Organization (ILO) Conventions</u> approved by the Republic of Turkey, and its structure is compatible with ethical principles, it involves diversity, respects differences and is in accordance with the principle of participation.

With its Human Rights Policy, Türk Telekom aims to create a working environment that respects human rights, and to act in accordance with human rights in its activities. Türk Telekom also expect its suppliers and business partners to comply with this Policy, and to encourage their employees to do so.

Respect for Human Rights

Human rights are the basic rights and freedoms that all people are entitled to. These are the rights that all people can enjoy equally, regardless of their age, language, race, ethnic origin, nationality, health, disability, gender, marital status, religion and sect, political opinion, philosophical understanding and belief.

Adopting the respect for human rights as one of its most fundamental values, Türk Telekom respects the fundamental human rights within the scope of the United Nations Universal Declaration of Human Rights, the material and spiritual existence of human beings, and carries out all its activities in this direction.

Türk Telekom employees respect human rights. Türk Telekom Human Rights Policy is the document to be taken as a basis in this regard. Türk Telekom Code of Business Ethics which is approved by the Board of Directors and disclosed to the public, is an integral part of this policy.



Türk Telekom, aims to create a working environment that respects human rights and to act in accordance with human rights in its operations. In line with this goal, Türk Telekom;

- Informs and trains employees and managers about human rights policy.
- Is committed to provide fair and reasonable improvement or to cooperate for improvement in the event of violations of this policy.
- Considers the human-rights-issues-related opinions of its employees, customers and all stakeholders with whom it has engaged in business relations.
- Tries to eliminate the violations and their negative effects in case of detection of liability for human rights violations committed by suppliers and business partners with whom it has a business relationship.

Diversity

Türk Telekom values diversity and considers diversity as a source of value, and strives to ensure that its employees feel a part of the Company. No person in Türk Telekom can be subject to discrimination for reasons such as age, language, race, ethnicity, nationality, health, disability, gender, marital status, religion and sect, political opinion, philosophical understanding and belief.

In line with this, Türk Telekom;

- is committed to equal opportunity, and takes into account the qualifications, performance, skills and experiences of its employees for recruitment, placement, development, training, compensation, promotion, and resignation from the Company.
- is aware that diversity in its labour contributes to achievement of the Company targets, and strives to recruit candidates with diverse backgrounds and experience, and employ them for a long term.
- fulfils its legal obligations in relation to employment of people with disabilities, and disadvantages.

Discrimination and Harassment

At Türk Telekom;

- No one is discriminated on the grounds of age, language, race, ethnicity, nationality, health, disability status, gender, marital status, religion and sect, political opinions, philosophical beliefs and faith.
- Discriminatory and unfair behavior is not tolerated.
 Employees are provided with a working environment free from all kinds of mistreatment, mobbing and harassment.

Forced Labor and Child Labor

Türk Telekom rejects all form of forced labor, including compulsory work, child labor, employment of illegal immigrants and foreign personnel without a work permit, debt bondage, and all forms of human trafficking. Children under the age of 18 are not employed, and international conventions ratified by the Republic of Turkey and national legislation on children's rights are complied with. This approach is open to vetting by public authorities.

Women's Employment and Maternity

Türk Telekom:

- Aims to encourage women's participation in work life and to increase women's employment in workplaces.
- In addition to the paid leave right arising from the Labor Law before and after the birth, women employees are given unpaid maternity leave for up to six months and breastfeeding leave for 1.5 hours a day until the child reaches the age of 1, upon request. Pregnant or breastfeeding women work no more than 7.5 hours a day.

Information Security and Cyber Risk

Information Security Management System and Audit

The personal data required for the provision of the services to the customers can be accessed only on a strict need-to-know basis. In order to identify suspicious usage or usage for means other than the stipulated purpose, access to these data is continuously recorded and audited.

At the Company, inter-system access, remote access to systems, access to databases, user identification processes and reporting request processes are carried out via secure and controlled processes designed through request management systems. Security tests are performed on the systems before the projects go live and at certain intervals, and any security findings identified are resolved by the relevant teams.

Security risks are minimised by separating the application layer, the database layer and the web layer through the layered structure set in the network layer. Network level security devices ensure controlled access in accordance with established rules. Pursuant to the "Separation of tasks and environments" clause of the Regulation on Network and Information Security, the processes for initiating and approving transactions to be performed on critical systems have been separated. Within the scope of access control, all systems are reviewed at least once a year in accordance with the Türk Telekom Group Information Safety Policies and Procedures.

The movements of end-users are monitored, and the systems aiming to prevent intentional or accidental data leakage from all kinds of channels through which critical data is processed and transferred. Anonymisation and masking of critical/personal/confidential data, and authorisation of users are performed on the databases in order to fulfil the requirements of the Law on Protection of Personal Data (KVKK) and to prevent unauthorised access to confidential data.

The one-year audit plan, which principally covers technology processes and is prepared based on the risk assessments performed at the end of each year, is approved by the Audit Committee which operates under the Board of Directors and Türk Telekom Internal Audit Department is authorised to perform the audit plan.

In recent years, information security has been considered as one of the most critical areas among the subjects handled during the risk assessments carried out within this framework. Thus, the audit plans of Türk Telekom Internal Audit Department cover the Information Safety Policies and Systems every year. On the other hand, the Internal Audit Department provides reasonable assurance for the audits in the fields related to Information Security within the Türk Telekom Group within the framework of the methodologies used, in accordance with generally accepted auditing principles.

Within the scope of the Information Security Management System, e-trainings are assigned to all employees every year with the aim of raising awareness.

In addition, in-class information security awareness trainings are provided once a year for employees such as subcontractor personnel.

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Information Security Certifications

Türk Telekom holds the ISO 27001 certificate covering fixed and mobile networks. In this context, Information Security Internal Audit activities are carried out on an annual basis, and action assignments and follow-ups are performed in accordance with the results of the audit. Moreover, all employees are assigned Information Security Awareness Training periodically within the scope of the ISO 27001 standard.

Credit card data are periodically scanned on the systems, and security measures are taken as required by the standards. Awareness trainings required by the PCI-DSS standard received within the scope of the mobile network are periodically provided to the relevant employees.

COVID-19 Crisis Management and Measures

Türk Telekom started working on its action plan and conducting the necessary studies at the management level, even before the first case was recorded in the country, in order to manage the possible impacts of the pandemic in accordance with its responsible business conduct principles and risk management approach. The Business Continuity COVID-19 Crisis Management Committee was set up with the highest level of participation and it started to proactively prepare and plan steps to tackle the pandemic. During the pandemic, actions were taken primarily to protect the health of employees, customers and third parties and to prevent the spread of the pandemic. In parallel with these efforts, the operational, customer and financial impacts of the pandemic were evaluated, and necessary action plans were implemented rapidly.

The Business Continuity COVID-19 Crisis Management Committee continued to monitor the issue throughout the year, regularly evaluating the effects of the pandemic on Türk Telekom's activities and resources and ensured that the necessary actions were taken.

During the pandemic, adequacy of the measures taken to ensure that the customers, employees and third parties are in a safe environment in Türk Telekom buildings against the risk of COVID-19 transmission was certified by the TSI (Turkish Standards Institute) as well. In this context, the "TSI COVID-19 Safe Service Certificate" was obtained within the scope of TSI COVID-19 Hygiene, Infection Prevention and Control Certification Program.

In addition, regular PCR tests were performed on critical teams, infected employees were quarantined for at least 14 days, buildings where the virus was detected were quickly locked down, employees were given the opportunity to use company vehicles to reduce the use of public transportation, and guest houses were opened for healthcare workers who could not go to their homes in Ankara and Istanbul. Moreover, additional rights have been granted for students, healthcare professionals and teachers, such as additional periodical quotas, doubling the speed for EBA, and free use of applications such as TİVİBU and Muud.

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One of the most important indicators of responsible business conduct was to manage the COVID-19 pandemic crisis for all institutions in 2020. In this sense, a significant approach of the institution was to be able to handle the subject holistically and act quickly.

Employees and Subcontractors

- · Switched to remote working.
- All kinds of personal protective equipment needed for the employees working in the field were uninterruptedly provided throughout the nandemic
- Employees were informed through awareness and training programs regarding the pandemic and the rule sets to be followed during the pandemic.
- For the teams carrying out critical activities, long-term shifts were arranged, and the critical personnel redundancy and isolation of the personnel were ensured.

Customers

- In order to ensure the continuity of customer service, home-agent application is started for the customer representatives, who provide call centre services.
- In the offices and dealers where customers are served, hygiene measures have been stepped up and changes have been made to working hours and activity patterns, when necessary, depending on the course of the pandemic.
- In order to reduce physical contact, the customers are directed to alternative channels for their transactions, and the transaction diversity and scope of alternative channels are enriched.

Facilities and Offices

- A comprehensive disinfection program for hygiene is implemented in all facilities and vehicles of the Company.
- Visitor entries to the Company locations are restricted. The employees of business partners remotely supported the Company processes and participated in meetings through electronic platforms until the impacts of the pandemic started fading gradually.

Operationa

 While taking these measures against the pandemic, continuity of uninterrupted communication was ensured under all conditions with the prepared operational continuity plans. Actions that will facilitate the lives of all customers, especially healthcare professionals, students and adults, in terms of communication, were implemented quickly.

Suppliers

Türk Telekom pays utmost care for acting lawfully, ethically and honestly towards its suppliers and business partners and to instil confidence in all its stakeholders it engages in a business relationship. Türk Telekom conducts its relations with its suppliers as per the principles described in its procurement policy.

As a responsible employer, Türk Telekom assigns full priority to the execution of the business processes and transactions of stakeholders it has a connection with, in line with the labor and social security laws and the Company's Human Rights Policy. Türk Telekom attaches importance to ensuring that its relations with dealers, contractors and business partners it engages in commercial business relations are proper, consistent and reliable, and that all kinds of business are carried out in conformity with the relevant contracts, laws or regulations. In the contracts made with these companies, objective criteria such as compliance with the principles and practices, and benefits and costs are taken into consideration by taking the opinions of the legal and relevant business units.

In its operations and activities, Türk Telekom takes every effort to protect the rights of its stakeholders as regulated by relevant legislation and mutual agreements.

In cases where the rights of the stakeholders cannot be protected by legislation and mutual agreements, the interests of the stakeholders are protected in accordance with the rules of good faith and to the extent of the Company's capabilities.

The principles of supplier management

The basic principles adopted by Türk Telekom in the supplier management process are as follows:

- Transparency,
- Fair and equal distance,
- Communication on the basis of respect and honesty,
- Protection of intellectual property and confidential information

As per the Code of Business Ethics concerning the prevention of bribery and corruption, employees are prohibited from obtaining personal benefits by virtue of their position and from providing benefits to their relatives or third parties.

Employees should not use their positions, company property and company information for their personal interests, should not put their personal interests above the Company's interests, and should safeguard the Company's benefit.

In addition, employees are prohibited from submitting to pressures that may result in unfavorable consequences for the Company, obtaining personal benefits from suppliers/business partners, and transferring benefits by establishing intermediary relationships.



Sustainable Procurement Approach

The aim of the sustainable procurement approach is to ensure sustainability in Türk Telekom Group's activities in general through purchasing activities.

Transparency, integrity and honesty constitute the main values in procurement processes. The relations of Türk Telekom Group employees with stakeholders and suppliers are based on the fundamental values, the details of which are stated in the Türk Telekom Code of Business Ethics, particularly those stated below.

The responsibilities of the demand and procurement units are arranged with the aim of increasing efficiency. An efficient and lean procurement structure is designed, considering key factors such as total cost of ownership, supply chain risks and sustainability.

There is an approval mechanism within predetermined authorisation limits. Procurement activities of Türk Telekom Group Companies are carried out in accordance with the relevant legislation, the provisions of Türk Telekom Group Procurement Policy and Procedures, and with the tender/bid request procedure.

Procurement teams are informed of the procurement and supply chain standards through internal meetings and trainings.

Considering separation of duties principle, the procurement units and other units perform their duties within their areas of responsibility in terms of procurement in line with this specified policy.

For the aim of conducting procurement in line with the interests of the Türk Telekom Group, a transparent and competitive environment is created in all dimensions by acting within the short, medium and long-term business plans.

Procurement is rendered effective by considering the basic elements such as Total Cost of Ownership, supply chain risks and sustainability. In order to benefit from the volume advantage in purchases and the total procurement power of Türk Telekom Group, demand is created by combining economically and technically integrated needs as much as possible.

At Türk Telekom:

- Utmost care is taken to fulfil the contractual obligations to suppliers in a timely manner.
- All measures are taken and strictly monitored to ensure that the procurement processes are carried out in compliance with the laws and Company policies.
- In accordance with the purchasing unit's responsibilities with regard to supplier relations, suppliers are provided with supportive information about the Company's Procurement Policies and Procedures throughout the year.
- Necessary guidance is provided to ensure that suppliers act in line with Türk Telekom's policies on human rights, human resources, human health and environmental.
- Competition among competitors is ensured in the framework of legal and ethical rules within the scope of purchasing activities
- Steps are taken to ensure that suppliers do not adopt attitudes or behaviors which will harm the brand value of the Türk Telekom Group.
- Suppliers are not burdened with any obligations beyond those stipulated by legislation and commercial conventions.



Climate Change and Environment Focus

Environment Policy





Türk Telekom, undertakes to fulfil its environmental responsibilities and to increase the environmental awareness of individuals, institutions and organisations it interacts with directly or indirectly. It creates and maintains systems based on the effective use of the environment and natural resources.

Türk Telekom;

- complies with all national and international regulations and other obligations related to the environment which it is subject to.
- controls the significant environmental impacts arising from its activities, and ensures continuous improvement of environmental performance.
- participates in the Zero Waste Project in order to prevent the rapid depletion of natural resources.
- aims to minimise the consumption of energy and natural resources with its environmentally friendly and state-of-theart technology products.
- monitors carbon emissions and participates in the Carbon Disclosure Project in its activities.

Within the scope of ISO 14001 Environmental Management System Certificate, the Company carries out systematic studies to improve environmental management, reduce environmental damage and improve processes.

Türk Telekom did not suffer from any environmental accidents, and was not issued any environmental fines in 2020.



Energy Consumption and Efficiency Projects

Turkey's electricity production in 2020 was 292 billion kilowatt-hours, while its consumption was 291 billion kilowatt-hours. As of the end of February 2021, 33.1% of Turkey's electricity production is supplied from renewable resources (HEPP-WEPP-SPP-JPP) and 66.9% from thermal resources.

Electricity Consumption in Turkey



Source: EPİAŞ Transparency Platform



While Türk Telekom consumed 5 per thousand of Turkey's total electricity consumption in 2010, it consumed 4.2 per thousand in 2020.

Despite the robust growth in Türk Telekom's subscriber base, frequency bandwidth and capacity increases, it has suppressed electricity consumption and managed to reduce energy use since 2016 with efficiency and savings projects carried out on the fixed and mobile side. Thanks to these projects, Türk Telekom has saved 2,950 GWh of energy over the past 10 years.

Electricity Consumption of Türk Telekom Group

- ▶ Reduced consumption since 2013 despite high capacity and subscriber additions
- ▶ A total of **2,950 GWh energy savings** over 10 years



Figure-2: Electricity Consumption of Türk Telekom Group

Consumption will continue to be kept under control with the ongoing efficiency and optimization projects in fixed and mobile network infrastructures.

Türk Telekom Fixed & Mobile Electricity Consumption



758 758 2010 2020

Türk Telekom Mobile Electricity Consumption

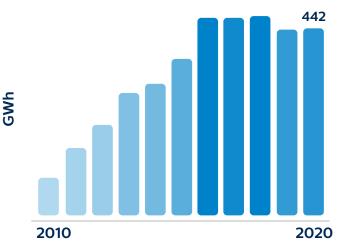


Figure-4: Türk Telekom Fixed Electricity Consumption

Figure-5: Türk Telekom Mobile Electricity Consumption

Although a surge in consumption is expected in these areas parallel to investments in data centres and 5G, we aim to reduce our energy intensity more than global trends, through efficient solutions and the increase in our market share in the sector.

Details of the major ongoing projects to reduce Türk Telekom's fixed and mobile network energy consumption are provided below.



Deployment of Free Cooling Solutions in Telco System Halls

In order to reduce the electricity consumption used for cooling, it is aimed to expand the solutions that enable cooling directly with outside air at a lower cost, in all physically suitable telco system halls.

While direct free cooling solutions were widely used in container structures, they could only be used in limited numbers in special projects positioned in structures such as reinforced concrete. Türk Telekom has also managed to save a significant amount of energy in telco halls located in structures such as reinforced concrete, with simple, low-cost, fast-implementable, flexible and high-capacity solutions developed together with its suppliers.

As of the end of 2020, 7 GWh of energy is saved annually from the completed projects.

With the devices to be commissioned until the end of 2021, it is aimed to save 15GWh annually and with the completed project in 2024; 20 GWh of energy saving is planned.

2. Increasing Solar Energy Capacity

Türk Telekom systematically reduces its carbon emissions with its efforts to use renewable energy and efficiency projects. There are solar energy systems with a total power of 2.3 MW in more than 1,700 locations. With the new investments planned, it is expected to reach an installed capacity of 4 MW by the end of 2023.

Increasing our SES installed power to 10 MW in order to reduce our carbon emissions and expanding the SES-supported charging stations in parallel with the spread of electric vehicles are among our medium and long-term goals.



Figure-7: Erzurum - Yenişehir Power Plant (75 kW)



Figure-8: Components of the TTG Smart Energy Management System

3. TT Mobil Swap and Modernisation Projects

Within the scope of the swap project carried out in more than 3,000 locations in Izmir–Bursa Regions on our Mobile Network in 2020–2021, our base stations are being renewed with efficient devices. With this conversion, annual electricity savings of more than 27 GWh have been achieved in the electricity consumption of base stations.

4. TT Mobil Base Stations Battery Conversion Project

By using high heat-resistant and next-generation smart batteries in base stations, air conditioning temperature set values are increased, and focus is shifted on solutions without air conditioners in order to save energy. By 2022, the battery conversion of more than 50% of the base stations will be completed. As of 2025, it is aimed to complete the battery conversions at all suitable sites.

5. TT Fixed Conversion Projects and Optimisation Studies

Contrary to the global consumption increase trends, Türk Telekom achieved significant energy savings with large-scale transformation projects such as NGN, Fiberkent, DC Swap (efficient rectifier) which are carried out on the fixed network. More than 1,000 precision air conditioners, which remained idle after the system halls were optimise or closed following the decrease in consumption, were utilised within the network, resulting in CAPEX savings and prevention of carbon emissions originating from conversion and new manufacturing. Cooling-related consumptions are minimised with solutions such as engine integration into air conditioners, temperature set value increase and backup.



6. Other Projects Carried Out in Türk Telekom Buildings

Some of Türk Telekom's efforts to reduce energy consumption in its own buildings within the scope of LEED certification can be listed as follows:

- Energy efficient devices (air conditioners, combi boilers, pumps, etc.) and lighting products (led fixtures and lamps) are used in all new projects.
- More efficient and environment-friendly products are preferred instead of old and low energy efficient devices and lighting elements.
- Considering the depreciation periods, the building automation system is used in all large buildings, resulting in savings in both electricity and fuel costs.
- By carrying out building centralisation and space optimisation studies, the office space used is reduced, thus achieving high savings in energy costs.

Certification	Buildings
Leed Certificate (GOLD)	Technopark Ümraniye Building
Leed Certificate (GOLD)	Ahlatlibel Technology Building
Leed Certificate (GOLD)	Esenyurt Data Centre Building
Leed Certificate (GOLD)	Aydınlıkevler Tower Building



Emissions

At Türk Telekom, issues related to climate change are managed by the Company's Environment and OHS Directorate. The Environment and OHS Directorate is responsible for the Company's overall environmental performance and the general management of climate-related issues.

As the technological solutions that enable climate change opportunities are managed by different units, there is a multistakeholder structure within the Company for leadership regarding low-carbon products and services, combating climate change and environmental impacts.

Energy-based risks within the Company are evaluated in corporate risk management.

Being aware of the necessity of reducing greenhouse gas emissions, which is one of the most important causes of climate change, Türk Telekom continues its efforts to reduce greenhouse gas emissions arising from its corporate activities. The Company integrates greenhouse gas management and combating climate change into its overall strategy. Türk Telekom's goal at this stage is to continue to set an example for the sector in fighting against climate change and to become a facilitator for companies in other sectors.

The Carbon Disclosure Project (CDP) is an international organisation that has the largest climate change data in the world, reporting how climate change risks are managed by companies on a global scale every year. The responses of the companies participating in the project regarding the management of environmental risks are graded according to the CDP environmental data rating methodology.

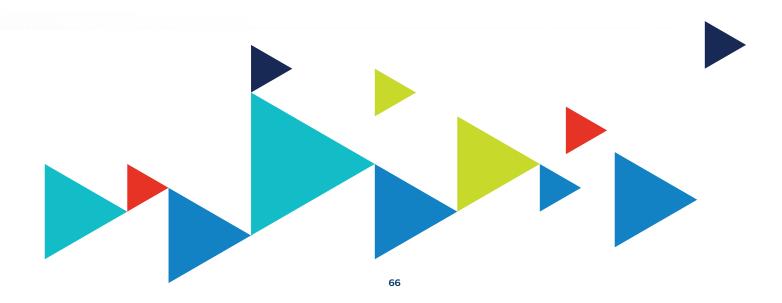
Environmentally-conscious companies share their greenhouse gas emissions, water resources management and climate change strategies with investors through the organisation in order to set mitigation targets and improve their performance.

Türk Telekom participates in the CDP organisation, where companies with high performance are reporting worldwide. Having reported to CDP for the first time in 2011, Türk Telekom is the first Turkish telecommunications company to participate in this global initiative. In its 2018 CDP report, Türk Telekom referred to its projects aimed at increasing energy savings and renewable energy use, reducing fuel consumption and carbon monoxide emissions, annual energy saving targets and projects that have a positive impact on climate change. With the report it prepared in this direction, the Company raised its score by two notches from D+ to C+ (Awareness).

Within the scope of Türk Telekom's CDP reporting in 2019, the emission calculations resulting from the Company's activities were verified by an authorised independent institution. The score of the CDP report, which was prepared according to 2018 data, showed improvement compared to the previous year and reached the B+ (Management) level. Thanks to this, the Company has achieved the highest score among telecom operators in Turkey.

Throughout Türk Telekom, units have annual emission reduction targets. Accordingly, the realised performances are checked regularly.

For this purpose, Türk Telekom makes investments to increase the rate of fibre infrastructure, which uses energy more efficiently than ADSL, in addition to other important contributions. The Company prepares its services for 5G technology and supports the reduction of emissions arising from transportation via video conferencing services.



TT 3-YEAR ENERGY CONSUMPTION AND EMISSION VALUES

Energy Consumption (MWh)	2018	2019	2020
Vehicle fuels	106,825	102,497	107,347
Diesel	102,159	97,731	103,277
Gasoline	4,666	4,766	4,070
Constant Combustion	113,536	101,176	102,571
Natural gas	61,480	53,945	56,499
Fuel Oil	2,764	2,247	411
Coal	6,328	2,115	3,341
LPG	0	1	0
Diesel Fuel (Diesel)	1,119	526	767
Generator (Diesel)	19,351	19,685	18,896
Generator (Gasoline)	22,494	22,657	22,657
Purchased Electricity*	1,168,000	1,157,100	1,218,924
Electricity for buildings	31,982	31,839	27,193
Data Centres	60,790	60,419	66,050
Transmission Systems	680,328	677,292	683,691
Base Stations	394,900	387,550	441,990
Total	1,388,361	1,360,773	1,428,842
Renewable Energy	2,100	2,100	2,100
Solar Energy	2,100	2,100	2,100
GRAND TOTAL NET Energy Consumption	1,390,461	1,362,873	1,430,942

Emission Data (tons)

YEARS	2018	2019	2020
Scope	tons of CO2e	tons of CO2e	tons of CO2e
Scope 1	111,854	111,452	131,691
Scope 2	591,720	594,436	581,414
Scope 3	9,918	9,474	6,710
Total	713,492	715,363	719,815

Scope 1

- Vehicles
- F-gases
- Fuels used in facilities
- Generators (diesel)
- Generators (Gasoline)

Scope 3

- Employee Shuttles
- Flights
- Paper
- Toner
- Cargo
- Waste

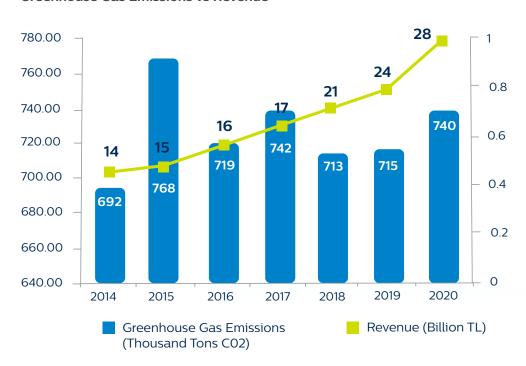
Scope 2

• Electricity consumption

82%-83% of the emissions are from energy use, 16%-18% from vehicles, F-gases and fuels in facilities, and 1% from flights, services and consumables. As of 2020, although there is a slight decrease in energy use, there is an increase in Scope 1 emissions.

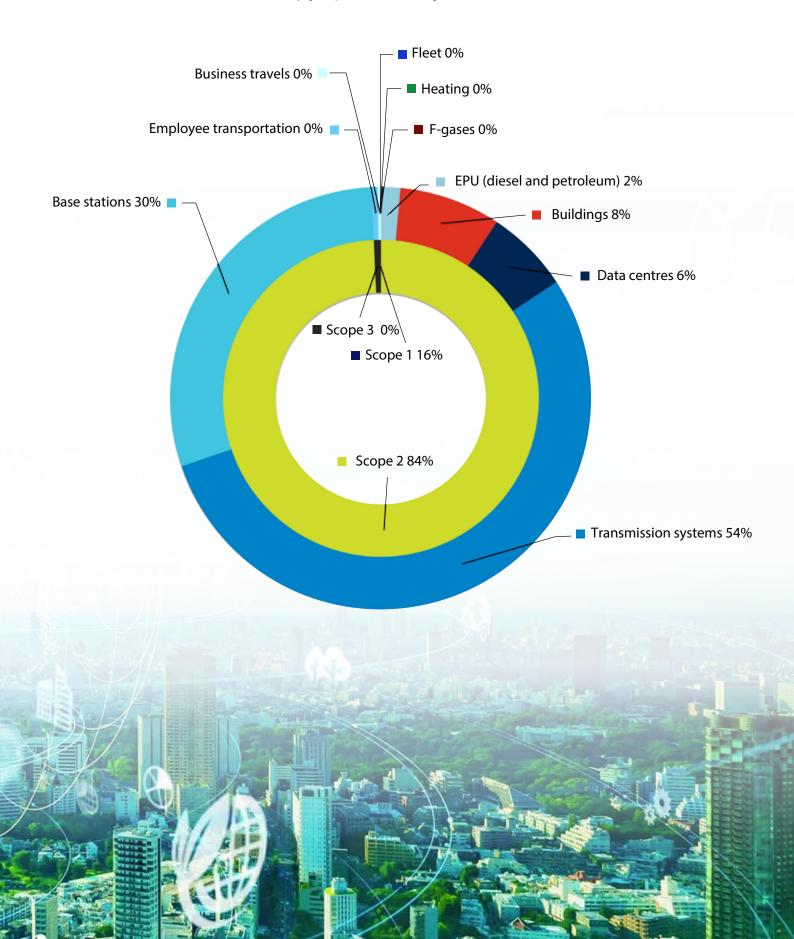
*After the 2020 CDP reporting; minor updates were made in the 2020 energy consumption data and since some consumption items have not been verified, there are minor differences between the values in the emission data table and the emission values in the "CDP Verification Report"...

Greenhouse Gas Emissions vs Revenue





Türk Telekom Greenhouse Gas Inventory (Scope Breakdowns) 2020



Circular Economy and Waste Management

Waste management strategies aiming to prevent the rapid depletion of natural resources and waste from being a threat to the environment and human health, and to transform waste into an input for the economy, constitute the basis of the sustainable development approach.

Türk Telekom conducts extensive studies on waste management within the scope of its sustainable environment policy.

Preventing direct or indirect release of waste to the receiving ecosystem in a way that harms human health and the environment, establishing technical and administrative standards in waste management, and sending the waste to temporary storage, recovery and disposal facilities constitute the basis of managing the process from production to disposal of all kinds of waste that is generated as a result of Türk Telekom's activities.

At Türk Telekom, wastes are collected in temporary storage areas, with the exception of medical wastes. Medical wastes are collected in special medical waste transport containers with medical waste labels on them, stored in containers for temporary storage, and delivered to the municipality or the authorised company by the personnel in accordance with the Medical Waste Process, by making an online transportation request through the MOTAT system.

The collected wastes (hazardous waste, metal, electronics, etc.) are taken to temporary storage areas in order to be sent to the recycling/disposal facilities with environmental permit/license and are delivered with a "Waste Delivery Form".

The wastes registered within the "Waste Tracking and Statistics Form" in the temporary storage areas are collected under different codes so that they do not mix with each other in the defined areas. Wastes are sent to a recycling/disposal facility with the appropriate environmental permit/license by creating a waste transportation request via the MOTAT system.

The wastes collected in the recycling bins intended for paper / cardboard, packaging waste etc. in the buildings are collected and delivered to the municipality or to other companies that are authorised by the municipality. The data on the delivered wastes are entered into the 'Zero Waste Information System' with the receipt given by the municipality.

In buildings with cafeterias, waste vegetable oils from food production are collected in containers by the catering company in accordance with the legislation and delivered to licensed companies.

Non-hazardous wastes are temporarily stored in sealed, secure containers or in impermeable areas separated from hazardous wastes, without mixing with them. The wastes can be stored in the facility for a period not exceeding one year, by taking the necessary measures until recycling, with the non-hazardous waste label and waste code on the containers. In this case, it is obligatory to provide soil impermeability in order to prevent pollution that may occur by the contact of wastes with rain or surface waters, and to create grids, bonding channels and similar collection systems for the drainage of water. It is forbidden to directly or indirectly deliver, store, transport, remove and carry out similar activities in violation of the standards and methods determined in the applicable regulations, in a way that harms the environment.

Zero Waste Project

Within the framework of the principles for sustainable development, the Zero Waste Project was launched in Turkey with the aim of protecting the resources, curbing waste and leaving a clean and developed Turkey and a habitable world to future generations. The project is aimed to be implemented gradually by 2023. Türk Telekom is among the institutions that voluntarily support the Zero Waste Project.

Wastes

Waste by Type (Ton)	2018	2019	2020
Hazardous Wastes	3,244	4,897	5,541
Non-Hazardous Waste	5,348	11,729	9,076

- The data shows the in-house waste amounts, and recovery / recycling / disposal operations carried out by the recycling company that Türk Telekom works with. This information will be reported with the support of the institution we work with in the upcoming years.
- The amount of e-waste that the Company has produced due to its activities and recovered is 18 tons in total for the last 3 years. These data will also be systematically reported in the upcoming period.

Recycling of Waste

Türk Telekom takes actions for the recycling of wastes and if it is not possible, for their disposal, without harming the environment and in accordance with the standards and methods determined by the relevant regulations. According to the results obtained in 2018–2019–2020 within the scope of the Zero Waste Project at Türk Telekom workplaces;

- 31 kilograms of raw materials have been saved by recycling 26 tons of glass waste.
- 5,780 trees have been saved from being cut, with the recycling of 340 tons of wastepaper.
- 18 kilograms of raw materials have been saved by recycling 13.7 tons of waste metal.
- 190,672 liters of oil have been saved by recycling 77 tons of waste plastic.
- In addition, 1,107 cubic meters of storage space, 11,250 cubic meters of water, 1,848,485 kWh of energy savings have been achieved, and 65,418 kilograms of greenhouse gas emission have been prevented.

Medical wastes were sent to licensed disposal facilities, contributing to renewable energy production.

Electronic Waste Collection Campaign

In accordance with the Regulation on Waste Electrical and Electronic Goods Control, targets are set for manufacturers to recycle the electrical and electronic devices they put on the market in specified amounts for each year. Türk Telekom continued the campaign to collect its modems in the market in 2018, 2019 and 2020, which it started in 2017, in line with its targets set in accordance with this legislation.

With the campaigns carried out in the Company and organisations such as the Electronic Waste Collection Competition, the employees are encouraged to participate in the process and the revenues from the collected waste are used to fund corporate social responsibility projects.

In order to raise awareness about the harm caused by electronic wastes to environment, to reduce the damage by recycling these wastes in a healthy way and to transform the obtained resource into value for Turkey, "Bring Your E-Waste for a Greener Future!" campaign was launched. With this campaign, organised as a competition for Türk Telekom employees and their families, it is aimed to contribute to the future and sustainability of Turkey. In the last three years, 18 tons of electronic waste has been collected and recycled.

The revenue collected as a result of the Electronic Waste Collection Campaign was used as a fund to contribute to the education of 55 children.

The collected electronic waste revenues were donated to the Turkish Red Crescent.

Reduction at Source

E-invoice implementation

Türk Telekom aims to support sustainability and takes initiatives with the perspective of preventing waste, which is a global problem, at its source.

For this purpose, Türk Telekom aims to increase the proportion of customers using e-invoices and organises new campaigns for this purpose. In this context, the prerequisite of being an SMS e-invoice subscriber has been added as a condition to participate to the existing "Sil Süpür" campaign in the mobile segment, where significant advantages are offered to customers.

Thanks to the use of e-invoices in 2019, Türk Telekom's contribution to the environment has been approximately:

- 66 thousand trees.
- 16 million Kw/hour energy,
- 125 thousand cubic meters of water saving.

Digital Document Implementation

With a new implementation launched in 2019, Türk Telekom started to receive the legal documents required from its customers in the digital environment, with tablets and biometric pens distributed to dealers. With this new development the following have been ensured:

- Dealers focus on customer satisfaction as their paperwork processes are facilitated,
- Customer satisfaction is increased by enabling dealers to carry out the paperwork process, which is a legal requirement for customer information registration, more quickly and easily in a digital environment.
- Savings are made from the costs and environmental impacts caused by both paper consumption, and the transportation and storage of documents.

Water Management

Türk Telekom cares for efficiency in water usage within the scope of its sustainability approach and environmental policies for a livable world. Water saving efforts are continuously carried out and the results are closely monitored with a view to prevent the water shortage that has begun to be experienced in the geography of our country, to leave a more livable world to future generations, and to reduce water consumption.

Türk Telekom uses the mains water for its activities. Wastewater generated as a result of utilisation and activities is of domestic nature. Domestic wastewater generated in workplaces is connected to the sewerage network of the municipality to which they are affiliated. Therefore, Türk Telekom's wastewater discharge does not cause any environmental pollution (underground water pollution, soil pollution, etc.). The water generated as a result of the Company's activities is not discharged to the natural environment. Türk Telekom Headquarters, Regional Directorates and Telecom Office buildings have storage systems that would meet the water requirement for a minimum of two days, anticipating the problems that may occur in water supply.

Water Savings

The majority of Türk Telekom water consumption occurs as a result of the general usage by the personnel working in the buildings. In order to reduce consumption, studies with tangible results such as saving device for faucets, conversion to faucets with photocell, and raising awareness among personnel are carried out and supported by the Company's senior management.

Other studies that are carried out for saving purposes in Office Buildings are as follows:

- Toilet reservoirs are kept at a minimum level to meet the need with the float adjustment.
- Garden irrigation is done in an efficient and controlled manner with automated systems.
- Photocell batteries are used in all new projects and extensive renovations.
- With the Building Centralisation and space optimisation project, we contribute to the reduction of the water consumed in these buildings by reducing the utilised areas of buildings and offices.
- In the Ankara Headquarters tower building, the wastewater collected from tea houses and sinks is reused in toilet reservoirs after necessary treatment processes are applied.

The studies to measure and report the achieved savings in detail are underway.

Water Consumption

Years	2018	2019	2020
Water consumption (Km³)	749	653	433

Base Stations

Base stations are installed by taking precautions for efficiency and human health.

All the mobile devices we use today communicate via base stations over electromagnetic frequencies. Although the concerns related to human health have been a public discussion topic for long, it is stated in the research conducted by the World Health Organisation that no health problem has been encountered that may occur due to any device and/or base station with international standards. Türk Telekom continues its activities within the limits* determined by the ICTA.

Within the framework of responsible business conduct understanding, the measures taken and the solutions developed by Türk Telekom in order to achieve higher efficiency in base stations and to protect human health are as follows:

- Electromagnetic field measurements are conducted prior to and following the installation of base stations to ensure their safe operation both for people and the environment.
- All necessary safety equipment is used and updates are performed, in order to prevent base stations from being affected by natural disasters and endangering the environment and public health in accordance with human health and environmental safety, which are considered as key priorities. In 2019, 750 base station towers were examined in detail and updates were made according to the needs.
- Base stations are monitored around 24 hours a day, with rapid field response provided in emergency situations and natural disasters, ensuring the highest level of operational competence.

- The equipment in use with high energy consumption at Türk Telekom is replaced with models consuming less energy in line with the aim of increasing energy savings. This Project, which is currently carried out in İzmir and Bursa regions, has been completed to a large extent in 2020, and as of February 2021, the installation of the models that consume less energy as required by the Project will be completed at the relevant sites. Analysis processes continue for the final results of the post-project consumption reflections.
- Direct current energy resources with high energy loss have been replaced with high efficiency models. The old-style direct current backup units, which remained idle after replacement, were recycled in an environmentally friendly way at the recycling facilities.
- In order to minimise the interference factor for people and the environment, all necessary precautions are taken at the base stations during the planning, design, installation and operation phases.
- Environmentally friendly air conditioning gas is used in base stations to reduce greenhouse gas emissions. In 2020, 650 old air conditioners were replaced with efficient air conditioners with inverter technology, and energy saving was achieved.
- Cooling-related energy costs have been reduced by the use of free cooling devices and the widespread use of solutions other than air conditioners.



*According to the regulation of the Information Technologies and Communications Authority (ICTA), the electric field limit value per device at the safety distance determined for the base stations cannot exceed 10.26 V/m for 900 MHz and 15.1 for 1800 MHz. These values are 4 times lower than 41.2 V/m, which is the world standard determined by ICNIRP (International Commission on Non-Ionised Radiation Protection) and taken as a reference by all operators. As Türk Telekom, we continue our work within the limits set by the regulator and stay below the determined values.



Luis Pederna, Chairman of the UN Committee on Children Rights



Value for Human Focus 📆



Human Resources Policy and Employment

Türk Telekom aims to be the most preferred company by professionals in the telecommunication sector, and accordingly, in line with its strategy and targets, to bring in a qualified workforce that will adapt to the corporate culture and values.

In principle, Türk Telekom, aims to employ its personnel for a long time, in order to provide fast, high-quality and economical services, considering the economic conditions and sectoral changes in its field of activity, as well as technological developments.

The continuous success of Türk Telekom depends on the ability of its employees to adapt quickly and efficiently to changing conditions of the sector, and their flexibility in this regard. Employees help Türk Telekom become one of the world's leading companies with their superior skills, competencies, and experiences.

Türk Telekom organises training and development activities to support its employer brand by improving the knowledge, skills and behaviors of its employees with its investments from an integrated talent management perspective, encouraging performance, and unlocking the potential.

The basic principles of Türk Telekom are making the right training and development investment for the right person at the right time, managers taking an active role in the development of their employees, integrating the offered development opportunities with all human resources processes, ensuring the continuity of the training and development activities offered by Türk Telekom Academy in virtual classrooms supported by technology, and the use of alternative development methods and resources in all processes.

The Company informs employees of the decisions taken or the developments concerning the employees through the use of appropriate internal communication tools (such as notification, e-mail announcements, instant notifications, internal communication portal).

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Work Culture

Türk Telekom aims to establish a continuous relationship with its employees, managers and stakeholders based on respect, trust and ethical values, with the values it has adopted and the Company culture it has created and maintained based on respect and sharing.

Türk Telekom has an innovative and agile working culture that is performance oriented, based on cooperation, team spirit, and winning together. As a requirement of global competition and the pace of change in the sector, new working models such as agile task force are implemented.

Within the framework of the Human Resources Policy determined by the Company, the principle of providing equal opportunities to people with equal qualifications is adopted in recruitment and career planning. An integrated set of rules has been established on recruitment, and recruitment criteria have been determined within the framework of impartial principles.

In cases where it is anticipated that changes in managerial duties may cause disruption in the Company's management, succession planning which determines the new managers to be appointed is put in place. The relations of the Company with its employees are managed by Human Resources Business Partners, functioning under Human Resources.

7'7

Business Ethics Code

Business Ethics Code, which aims to explain how all employees should behave both in and out of the working environment in line with the vision, mission and values of Türk Telekom, and what kind of sanctions may be applied otherwise, covers all employees, including the members of the Board of Directors.

Recruitment processes

Türk Telekom's recruitment efforts aim to meet the Company's needs for qualified workforce by employing the most appropriate candidates with the required level of competence and experience. The recruitment process is determined in accordance with the relevant legislation. It is evaluated in three steps: Demand Management, Selection and Placement.

In the Demand Management process, annual workforce plans are created by considering the organisation, norm staff and new staff needs. During the Selection process, a pool of candidates is formed, and suitable candidates are chosen from this pool with objective criteria. In this context, the Company's career site, leading job search sites, and domestic and foreign HR consultancy firms are used. In order to reach potential candidates, official institutions such as universities, professional chambers and İŞKUR (Employment Agency) are contacted, and digital and social media tools are utilised.

In the Selection process, various measurement and evaluation tools are used to ensure objectivity and determine competence accurately. All candidates whose application process is negative receive feedback.

Türk Telekom digitalised its human resources processes with its new recruitment system Santral. Within the scope of analysis and development studies and the "Agile Transformation" approach adopted by the Company, the integration of Santral is aimed to be completed by the end of 2020. With the activation of this application, Türk Telekom's recruitment processes will be conducted completely online and be fully digitalised.

With Santral, all the steps from the recruitment request to the first date of employment will be digitalised, and with the new process, it is anticipated that approximately 30 thousand resumes will be collected in the talent pool initially.

Remuneration

In order to achieve its goals, Türk Telekom aims to attract qualified work force to the Company, to retain employees, to uphold the employee motivation, to ensure a sustainable service, and to reward those with outstanding performance. In this context, remuneration is determined by evaluating the relevant legislation, job description, responsibilities, required qualifications and market value.

Türk Telekom prioritises the concept of competitiveness for its wage structure. There is no gender difference in remuneration; entrance salaries are determined by considering criteria such as the work structure of the relevant unit, the importance of the work, the workload, international methodologies, budget and market data.

A single legally determined minimum wage concept is applied in Türk Telekom and no workers are employed below the minimum wage. There are wage policies that differ according to the value of the work done and the seniority of the emloyee. Seniority of an employee involves a whole range of elements such as knowledge, experience, previous working positions, efficiency, participated projects, received awards or penalties.

Employee benefits

Türk Telekom provides its employees various benefits such as free communication services, free life insurance and casualty insurance, meal card, personnel shuttles, company vehicle and private pension support in order to improve their working conditions and living standards. Türk Telekom also contributes to the living standards of its employees and their families through various funds and health and social aid organisations. In addition, Türk Telekom implements an individual pension system to further support the post-retirement lives of its employees. Personal casualty and life insurance are provided to full-time employees according to their titles.

These benefits vary depending on several parameters such as the employment contracts of the employees, their status, fields of work, title, position and job levels.

All employees can benefit from Türk Telekom Health and Social Aid Foundation.

In accordance with the Labor Law, 3% of the total number of employees is comprised of people with disabilities. In order to encourage the newly recruited disabled employees, a one-time disability incentive payment of 2,000 TL is made over the Metropol benefit card.

Remote Working Model

The remote and flexible working model, which was quickly put into practice during the pandemic, is planned to continue to the extent required by the business. As a result of the surveys and interviews conducted with our employees, a model compatible with business processes was structured. This model is built on the focus of sustainability along with the well-being and productivity of the employees. It is aimed to reduce the carbon footprint by increasing the digital footprint of the employees.

Benefits provided to Türk Telekom employees such as free communication package (ADSL support, GSM tariff, PSTN tariff, Jet Modem, Tivibu), meal card, health insurance, casualty insurance, and private pension support continued to be provided during the COVID-19 period.

Employees with Performance Evaluation

Number of Employees Participated in Performance Evaluation	2018	2019	2020
Woman	2,599	2,510	2,560
Man	4,828	4,722	4,856

- The reason for the decline in training hours in 2020 is the inability to conduct some classes because of the impact of the COVID-19 pandemic.
- There are no discrimination-related cases.

Women Employment and Maternity Leave

Türk Telekom aims to encourage women's participation in working life and increase women employment. Female employees have the opportunity to take paid maternity leave for a total of 16 weeks, prenatal and postnatal eight weeks each, according to Article 74 of the Labor Law No. 4857. In addition, upon request, unpaid maternity leave for up to six months and breastfeeding leave for 1.5 hours a day until the child is 1 year old are provided. Pregnant or breastfeeding employees do not work more than 7.5 hours a day. Apart from these, maximum attention is paid to employee rights as per the requirements of the law.

Performance Management and Feedback

With the Performance Management Process, while the goals determined in line with the Company's vision and the strategic priorities of the relevant year are realised with the contributions of the employees, it is also aimed to evaluate the participation of the employees with an objective, systematic and measurable method, to create a motivating business environment and personal development.

In addition to the Company goals, the goals planned on the basis of departments and individuals each year serve to help employees understand how they contribute to the Company.

Annual target assignment meetings are held following the formation of the Senior Management Scorecards, in order to spread the performance culture throughout the Company, to determine the targets in accordance with the SMART (Specific-Measurable-Achievable-Compatible-Time-bound) criteria, and to make an appropriate evaluation. With these meetings, harmony is aimed at the managerial level. It is important that the information and guidance provided at the meetings are conveyed to the teams by the managers.

The outcomes of the Performance Management Process serve as inputs for Wage Management and Rewarding, Career and Talent Management, Training and Development and Performance Development Process activities.

Communication studies such as guidelines, announcements, visuals, infographics, videos, etc. related to the Performance Management Process and System, are shared with the relevant target audience during the performance evaluation periods.

In 2020, as part of the 2019 Performance Management schedule, the evaluation process of 7,416 employees was completed within the scope of the "2019 Year-End Evaluation and Feedback Period" and relevant feedback was received from the managers. This year, the average satisfaction rate of employees with managerial feedback increased by 2% compared to the previous year and stood at 4.29 out of 5.

Social Performance Charts

By Employment Area	Gender	2018	2019	2020
General Directorate	Woman	1,734	1,706	1,762
General Directorate	Man	2,751	2,790	2,928
Regional Directorates	Woman	1,988	1,885	1,791
Regional Directorates	Man	12,056	11,436	11,652
Total		18,529	17,817	18,133

By Location	Gender	2018	2019	2020
İstanbul	Woman	545	515	483
	Man	2,770	2,674	3,004
Ankara	Woman	342	329	312
	Man	1,755	1,632	1,614
Other Regions	Woman	1,101	1,041	996
	Man	7,531	7,130	7,034
Headquarter	Woman	1,734	1,706	1,762
	Man	2,751	2,790	2,928
Total		18,529	17,817	18,133

By Age	Gender	2018	2019	2020
20-29	Woman	555	447	424
	Man	1,478	1,055	1,236
30-40	Woman	2,276	2,235	2,186
	Man	8,647	8,849	9,296
40-50	Woman	855	818	830
	Man	3,910	2,615	2,438
50+	Woman	37	91	113
	Man	771	1,707	1,610
Total		18,529	17,817	18,133

By Position	Gender	2018	2019	2020
C Level	Woman	0	0	1
	Man	9	11	11
Regional Director & Deputy Regional Director	Woman	0	0	0
	Man	27	25	27
Adviser & Coordinator	Woman	3	2	1
	Man	11	7	9
Director	Woman	16	11	11
	Man	42	44	48
Group Manager & Manager	Woman	144	139	134
	Man	511	499	511
Audit Team	Woman	9	9	8
	Man	25	24	22
Telekom Manager	Woman	1	1	1
	Man	126	122	122
Expert Level	Woman	3,044	2,944	2,928
	Man	4,403	4,323	4,346
Technical Staff	Woman	397	386	373
	Man	9,603	9,120	9,438
Support Staff	Woman	100	99	96
	Man	58	51	46
Total		18,529	17,817	18,133

Contract Type	2018	2019	2020
Fixed Term Contract	5,071	4,477	3,940
Temporary Contract	13,458	13,340	14,193

Type of Working	2018	2019	2020
Part-Time Employee	38	31	60
Full-Time Employee	18,491	17,786	18,073

Recruitment	2018	2019	2020
By Age			
20-29	63	242	744
30-39	97	124	544
40-49	18	20	33
50+	7	2	3
By Gender			
Woman	61	138	197
Man	124	250	1.127
	J		
Employees Leavers	2018	2019	2020
Employees Leavers By Age	2018	2019	2020
	2018 97	2019 43	2020 89
By Age			
By Age 20-29	97	43	89
By Age 20-29 30-39	97 626	43 365	89 259
By Age 20-29 30-39 40-49	97 626 277	43 365 141	89 259 179
By Age 20-29 30-39 40-49 50+	97 626 277	43 365 141	89 259 179

Maternity Leave	2018	2019	2020
Employees on maternity leave	345	241	262
Employees returned from maternity leave	312	223	255

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Social Dialogue and Labor Peace

Türk Telekom adopts the principle of ensuring and improving the social dialogue with the labor union, and the labor peace in the workplaces within the scope of the unionised organisation and collective bargaining agreement. A Collective Bargaining Agreement is signed with the Turkish Haber-İş Labor Union every two years. The demands and expectations of union member employees are evaluated and managed within the framework of this agreement.

Regular meetings are held between the Turkish Haber-İş Labor Union and Türk Telekom, where the expectations and problems faced by the employees are discussed, and the continuation of labor peace is ensured through effective social dialogue and cooperation. As a result of these meetings, necessary measures and actions are taken by Türk Telekom, and the decisions that will affect the employees are reported to the labor union representatives and the labor union.

Türk Telekom regularly notifies and reminds all Central and Regional Units of the rules regarding overtime hours as per local laws on working hours/overtime and collective bargaining agreements. Türk Telekom conducts an overtime audit every month to monitor whether Türk Telekom Principles, collective bargaining agreement and relevant laws are complied with. At Türk Telekom, the minimum wage is determined by the collective bargaining agreement, and it is set above the legal minimum limit.

The Company rejects all practices of forced labor, including drudgery, child labor, employing illegal immigrants and foreign personnel without a work permit, debt slavery and all forms of human trafficking. Türk Telekom does not employ children under the age of 18 and complies with international conventions and national legislation ratified by Turkey on children's rights. This attitude is open to scrutiny by public authorities.

Within the framework of the Human Resources Policy determined by the Company, the principle of providing equal opportunities to people with equal qualifications is adopted in recruitment and career planning.



Occupational Health and Safety

The Company has adopted the primary goals of creating a healthier and safer working environment for its employees, while minimising effects of harm to the environment through its activities, and applying environmentally friendly technologies.

In line with this target, employees are expected to

- act in accordance with legal regulations, practices and accepted standards in their workplaces,
- comply with the measures taken as a result of all risk and impact assessments in line with a preventive approach,
- implement systems to minimise the occurrence of incidents, accident or emergency losses,
- participate in trainings organised to improve safety culture, risk perception and environmental awareness.
- demonstrate an objective and transparent attitude in audits related to occupational health, safety and the environment,
- notify and report any behavior, situation and accidents that may endanger occupational safety,
- act in harmony with the responsible Occupational Health and Safety specialist.

"Occupational Health and Safety Boards" have been established at the Company's workplaces. At periodical meetings (monthly, bi-monthly or quarterly), the following task are fulfilled:

- guiding employees on occupational health and safety issues,
- evaluating the hazards and precautions related to occupational health and safety in the workplace, determining the precautions, and notifying the employer or employer's representative,

- conducting the necessary investigations, identifying measures
 to be taken and notifying the employer or the employer's
 representative with a report in the event of any occupational
 accident at the workplace or an occurrence which does
 not qualify as an occupational accident but may cause
 damage to the workplace or to work equipment, or in case
 of occupational disease or occupational health and safety
 hazards,
- planning occupational health and safety trainings at the workplace, preparing programs related to this subject and relevant rules, submitting them to the approval of the employer or employer's representative, monitoring the implementation of these programs and providing feedback in case of deficiencies.
- planning the security measures necessary during maintenance and repair works at the workplace and monitoring the implementation of these measures,
- and monitoring the adequacy of the measures taken against fire, natural disasters, sabotage and similar hazards at the workplace and the work carried out by the relevant teams.

Employee representatives also participate in these boards as members, and all feedbacks regarding the occupational health and safety measures of the employees are evaluated. Employee representatives serve in these committees, which are established as required by law. Employees are informed about the decisions taken unanimously in the relevant board through employee representatives.

Occupational Health and Safety Data

OHS Accident Data		2018	2019	2020
Fatalities	TTG employee	0	0	0
Serious injury etc., accidents of high importance (non-death)	TTG employee	14	21	12
Registered accidents	TTG employee	371	381	251
Loss of work hour	TTG employee	1,552 days	1,767 days	1,042 days

- Number of accidents causing 30 or more days of loss is shared.
- 2 accidents in 2018 and 4 accidents in 2019 occurred in sports competitions organised by the Company.

Türk Telekom operates within the scope of ISO 45001 Occupational Health and Safety Management System. With the ISO 45001 Occupational Health and Safety Management System, it is ensured that occupational health and safety performance is continuously improved, a better working environment is created for employees and number of occupational accidents are minimised. Türk Telekom Occupational Health and Safety system was established on the basis of the ISO 45001 standard and on a voluntary basis to cover the entire company. There are no excluded processes or employees.

There were no fatal accidents and occupational diseases in 2020. There were 251 accidents reported as work accidents in 2020

There is a risk assessment procedure to identify hazards and risks. As part of this procedure, location-based risk assessment is conducted and studies focusing on continuous improvement are initiated. There is also an incident investigation procedure that complement the risk assessment process for investigating and reporting occupational accidents and near-misses. Employees report near-misses via the near-miss notification system, and these notifications are conveyed to occupational health and safety experts. OHS experts initiate action on these notifications and direct them to the relevant unit so that corrective actions can be taken. Occupational safety experts are employees who have responsibilities to legal authorities regarding their work and operations and are selected from trained and certified people.

Türk Telekom systematically defines the methods and principles regarding the identification of potential hazards and related risks arising from its activities, products and services, the assessment of its environmental impact and its dimensions, and thus the control of potential hazards. In line with these definitions, the Company prepares and reports risk and environmental impact assessment charts with the aim of minimising occupational accidents, occupational diseases and environmental dimensions.

The most common risky situations are;

- compression, crushing, penetrating, shearing, striking of one or more objects
- 2. falling from the stairs
- 3. falling on the level ground
- 4. traffic accidents
- 5. animal bites, injuries caused by animals, venomous animal stings or bites

In addition to general occupational health and safety legislation and health trainings, all employees are provided with technical training specific to their field of work (working at height, working in closed areas, etc.) as per the relevant law.



Employee Experience

The employee experience approach at Türk Telekom involves efforts to design a high value, integrated and end-to-end experience which forms the entire perception of employees regarding their interactions with the Company, by putting employees at the centre of their business strategies.

In 2020, Türk Telekom incorporated the Employee Experience Department into its Human Resources organisation, based on the "A strong employee experience creates a strong customer experience" principle. Accordingly, activities aimed at understanding the needs and expectations of the employees were stepped up in order to increase their interaction with the Company.

Employee experience was formed to design employee needs and expectations in line with organisational priorities with "organisational empathy". Thus, it aims to understand the needs of the employees, to improve their work efficiency and motivation, to reduce employee churn, to increase the attractiveness by strengthening the employer brand perception, and to realise the equation of "happy employees with happy customers".

The Employee Experience Department pioneered 18 projects by identifying three focus areas under the headings of "Employee Experience, HR Digital Transformation and Sustainable Working Model".

With a holistic view of "from candidate to graduate", 7 main contact points with the greatest impact on the employee life cycle were determined to understand and strengthen the experiences of candidates, employees and graduates with different characteristics, priorities and expectations in different processes and points. Accordingly, employee-oriented designs were developed and restructured in all human resources processes and applications such as Candidate Experience, Recruitment/On-boarding, Training, Career Management, Performance & Feedback, Transition to New Career & Retirement Incentive (Outplacement), and Off-boarding.

In 2020, the approach to employee experience related processes was restructured and improved with the Retirement Incentive, New Candidate Recruitment Experience, Program for Adopting to New Position, Executive Orientation Program, Off-boarding & TT Alumni Club projects.

In addition to all these processes, new focus areas were identified under the headings of Employee Interviews, Remote and Flexible Working Model, Employee Well-being, Focus Group Interviews & Employee Pulse Surveys.

Agile Transformation

With the organisational changes made in 2020, Türk Telekom's Agile Transformation Process was initiated. In order to implement agile approaches within the scope of next-generation project management methodologies, implementation teams from among the pilot teams were designated, and the Agile Transformation Process was launched in the middle of the year. Again, within this framework, internal awareness was improved by offering informative sessions about the agile working culture to the relevant units and Human Resources teams at Türk Telekom.

Supporting the agile transformation process, Türk Telekom Academy broadcasted the Learning Break, online seminar on Agility for all employees. In addition, Competency Development Schedules on Agility were prepared in July 2020 and Agile Transformation in December 2020, and recommended actions and resources for development were shared with all employees.

Training and Development - Türk Telekom Academy

Türk Telekom Academy is a pioneering corporate school that supports the training of its employees with the philosophy of "People for technology, development for people".

Türk Telekom Academy offered training and development services using up-to-date educational technologies in 2020, and a total of 2,017 in-class and virtual classroom trainings were provided. The training prevalence rate was 57.5%, with 10,439 employees participating at least once in these training sessions. The average training hours per employee for 2020 was 18.7. Türk Telekom Academy has a total of 264 training classes and 417 active internal trainers in 81 provinces of Turkey.

Türk Telekom Academy Training Management System interface was renewed and became more user-friendly for the training programs to continue during the pandemic. During this period, 216 thousand 295 hours of distance training was provided on 726 different subjects through "Digital Trainings". In 2020, the average e-training hour per person was 12 hours, with the use of alternative education technologies, an increase of 34.8% was achieved in this period compared to the previous year.

Türk Telekom Academy started to offer training and development videos free of charge under the Tivibu platform, and 125 items of training content were created in 4 different categories.

In order to support training in this process, free trainings available to general public on the Türk Telekom Academy website were enriched.

Türk Telekom prioritises the knowledge and qualifications of its employees. Support projects are implemented to make a difference in personal and professional development.

Business Schools: Leaders School, Technology School, Marketing School, Sales School, Customer Services School, Human Resources School, Finance School, Occupational Health and Safety School, and Internal Trainer School, which were structured specifically for the core business functions for the development of employees, continued their activities. The new content designs of the Procurement School, Logistics School, Strategy School and Data Analytics School are scheduled to be implemented in 2021. During the pandemic, all programs were carried out in the form of live and synchronous virtual classroom trainings.

Regional Training Per Capita Hours and Training Prevalence Rate

	2018	2019	2020
Number of Persons Who Took At least One Day of Training (In-Class or Virtual Classroom)	15,824	14,424	10,439
Number of employees (TT-TTNET-TT Mobil)	18,529	17,817	18,133
Training Prevalence Rate (%)	85.4%	81.0%	57.6%

Calculation Formula: Number of Persons Receiving At least One Day of Training / Number of Employees.
Note: E-Learning video assignments are not included in the Training Prevalence Rate calculations.

Personal and Professional Development: E-trainings were assigned to 6,345 employees on 95 subjects for the classroom trainings included in the Personal Development Catalogue. As part of the professional and technical development trainings, the training needs of business units were met with live and synchronised virtual classroom trainings. In April 2020, e-training on Remote Efficient Work was assigned to 9,359 employees, and it was kept available until the end of the year.

The Star of the Presentation Development Program: This program, specifically designed by Türk Telekom, aims to improve the participants' public speaking skills and help them make effective presentations.

Orientation Program: In 2020, 569 employees benefited from the trainings provided in 34 different groups in an online classroom environment due to the pandemic enabling the newly recruited employess to adapt to their jobs and the corporate culture. During the pandemic, the Orientation Program was scheduled to take place online every 2 weeks, and newly recruited employees participated in the program live and synchronously throughout the year. In addition, the Orientation Team Room was launched on Türk Telekom Port, an internal cimmunication portal, supporting the access of new recruits to the orientation content, Türk Telekom Orientation Booklet and social learning processes. The Orientation E-Learning Package, consisting of e-learning content, is regularly assigned to new recruits through the Academy portal.

Coaching and Internal Mentoring: In the Coaching and Internal Mentoring Programs, a total of 60 mentors from different business units shared their know-how and experiences with participants in 2020, providing them with support in their areas of development.

Foreign Language Improvement: English speaking clubs were launched for all employees with the aim of improving their foreign language skills, and private lessons were provided to senior managers.

Competency Development Schedule: The schedule, which includes a range of development tools such as book recommendations, articles, e-learning, videos, individual learning actions, and offers a structured development process to employees, is published monthly.

Türk Telekom Academy Internal Trainers School: There were 417 active internal trainers in total in 2020 under the umbrella of Türk Telekom Academy. Among these, 41 were trained in 2020. The "Training of the Trainers" program, offered as part of the Internal Trainer Training Program, continued in the virtual classrooms during the pandemic. On November 24, 2020, Online Internal Trainers Day was organised for approximately 600 internal trainers with the participation of the Assistant General Manager of Human Resources.

Leadership Culture and Preparation Programs

Türk Telekom Leaders School: 112 Türk Telekom executives attended the school, which was designed with Turkey's pioneering universities in order to strengthen the leadership culture that will carry Türk Telekom forward. During the pandemic, 8 sessions were completed, with a total of 24 hours of online classroom training.

In cooperation with Marmara University, 2020–2021 programs for the Leaders School Vision and Leaders School Compass were launched in December 2020. The 72-hour Vision program was carried out in 4 groups, while the 42-hour Compass program was held in 2 groups, with the participation of 132 managers.

Manager's HR Window: Within the scope of the program, which was carried out to improve the team management competencies of managers, to enable them to have a broader perspective on HR management, and to support the development of leadership culture, in-class training was provided to 90 managers in 2020. Studies were initiated to carry out the training program in the virtual classroom.

START Online Internship Development Program: More than 4 thousand internship candidates applied to the online program, organised in August, and 50 young people successfully completed the program as interns between August 17–September 18.

START My New Job Online Development Program: Within the scope of the program applied by 16,222 applicants, 18 people who passed the difficult exams and interviews started to work on September 21, 2020. STARTs will participate in online training and development activities for 12 months and will be supported by professional development trainings specifically planned for the units.

Engineer Adaptation Development Program: 54 employees, who were included in professional and competency development trainings, prepared projects on the subjects they chose with the support and guidance of internal mentors within the scope of Türk Telekom Internal Mentoring Program.

By Type of Training (Hour)	2018	2019	2020
Professional Development	347,494	324,982	109,364
Personal Development	97,881	70,049	86,432
OHS	209,251	120,729	26,810
Total	654,626	515,760	222,606

Training per person by type of training (Hour)	2018	2019	2020
Professional Development	18.7	18.4	6.0
Personal Development	5.3	3.9	4.8
OHS	11.3	6.8	1.5

By Gender (Hour)	2018	2019	2020
Woman	82,285	70,595	45,669
Man	572,341	445,165	176,937
Total	654,626	515,760	222,606

By Position (Hour)	2018	2019	2020
Senior Level	616	532	512
Manager	32,557	24,444	16,499
Expert	200,347	179,144	112,578
Field Operation Teams	421,106	311,640	93,017
Total	654,626	515,760	222,606

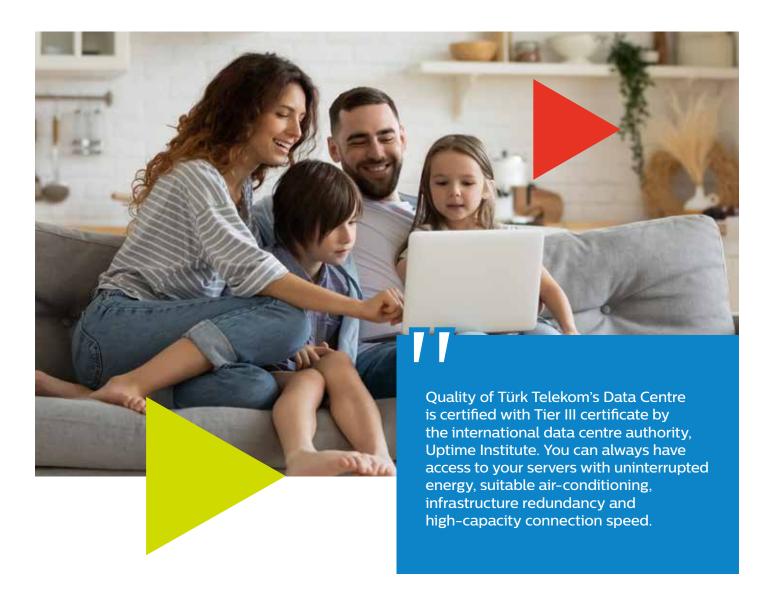


Business Continuity

Aiming to ensure the resilience of its infrastructure and the continuity of communication in all corners of the country with the responsibility of being the telecommunication company that deploys and develops Turkey's communication infrastructure, Türk Telekom targets to achieve the following through its business continuity organisation, policy and management system:

- To ensure the safety of employees, customers and third parties in an emergency,
- To develop an integrated, practical and applicable Business Continuity Management System,
- To ensure compliance with relevant legal, regulatory legislation and contracts in terms of business continuity requirements,

- To prevent disasters before they happen with preventive and protective measures by carrying out risk assessment activities for critical services,
- To develop business continuity solutions for critical services in line with the objectives of the organisation and make relevant plans for the recovery of critical services at acceptable times and levels.
- To coordinate the preparatory work of crisis, business recovery, emergency management activities related to business continuity centrally,
- To protect the Company's reputation and brand value by ensuring business continuity.



Uninterrupted Communication

While usage rates and numbers of digital services have increased with the novel coronavirus (COVID-19) pandemic and the decrease in physical mobility, the role of uninterrupted communication in our lives has become even more crucial. The distance education and remote working increased the demand for communication and data consumption, paving the way for quite an active year for the telecommunication sector. With the understanding of uninterrupted communication and the fibre investments that overlap with this understanding, it was demonstrated that Türk Telekom is ready for any scenario by duly overcoming the growing demand and heavy traffic during the COVID-19 pandemic. Since the first day of this process, necessary actions have been taken to ensure that life proceeds in its normal course from home.

With the social life revived after the normalisation in the second half of 2020, the growing trend in mobile returned to its natural course. The continuation of distance education in the third quarter, the preference of universities for online education and the continuation of the remote working model once again increased new connection demands and data traffic in fixed broadband. During this process, Türk Telekom demonstrated its competence in providing uninterrupted communication by meeting the demand of Turkey with its rich product portfolio offered to its customers, ranging from fixed broadband and mobile to TV and digital products.

Information Security and Cyber Risk

The benefits offered by the digital environment affect all sectors of the economy and every aspect of social development. These benefits are influenced by the open, interconnected and dynamic nature of information technologies and infrastructure, particularly the Internet. Cyberspace has emerged as a global space with interconnected information technology infrastructures, including the internet, telecommunication networks and computer systems.

Cyber Security Risk is defined as the category of risk associated with the use, development and management of digital media in any activity. This risk may arise as a result of the combination of threats and vulnerabilities in the digital environment and impact the delivery of strategic goals by disrupting the confidentiality, integrity and accessibility of information. It is dynamic in nature and includes components related to digital and physical environments and systems, and people and processes.

Incidents and their consequences such as the following are assessed;

- interruption of critical activities (Denial-of-Service (DDoS) attacks),
- disruption of competitive power as a result of loss of strategic data (trade secret theft),
- loss of customer trust and reputation as a result of the personal data breach,
- financial and operational losses due to the destruction of corporate data and systems,
- penalties that may be faced as a result of failure to comply with the relevant law and regulations,
- failure to respond quickly and effectively to information security incidents.

With the spread of information and communication technologies, ensuring the security of this network and all its components has emerged as a sensitive area of expertise. Türk Telekom has employees with the right competence and experience to effectively manage cyber security risks, and strengthens its employees with the necessary training and technical skills for continuous improvement.

Making cyber risks visible and understandable to senior management is considered as an important element of success. Türk Telekom does not consider information security and cyber risk management only as a technological issue; hence, taking cyber security into account in all business decisions, relevant departments of the organisation are included in the framework. Cyber risk, which is managed holistically and integrated into the overall risk management framework throughout the organisation, is one of the numerous sources of risk that impedes the achievement of business objectives. It encompasses all relevant elements along the value chain such as people, systems, processes, and third parties like suppliers and service providers. To this end, it is important to establish cooperation mechanisms and encourage coordination among stakeholders.

Pioneering Studies in the Field of Cyber Security

Turkey's first telecom operator in offering cyber security services, Türk Telekom, protects its customers against cyber threats.

With the aim of leading the digital transformation of our country, Türk Telekom works with all its strength to expand the production and use of domestic and national technology, particularly in strategic sectors, to strengthen our country against cyber threats, and to make the dream of a self-sufficient Turkey in the fields of technology and economy come true. For this purpose, Turkey's largest Cyber Security Centre, which is home to the largest monitoring area and the highest capacity DDoS protection infrastructure in Turkey is brought into service at Türk Telekom's new headquarters in Ankara in 2018.

Türk Telekom Cyber Security Centre accredited by TTF-CSIRT, stands by its customers against cyber threats 24/7:

- Services are provided for the uninterrupted operation of critical infrastructures while protecting data confidentiality and integrity.
- With our engineers trained in line with the international standards, service is provided 24/7.
- Türk Telekom has the largest solution partner and manufacturer network in Turkey.
- Türk Telekom owns Turkey's largest DDoS protection infrastructure against volumetric DDoS attacks.
- In addition to shared and dedicated services, Monitoring, Analysis, Consultancy and end-device management services under the Cyber Security Management Service are also offered.



At the online "Cyber Security Summit" organised by Türk Telekom as part of the "Cyber Security Week", cyber security solutions, the importance of which is growing every day, were discussed. Having made a significant investment in the field of cyber security, Türk Telekom has announced that it offers its new security products and services to its customers and to the world simultaneously. Türk Telekom presses ahead with its efforts to make Turkey a country that can produce its own cyber security products and market them to other countries.



Cyber security awards were granted in the Idea Marathon. University students and newly graduated young people competed in the Idea Marathon organised online by Türk Telekom with the theme of "cyber security". The winners were presented with their awards.

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Türk Telekom held Turkey's first "Online Cyber Security Camp" in 2020. A group of 24 young people seeking to learn and advance their skills in the field of cyber security and shape the digital future, participated in the camp, and received training from experts on Turkey's cyber security.

Digital Transformation

Digital transformation is designed to increase efficiency in all areas of business processes, provide faster access and increase customer satisfaction. In order to provide an integrated, advanced and next-generation customer experience in all aspects, operators are focused on rapidly implementing digital transformation by expanding their relevant infrastructure, improving their technology systems and user interfaces, and enriching their portfolios with supportive products. Telecom players have started to roll out value-added digital services in their portfolios more effectively to improve customer loyalty and satisfaction.

Türk Telekom has taken it upon itself to offer its products and services to all its subscribers in the digital transformation journey of Turkey with the best customer experience. Defining the customer as a strategic focus stakeholder, Türk Telekom aims.

- to implement a digital and end-to-end redesigned customer approach,
- to have customer-oriented, agile working models,
- to provide personalised offers and content as well as digital products and services aimed at enriching the customer experience.

Aiming to carry Turkey into the future, Türk Telekom focuses on financial excellence, digitalisation, efficiency, superior customer experience and agile management, while supporting the local community and environment.

Türk Telekom reorganised its efforts to increase efficiency by offering digitalisation and an end-to-end, seamless channel experience to its customers in the sales and customer service channels with a redesigned customer experience approach by developing customer-oriented, agile working models.

Prioritising customer processes in face-to-face and digital channels with a view to develop customer-oriented and agile working models, Türk Telekom presses ahead continuously and sustainably in the field of operational efficiency with the projects it has undertaken. The Online Transactions (Online işlemler) application, offered by the Company in line with customer needs and expectations with the aim of maximising the customer satisfaction in digital areas as well, provides services with new functions, exclusive advantages for digital channels, a renewed user-friendly interface and simplified user login.

The "Single Online Transactions", the first digital joint online transactions channel combining mobile, internet at home, fixed voice and TV products under the vision of "One Channel, One Login", was launched and started to serve customers through a single digital channel.

Highlighting the end-to-end digitalisation of the consumer and corporate customer experience, Türk Telekom focuses on issues such as effective customer management in consumer channels, holistic channel, social media customer relationship management integration and artificial intelligence. In the corporate segment, the Company focused on system automation, data quality and reporting, renewal of digital channels and redesign of service contracts in line with the customer needs.

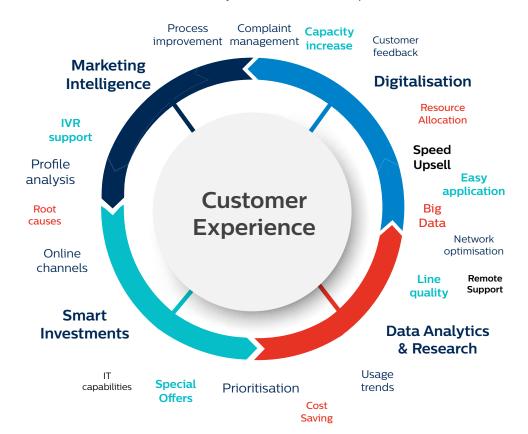
Equal Opportunity Through Communication

Digital Transformation is designed to increase efficiency in all areas of business processes, provide faster access and increase customer satisfaction. In order to provide next-generation customer experience, Türk Telekom carries out studies to rapidly implement digital transformation by expanding its infrastructure, improving technology systems and user interfaces, and enriching its portfolios.

Customer Experience

Since the onset of COVID-19 pandemic >2mn new fixed internet customers

Customer retention & customer experience are more important than ever



Conventional Corporate Data Services

Customer-oriented integrated communication solutions

Cloud Services, Metro Ethernet, TT VPN, Leased Line





Data Centre Services

Secure, redundant and accessible data centre services at high speeds

Server hosting, rental, cloud server, storage, backup, cloud replication & backup, traffic routing, 3 centres: Istanbul Esenyurt (10 thousand square meter white space), Ankara Ümitköy (2.5 thousand square meter white area) and Istanbul Gayrettepe (1.6 thousand square meter white space)

Cyber Security Services

Shared security services, dedicated security services, cyber security central management services

End-to-end cyber security services, DDoS Attack Prevention Services, Türk Telekom Web Application Firewall, UTM (Unified Threat Management) services





Next-generation Cities

Offering safe, sustainable and better quality of life

Next-generation transport, health, lifestyle, energy, safety and environment

Innovation, Entrepreneurship

Türk Telekom works with the aim of strengthening the entrepreneurial ecosystem, offering innovative products and services to its customers by collaborating with start-ups, and promoting sustainable development models for the country's economy.

Having established the Türk Telekom Ventures Project Development company in 2018, Türk Telekom aims to help start-ups and scale-ups to achieve their long-term business goals, support their growth and develop projects. With this initiative, the Company focuses on making investments to build added value by growing companies that will benefit wide audiences and support core business lines in sectors such as health, energy, education, artificial intelligence, IoT and ICT.

Providing cash support of more than TL 5.2 million to early-stage technology start-ups with PİLOT since 2013, Türk Telekom invests in Virasoft, which stands out with its artificial intelligence-based software and communication systems developed in 2020 and is Turkey's only domestic initiative in the field of digital pathology. The Company aims to both benefit the country's economy and create synergies with its existing core business lines and products by investing in such innovative products in the digital health sector, which is one of its focus areas.



- The PİLOT start-up acceleration program for entrepreneurship was launched in 2013. PİLOT, the
 first start-up acceleration program for the Private Sector, cooperates with start-ups which have
 innovative business ideas in the field of early-stage technology, and aims to transform these ideas
 into products that touch the lives of end users.
- In addition to cash support for each start-up accepted into the program, teams are provided with trainings according to their needs, access to a wide mentor network consisting of the leading investors and successful entrepreneurs in the ecosystem, office space, accommodation for those coming from other cities, cloud services worth 100 thousand dollars, and mobile communication package.
- As of 2020, Türk Telekom provided an additional TL 1.2 million support to 8 new teams and provided more than TL 5 million to 73 entrepreneurs in total since its inception.
- Thirty of the start-ups that graduated from PİLOT, which Türk Telekom implemented to support early-stage start-ups, have received external investment to date.
- Türk Telekom invested in 4 start-ups, including PİLOT graduates, with its corporate venture capital company TT Ventures.



- In 2018, Türk Telekom launched SANTRAL, a community centre dedicated to entrepreneurs, as a first in Turkey.
- The switchboard building, located in a central location in Istanbul, has been transformed into
 a qualified work and activity area to provide an inspiring environment for entrepreneurs. This
 place is a meeting point for entrepreneurs and allows interaction and information sharing among
 entrepreneurs in the ecosystem.
- Entrepreneurs who are members of SANTRAL can enjoy common working areas 24/7 free of charge. In addition, the specially designed event space hosts meetings for the entrepreneurial community, aiming to benefit a wider audience in the entrepreneurship ecosystem.

Türk Telekom offers value-added services to its customers thanks to its collaborations with technology initiatives, while aiming for Turkey to become a technology exporter to the world with the domestic and national technologies it produces.

Türk Telekom continues to introduce new initiatives which are first of their kinds.

INITIATIVE	EXPLANATION
Local eSIM by Türk Telekom	Working towards a Turkey which produces and exports technology, Türk Telekom offers the domestic digital sim card, eSIM to its customers. And thus, Turkey became one of the four countries producing eSIM technology with 100% domestic technology.
eCall saves lives with local technology	Türk Telekom rolled out the eCall technology, a "life-saving "domestic in-vehicle emergency call system in Turkey with Honda. In the event of a traffic accident, the vehicle will call 112, the emergency hotline, with eCall and convey the necessary information to the eCall Emergency Call Centre.
Smart Technology to Penitentiary Institutions	The project to digitise penitentiary institutions has been launched in cooperation with the Ministry of Justice General Directorate of Prisons and Detention Houses.The pilot project, which started at Ankara Sincan Female Closed Penitentiary Institution operates with smart multimedia devices and biometric data recognition system.



Next-Generation Cities Project

Initiated by Türk Telekom to achieve sustainability goals, the Next-Generation Cities project aims to generate integrated solutions tailored to the needs of each city, thanks to an advanced understanding of urbanisation and new technologies; thus serving the sustainable society by saving resources.

The Türk Telekom Next-Generation Cities project was implemented with the aim of permanently improve the lives of citizens and public authorities through the use of information and communication technologies. The system processes and interprets the data collected from different channels such as sensors and vehicles on the Türk Telekom IoT platform, enabling forward-looking decision making and effective use of public resources.

As part of the Next-Generation Cities project, Türk Telekom develops concepts in line with the understanding of next-generation urbanisation by building sustainable and safe cities with a high quality of life for citizens.

The projects aim to achieve increased efficiency, savings and interaction with citizens and energy savings in all public services related to smart life, from traffic and health to irrigation and lighting. With the Next-Generation City Management Platform, 55 different solutions can be monitored and managed in the next-generation urbanisation, environment, health, security, life and energy verticals through a single interface from the operation centres.

- Thanks to the Next-Generation Energy practices, savings of approximately 40% in electricity and up to 30% in irrigation were achieved.
- With the Next-Generation Transportation practices, approximately 35% of the time spent in traffic and 30% of fuel were saved, and carbon emissions decreased by approximately 25% due to the decrease in this duration.
- With the Next-Generation Health practices, the health status of more than 400 patients with chronic diseases was monitored and their periodic controls were performed.
- With the Next-Generation Life practices, 1.2 million users were provided with the opportunity to use the open area Wi-Fi service free of charge, with a total data usage of 523 TB.
- With Next-Generation Security solutions, it is aimed to eliminate risk factors by making security elements traceable and manageable in every operation.
- With the Next-Generation environmental solutions, temperature, humidity, noise, smoke, flood, air/water quality monitoring, pressure, gas and waste material solutions were implemented, the values obtained were reported and controlled, thus preventing environmental pollution.

Türk Telekom continued its activities, which started as a pilot with the Karaman project in 2015 and Kars project in 2017, as part of the Next-Generation Cities initiative, with Antalya, Kırşehir and Mersin in 2018. In 2019, Edirne Municipality was added to the Next-Generation Cities.

Denizli Metropolitan Municipality, with its Electronic Supervision System, Elazığ Municipality, with its Next-Generation Intersection, and Kütahya Municipality with its Next-Generation City Furniture & Mobile Application were included in Next-Generation City projects in 2020.



Opportunities exist to build a greener, more inclusive and resilient future. The experience of the pandemic has shown that where high-quality Internet connectivity is coupled with flexible working arrangements, many jobs that were traditionally considered to be urban can be performed in rural areas too.

Andrew Raingold, Executive Director, Aldersgate Group, UN 2021 World Social Report – Reassessing Rural Development

As a result of our efforts to provide services all over the country, we have increased Turkey's internet penetration from 47% to 66% in the last 4 years.

Dr. Ömer Fatih Sayan, Chairman of the Board of Directors, Türk Telekom







Contribution to Society and Corporate Social Responsibility Projects

Corporate Social Responsibility

In its social responsibility activities, Türk Telekom focuses on providing equal opportunities by deploying the means offered by technology in order to eliminate the economic, social or physical disadvantages that hinder access to information.

It is Türk Telekom's corporate responsibility to contribute to the accessibility of information for those who cannot participate equally in social life due to economic, social, regional or physical reasons, and to contribute to the digital transformation of our country.

Conducting its activities with the principle of "accessible communication for all", Türk Telekom has adopted the United Nations Sustainable Development Goals as its guiding principles. The Company carries out corporate social responsibility projects that add value to Turkey, particularly within the framework of "Qualified Education" and "Reduced Inequalities".

Türk Telekom has carried out many projects under the umbrella brand "Türkiye'ye Değer" (Turkey is Worth All Our Efforts).

Among Türk Telekom's social responsibility activities implemented with the approach of "Even the smallest difference matters, Turkey is Worth All Our Efforts", are "Internetle Hayat Kolay" (Life is Simple with Internet), "Telefon Kütüphanesi," (Books on the Phone), "Günişiği" (Sunshine), "Sesli Adımlar" (Loud Steps), "Okulumda Günişiği" (Sunshine at My School), "Yeni Nesil Gelecek" (Next-Generation Future), "Türk Telekom Okulları" (Türk Telekom Schools), "Türk Telekom Amatör Spor Kulupleri" (Türk Telekom Amateur Sports Clubs).

Local social responsibility activities organised by Türk Telekom Provincial Directorates are also carried out under the umbrella of "Türkiye'ye Değer".

Türk Telekom is aware that its stakeholders consist of various groups. On this basis, it contributes to all segments of the society with its products and services as well as possible solutions and collaborations it can offer by listening to its stakeholders. (Stakeholder Relations)

Türk Telekom Search and Rescue Team is at the service of Turkey with its 150 volunteer members

Türk Telekom Search and Rescue Team (TTAKE), a completely voluntary civil defense movement formed by Türk Telekom employees, continues to add value to Turkey.

TTAKE, in coordination with AFAD, supports the search and rescue efforts in the regions, reaching the area with the necessary technological equipment. TTAKE has a total of 150 members with support teams formed in 11 regions across Turkey, 30 of which are at central locations.





In the Izmir Earthquake, the members got prepared in quite a short time and arrived at the disaster area with the guidance of AFAD one hour after the earthquake. TTAKE members, with the other search and rescue teams, participated in the efforts to rescue our citizens, two of whom were saved alive from the wreckage.

Efforts were put forward, with the coordination of AFAD during Giresun floods,, high water and landslides, in order to reach lost people and help life return back to normal.

With the guidance of AFAD in Elazığ and Malatya, TTAKE members not only participated in the search and rescue efforts, but also provided humanitarian aid to our citizens.

MentalUP, the education platform of the future with Education 4.0

MentalUP is Turkey's first gamified education platform application designed to help children develop their mental skills such as memory, attention, focus, visual and verbal intelligence and discover their potential. Supported under Türk Telekom's PİLOT start-up acceleration program, MentalUP is targeted to grow further with the investment and partnership of TT Ventures.

Approved by Pedagogues, Recommended by Teachers, Helping School Success, MentalUP continues to support the cognitive skill development of children during the distance education period.

Continuing its entrepreneurial story abroad and successfully representing our country in the international arena, MentalUP has reached 5.5 million users by making sales in 102 countries in 4 different languages.

Corporate Social Responsibility Projects

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"Life is Simple with the Internet for Women with Goals" project develops women's digital marketing knowledge and capacities.

In addition to being an important element of sustainable development, women's participation in the workforce and employment is also of great importance in ensuring continuity of economic growth and fully achieving social development and social justice. The existence of a sustainable economy is possible with the full and equal participation of women and men in all areas of social life. In order not to alienate women from today's rapidly changing world, women should make effective use of information and communication technologies and strengthen their digital skills.

Serving the digital transformation of the country, Türk Telekom implemented the project "Life is Simple with the Internet for Women with Goals" in September 2019, in cooperation with the Union of Chambers and Commodity Exchanges of Turkey (TOBB), the United Nations Development Program (UNDP) and the Habitat Association, with the aim of helping women improve their knowledge on information and communication technologies, e-services and e-commerce.

The "Life is Simple with the Internet for Women with Goals" project is planned to introduce women with an idea or product they want to market with the opportunities offered by online platforms, and to improve their e-commerce knowledge. It is aimed to encourage and support women with entrepreneurial potential to participate in the production economy by enhancing their ability to use information technologies and digital platforms effectively.

With the project, it is aimed to introduce 'Digital Marketing' to 5,000 women in 81 provinces until June 2021.



A design-focused thinking workshop will be held with 500 women and among these women 100 of them will be given one-to-one mentoring support. Digital marketing trainings are expected to increase women's knowledge and skills about marketing, digital marketing, market research, social media tools, advertising and payment systems. Design-Oriented Thinking Workshops are organised for women who benefit from the trainings and make progress. With these workshops, women basically develop their skills on generating innovative solutions, rational and analytical research, user-oriented perspective and problem solving.



PROJECT CURRICULUM

A-Digital Marketing Education Curriculum

1. Marketing

- Difference between Marketing and Sales
- Components of Marketing
- Consumer Behaviour
- E-Commerce in Turkey
- Growth Prospects of E-Commerce in the World
- Target Audience Selection
- Market Research
- Competitor Analysis

2. Digital Marketing

- Social Media
- Instagram
- Facebook
- Twitter
- YouTube
- WhatsApp, Telegram, Signal
- Mobile Usage Recommendations
- 5 Tips to Succeed in Social Media
- Digital Ads
- Social Media Tools
- Product and Service Promotion in Social Media
- Considerations When Taking Photos
- Considerations While Shooting Videos
- Stock Photo and Video Making / Designing Applications

3. E-Commerce and Payment Systems

- What is E-Commerce? Parties of E-Commerce
- Advantages and Disadvantages of E-Commerce
- Starting E-Commerce from Scratch
- Selling on Instagram, Facebook, Letgo, Sahibinden
- Establishing Your Own E-Commerce Site
- Entry into Marketplace Platforms
- Logistics in E-Commerce
- Customer Relations Management (CRM)
- E-Commerce Legislation
- Legislations to be Complied with
- Distance Sales Agreement
- Right of Withdrawal
- Return Processes
- Current Government Incentives That Can Be Used in E-Commerce
- Current Private Sector Incentives That Can Be Used in E-Commerce
- Payment Methods in E-Commerce

B- Design Oriented Thinking Workshop Curriculum;

- What is Design Oriented Thinking?
- Applied Persona Creation (target audience identification)
- User Experience Mapping
- Best Practices

C- Scope of the Mentoring Process;

- Training and Question & Answer Meetings With Experts
- E-Commerce Legislation (Tradesmen Exemption and Introduction to E-Commerce
- Advertising
- Food Labelling and Packaging
- Introduction to Marketplace Platforms (Distance Sales Agreement)



Medicines are now also talking for visually impaired Telefon Kütüphanesi users

The Telefon Kütüphanesi is a free of charge service for the visually impaired to access audiobooks and a variety of content via their phone. Turkey's first Telefon Kütüphanesi, offered in cooperation with Boğaziçi University Assistive Technology and Education Laboratory for Individuals with Visual Disabilities (GETEM), aims to remove the barriers for visually impaired people to access information for 8 years.

There are nearly 2,000 audiobooks and content in more than 50 categories, ranging from poetry, novels, and history, to self-development, practice exams and described films.

In addition to the books, the Telefon Kütüphanesi includes audio-descriptions of 20 world-famous paintings dubbed by celebrities, instant news feeds served by Anadolu Agency, and notes and coins recognition recognition feature.

In 2020, by scanning medicine barcodes on the phone screen, the visually impaired individuals can access medicine information as independent individuals with voice access to the drug prospectuses.

Users spent a total of 12 million minutes listening to the Telefon Kütüphanesi since its launch in 2011. The mobile application launched in 2016 was downloaded 45 thousand times, and the Kitaplara Ses (Voice to Books) application, which facilitates voluntary reading for the visually impaired, was downloaded 48 thousand times.

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The Günişiği project allows children with low vision who are considered to be completely visually impaired and sent to specialised schools to attend the same schools as their peers without disabilities and participate in life.

Günışığı, the social responsibility project implemented by Türk Telekom in cooperation with the Association for Living Without Obstacles (EyDer), in 2014, aims to help children with 1% to 10% vision who are considered to have a total visual impairment, with early intervention education so that they can lead their lives without the help of others and continue inclusive education instead of attending the schools specialising on the visually impaired. Thanks to Türk Telekom's technology and infrastructure, the project is the only example in Turkey and in the world to enable this training to be provided remotely. As of September 2020, within the scope of the project, which has started its new term in order to achieve its goal of spreading to 81 provinces, the vision levels of children with low vision are identified, and these children and their families are trained on using their evesight

Türk Telekom's R&D unit designed the first and only smartphone application "Günışığı Games", which was specifically developed to support the education of children with low vision.



Günışığı Games is an application designed to help children with low vision improve their functional vision skills and their hand-eye coordination. It can also be used by the elderly with impaired vision.

The pictures made by the children involved in the project were turned into holiday greeting cards by Türk Telekom. Thus potential capabilities of these children with low vision, were shared with everyone through their own success stories.

The social impacts of the Günişiği project have been measured according to international standards.

Türk Telekom chalked up another first in Turkey by measuring the effects of the Günışığı project with the SROI (Change Theory and Social Return on Investment) method in accordance with international standards.



Günişiği Project Social Impact Assessment

Türk Telekom chalked up another first in Turkey by measuring the effects of the Günışığı project with the SROI (Change Theory and Social Return on Investment) method in accordance with international standards. The measurements made using the SROI method revealed the benefits of the project and its effects on the participating children and parents in figures in a concrete manner. The value of the project's social benefits proved to almost triple the investment amount.

According to the measurements made on the children participating in the Günışığı project:

- children aged five and over experienced a 32% improvement in their physical activity level and a 12% improvement in using their current vision level,
- their literacy skills increased by 15%,
- their ability to act independently and self-care skills improved by 10%.

According to the families of these children:

- awareness of their child's visual capacity increased by 29%,
- awareness of their child's skills increased by 27%,
- confidence that their children could attend mainstream schools increased by 27%.
- Additionally, there was a 24% increase in the parents' sense of feeling stronger and a 20% increase in their peace of mind, and the time spent for childcare decreased by 15%.



Thousands of educators are reached via Okulumda Günışığı.

Okulumda Günişiği was launched in 2018 as part of the Günişiği project. Information seminars on low vision education are given to students, parents, teachers and administrators in primary education schools attended by children with low vision who graduated from Günişiği education.

Okulumda Günışığı seminars aim to organise the classroom environment for students with low vision, to provide them with better quality of education, to spread and systematically implement education for the ones with "low vision".

As of the end of 2020, the results of the seminars, which reached about 5 thousand teachers in 75 schools from 16 provinces, were planned to be reported to the Ministry of National Education on the basis of schools.

Developed by Türk Telekom's R&D unit as part of the project, the "TahtApp"* software offers an innovative solution to facilitate classroom education for Günişiği children, who study in the same classrooms with their peers without disabilities. As of 2020, TahtApp installations were carried out in 25 schools in 9 provinces.

"TahtApp" software detects the content of the classroom board with a camera and transmits it to the tablets provided to children on a real time basis. The transmitted content is arranged on tablets with image processing techniques and converted into a format through which students can follow the lesson.

Thanks to TahtApp, the standardisation needed by children with differences in reading and light perception in following the lesson in the classroom is successfully provided, and the feeling of separation from their peers without disabilities is eliminated.

As of April 2020, considering the pandemic conditions, the 'Günışığı Open Learning Platform' was established for children with low vision. The platform supports children with low vision and their families with the trainings provided via live broadcasts by different branch teachers every weekday.

Günişiği Open Learning Platform has reached approximately 43 thousand children and families.



The new term of the Günişiği Project was launched in September 2020 with the aim of expanding to 81 provinces, and the project reached its target with the participation of 19 new provinces in October 2020.

Training sessions for the new term of Günışığı are offered through a digital platform created specifically for the project.

Within the framework of the cooperation with Istanbul Modern that started in October 2020, online workshops were held in 5 different themes which introduced Günişiği Children to art.



Türk Telekom EyeSense program bringing ease to the lives of visually impaired.

Telekom broke new ground in Turkey with the EyeSense program, which has been developed specifically to bring ease to the lives of visually impaired. EyeSense program helps users take photos and identify objects and colours that appear on the camera via its audio instruction function

Adopting a different perspective while developing the EyeSense program, Türk Telekom brought together a number of features that ease the lives of the visually impaired such as "Object Recognition" "Colour Recognition" and "Photo Taking"

"Object Recognition", which includes thousands of defined objects, provides simplified access to critical objects such as keys and wallets for the visually impaired who have difficulty in finding them. In order to identify the object and listen to its definition, the users just need to point their smartphone towards the object.

The EyeSense audio warning system provides guidance to the users until they capture the right angle with the front and rear cameras of their smartphones, thus ensuring that the photos are in the appropriate frame. In this way, EyeSense users can easily use social media applications such as Instagram and become a powerful part of social life.

EyeSense app won the Gold Award in the "Mobile Application-Service" category at the Golden Spider Awards, surpassing its 10 competitors.



Young people are supported to prepare for next-generation technologies.

Yeni Nesil Gelecek (Next-Generation Project) project was launched in 2018 in cooperation with the Habitat Association to accelerate Turkey's adaptation to the Industry 4.0 process, to support the growth of the software industry in Turkey, and to invest in young human resources to develop smart technologies.

In February 2020, 352 students with 88 projects from different departments applied to the "Smart Technologies IoT Hackathon" hosted by ICTA in Ankara. 16 projects that passed the preselection, developed their projects in teams of 4 within 48 hours, and the first three projects were awarded by the jury, including Türk Telekom Technology Assistant General Manager and ICTA Chairman.

Within the scope of the Türk Telekom Schools project carried out by Türk Telekom, a modern education environment is offered to students in 78 Türk Telekom education buildings, including 53 schools established all over Turkey. Every year, thousands of students graduate from these schools and educational buildings, majority of which are located in the Eastern and Southeastern Anatolia regions and transferred to the Ministry of National Education. In addition, Türk Telekom grants scholarships to successful students with financial difficulties every year.



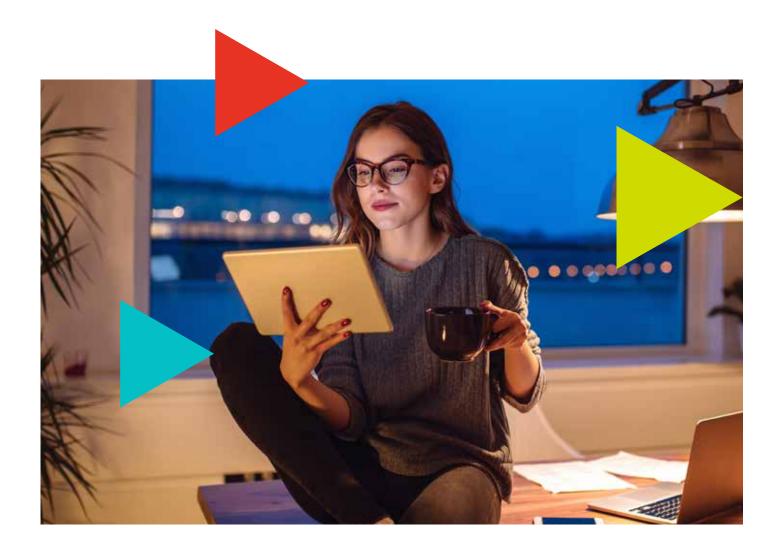
Accessible Life* mobile application brings concrete solutions to the problems faced by disabled people in their daily lives.

Türk Telekom facilitates the participation of disabled people in everyday life with its Accessible Life mobile application. The application offers concrete solutions to the problems faced by the disabled people in daily life, thanks to services such as notes and coins recognition Recognition and Voice Readout.

Türk Telekom Accessible Life mobile application, which received 4 awards in international competitions to date, won the "Outstanding Customer Service Initiative" category award at the Global Business Excellence Awards in 2019 and won the "Highly Commended Brand" award in "Best Use of Mobile in Loyalty Strategy" category at The Loyalty Magazine Awards 2019.

*Accessible Life: Türk Telekom contributes to the participation of people with disabilities in daily life with its Accessible Life mobile application. Services such as notes and coins recognition Recognition, Voice Readout and services that bring concrete solutions to the problems experienced by the disabled in daily life are offered together.

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es with Virasoft, a local artificial intelligence company that chnology products.
ed and put into use the Contact and Isolation Tracking
n "LIGHT"
es Dr. Siyami Ersek Thoracic and Cardiovascular Surgery ens a new era in healthcare sector. Thanks to this onditions of persons carrying the risk of a cardiovascular
ialist cardiologists joined the project. Il be followed closely for 1 year over the 'LIGHT' s to gain benefits in providing blood pressure regulation, mplying with diet recommendations.
gery Training and Research Hospital, Lecturer, Project the digitalisation of Turkey, we have done a lot of work eration. We found a significant decrease in the cardiac -breaking development in the field of health is a strong
Telekom enabled Turkey's first 5G live match broadcast
ort, one of the largest airports in the world. 5 thousand access points located at istanbul Airport for ors to istanbul Airport, which can handle more than 200 ngle roof.
Campus with the slogan of "You Have A Planted Tree, Too etermining the most suitable tree type for the city climate. by participating into this campaign.
n the scope of "Breath to the Future" campaign ving a greener Turkey to future generations. Contributing nts and cooperation that add value to Turkey, al and greener Turkey to future generations.
with a sense of social responsibility. 39,276 saplings were ployees.
branches from basketball and fencing to wushu and
n 40 provinces, 41 clubs and 34 branches to advance in d so far, the Company also has 63 national athletes ant degrees in World, European and Balkan
ompetitions in 2019. Athletes won 192 medals in 2018.
pased in Turkey", "Manufacturer-Service based in Turkey" urvey, the Bilişim 500. As for Türk Telekom subsidiaries,
igious award ceremony attracting the widest participation AssisTT won the "Best Call Centre" and "Best Customer



Türk Telekom Schools

A modern education environment is offered to students in 76 Türk Telekom education buildings, 52 of which are schools within the framework of the "Full Support for Education" campaign under the protocol signed among Türk Telekom, the Ministry of National Education and the Ministry of Transport. Thousands of students graduate every year from these schools and educational buildings, which have been transferred to the Ministry of National Education.

Employee Entrepreneur Program MUCİT

MUCİT (Inventor), is a social platform where innovative and creative ideas of Türk Telekom employees with an understanding of "This Idea Works!" are gathered and evaluated. MUCİT aims to reveal the innovation within our employees, encourage efficiency, make savings and to improve service quality.

The main motivation of the program is to design a participatory program in which our colleagues, who know Türk Telekom best and are our brand ambassadors, can present their innovative ideas with an understanding of continuous improvement. With this program, Türk Telekom employees become decision makers in the services offered to customers. The MUCIT program encourages employees to think differently and innovatively, and presents the opportunity to improve themselves by going beyond their routine work. The project, which is strengthened by the award mechanism, ensures that the employees feel valued, and their motivation and sense of belonging are improved.



Memberships

Memberships to Associations and Professional Organisations

Institution	Member Company of TT	Representative	Date of the onset of Membership	Relevant Unit
GSMA	TT Mobil	CEO: Ümit Önal CPROG (Chief Policy and Regulatory Authority) Member suggestion: Uğur Nabi	2002	Legal and Regulation AGM
ITU (International Telecommunication Union)	Türk Telekom TT Mobil			Legal and Regulation AGM
IAPP (International Association of Privacy Professionals)	Türk Telekom (Bronze Membership)		2020	Legal and Regulation AGM
Mobile Telecommunication Operators Association (m-TOD)	TT Mobil	Members of the BoD: Ümit Önal, Uğur Nabi Yalçın, Kaan Aktan	2017	Legal and Regulation AGM

Turkish Informatics Industry Association (TÜBİSAD)	Türk Telekom	Member of the BoD: Uğur Nabi Yalçın		Legal and Regulation AGM
TOBB (Union of Chambers and Commodity Exchanges of Turkey) Telecommunication Assembly Group	Türk Telekom	Serhat Erkoç,Numan İleri		Legal and Regulation AGM
International Investors Association (YASED)	Türk Telekom	Full Member: Ümit Önal Alternate Member: Kaan Aktan	1986 (Teletaş-Türk Telekom) *2007 (Türk Telekomünikasyon A.Ş) *2007(TT Mobil İletişim Hizmetleri A.Ş- IN 2017, Our membership is singularised and unsubscribed from TTMobil)	Legal and Regulation AGM
Turkish Industrialists' and Businessmen's Association (TÜSİAD)	Türk Telekom			Legal and Regulation AGM
Association of Intelligent Transportation Systems (AUSTÜRKİYE)	Türk Telekom			Legal and Regulation AGM
Satellite, Electronic Communication, Businesspeople Association (TÜYAD)	Türk Telekom	Muhammed Ziyad Varol	2001	Legal and Regulation AGM
Television Broadcasters' Association (TVYD)	Türk Telekom			Legal and Regulation AGM
Foreign Economic Relations Board (DEIK)	Türk Telekom			Legal and Regulation AGM
Turkish Electronics Industrialists' Association (TESID)	Türk Telekom			Legal and Regulation AGM
Information Foundation of Turkey (TBV)	Türk Telekom			Legal and Regulation AGM
Association of Advertisers	Türk Telekom	Member of the BoD: Ümit Önal	2006	Corporate Communication Directorate
Corporate Governance Association of Turkey	Türk Telekom	Investor Relations	2009	Corporate Communication Directorate
Association of Corporate Communication Professionals	Türk Telekom	Hamdi Ateş Süheyla Akbulut	2015	Corporate Communication Directorate
Women on Board Association	Türk Telekom	No Corporate Representative	2017	Corporate Communication Directorate



Performance Charts

Additional Data

Created Economic Value, Infrastructure and Cooperation Performance Charts

Economic Value Generated and Distributed (TL 'Million)	2018	2019	2020
Created Economic Value (Revenues)	20,431	23,657	28,289
Economic Value Distributed to Stakeholders			
Operating Expenses	11,995	12,487	15,052
Benefits to the Employees	3,015	3,429	3,862
Benefits to the State	5,682	6,843	7,490
Benefits to Capital Providers	0	602	1,873
Benefits to the Society (Donations and Aids)	27	36	62
Non-distributed Economic Value (Profit)	1,391	1,805	1,305
Financial Investments Received			
Tax Deductions /Loans	162	66	134

Türk Telekom Group consists of Türk Telekomünikasyon A.Ş, TT Mobil İletişim Hizmetleri A.Ş and TTNET A.Ş. Subsidiaries and affiliates are not included.

Environment Performance Charts

Wastes

Waste by Type (Ton)	2018	2019	2020
Hazardous Wastes	3,244	4,897	5,541
Non-Hazardous Waste	5,348	11,729	9,076

- The data shows the in-house waste amounts, and recovery / recycling / disposal operations are carried out by the recycling Company we are working with. This information will be reported with the support of the institution we work with in the upcoming years.
- The amount of e-waste that the Company has produced due to its activities and recovered is 18 tons in total for the last 3 years. These data will also be systematically reported in the upcoming period.

Water Consumption

Years	2018	2019	2020
Water consumption (K m³)	749	653	433

3-YEAR ENERGY CONSUMPTION AND EMISSION VALUES

Energy			
Consumption (MWh)	2018	2019	2020
Vehicle fuels	106,825	102,497	107,347
Diesel	102,159	97,731	103,277
Gasoline	4,666	4,766	4,070
Constant Combustion	113,536	101,176	102,571
Natural gas	61,480	53,945	56,499
Fuel Oil	2,764	2,247	411
Coal	6,328	2,115	3,341
LPG	0	1	0
Diesel Fuel (Diesel)	1,119	526	767
Generator (Diesel)	19,351	19,685	18,896
Generator (Gasoline)	22,494	22,657	22,657
Purchased Electricity*	1,168,000	1,157,100	1,218,924
Electricity for buildings	31,982	31,839	27,193
Data centres	60,790	60,419	66,050
Transmission Systems	680,328	677,292	683,691
Base Stations	394,900	387,550	441,990
Total	1,388,361	1,360,773	1,428,842
Renewable Energy	2,100	2,100	2,100
Solar Energy	2,100	2,100	2,100
GRAND TOTAL NET Energy Consumption	1,390,461	1,362,873	1,430,942

Emission Data (tons)

YEARS	2018	2019	2020
Scope	tons of CO2e	tons of CO2e	tons of CO2e
Scope 1	111,854	111,452	131,691
Scope 2	591,720	594,436	581,414
Scope 3	9,918	9,474	6,710
Total	713,492	715,363	719,815

^{*}After the 2020 CDP reporting; minor updates were made in the 2020 energy consumption data and since some consumption items have not been verified, there are minor differences between the values in the emission data table and the emission values in the "CDP Verification Report".

Social Performance Charts

Employees and Employment Distribution Data

By Employment Area	Gender	2018	2019	2020
General Directorate	Woman	1,734	1,706	1,762
General Directorate	Man	2,751	2,790	2,928
Regional Directorates	Woman	1,988	1,885	1,791
Regional Directorates	Man	12,056	11,436	11,652
Total		18,529	17,817	18,133

By Location	Gender	2018	2019	2020
İstanbul Region	Woman	545	515	483
	Man	2,770	2,674	3,004
Ankara Region	Woman	342	329	312
	Man	1,755	1,632	1,614
Other Regions	Woman	1,101	1,041	996
	Man	7,531	7,130	7,034
Headquarter	Woman	1,734	1,706	1,762
	Man	2,751	2,790	2,928
Total		18,529	17,817	18,133

By Position	Gender	2018	2019	2020
C Level	Woman	0	0	1
	Man	9	11	11
Regional Director & Deputy Regional Director	Woman	0	0	0
	Man	27	25	27
Adviser & Coordinator	Woman	3	2	1
	Man	11	7	9
Director	Woman	16	11	11
	Man	42	44	48
Group Manager & Manager	Woman	144	139	134
	Man	511	499	511
Audit Team	Woman	9	9	8
	Man	25	24	22
Telecom Manager	Woman	1	1	1
	Man	126	122	122
Expert Level	Woman	3,044	2,944	2,928
	Man	4,403	4,323	4,346
Technical Staff	Woman	397	386	373
	Man	9,603	9,120	9,438
Support Staff	Woman	100	99	96
	Man	58	51	46
Total		18,529	17,817	18,133

By Age	Gender	2018	2019	2020
20-29	Woman	555	447	424
	Man	1,478	1,055	1,236
30-40	Woman	2,276	2,235	2,186
	Man	8,647	8,849	9,296
40-50	Woman	855	818	830
	Man	3,910	2,615	2,438
50+	Woman	37	91	113
	Man	771	1,707	1,610
Total		18,529	17,817	18,133

Employee and Employment Distribution Data

Contract Type	2018	2019	2020
Fixed Term Contract	5,071	4,477	3,940
Temporary Contract	13,458	13,340	14,193

Type of Working	2018	2019	2020
Part-Time Employee	38	31	60
Full-Time Employee	18,491	17,786	18,073

Recruitment	2018	2019	2020
By Age			
20-29	63	242	744
30-39	97	124	544
40-49	18	20	33
50+	7	2	3
By Gender			
Woman	61	138	197
Man	124	250	1.127
Employees Leavers	2018	2019	2020
Employees Leavers By Age	2018	2019	2020
	2018 97	2019 43	2020 89
By Age			
By Age 20-29	97	43	89
By Age 20-29 30-39	97 626	43 365	89 259
By Age 20-29 30-39 40-49	97 626 277	43 365 141	89 259 179
By Age 20-29 30-39 40-49 50+	97 626 277	43 365 141	89 259 179

Maternity Leave	2018	2019	2020
Employees on maternity leave	345	241	262
Employees returned from maternity leave	312	223	255

Training and Development

By Type of Training (Hour)	2018	2019	2020
Professional Development	347,494	324,982	109,364
Personal Development	97,881	70,049	86,432
OHS	209,251	120,729	26,810
Total	654,626	515,760	222,606

Training per person by type of training (Hour)	2018	2019	2020
Professional Development	18.7	18.4	6.0
Personal Development	5.3	3.9	4.8
OHS	11.3	6.8	1.5

By Gender (Hour)	2018	2019	2020
Woman	82,285	70,595	45,669
Man	572,341	445,165	176,937
Total	654,626	515,760	222,606

By Position (Hour)	2018	2019	2020
Senior Level	616	532	512
Manager	32,557	24,444	16,499
Expert	200,347	179,144	112,578
Field Operation Teams	421,106	311,640	93,017
Total	654,626	515,760	222,606

Regional Training Per Capita Hours and Training Prevalence Rate

	2018	2019	2020
Number of Persons Who Took At least One Day of Training (In-Class or Virtual Classroom)	15,824	14,424	10,439
Number of employees (TT-TTNET-TT MOBİL)	18,529	17,817	18,133
Training Prevalence Rate (%)	85.4%	81.0%	57.6%

 ${\it Calculation Formula: Number of Persons \, Receiving \, At \, least \, One \, Day \, of \, Training \, / \, \, Number \, of \, Employees.}$

Note: E-Learning video assignments are not included in the Training Prevalence Rate calculations.

Employees with Performance Evaluation

Number of Employees Participated in Performance Evaluation	2018	2019	2020
Woman	2,599	2,510	2,560
Man	4,828	4,722	4,856

- The reason for the decrease in training hours in 2020 is the inability to conduct trainings because of the impact of the COVID-19 pandemic.
- There are no discrimination-related cases

Occupational Health and Safety Data

OHS Accident Data		2018	2019	2020
Fatalities	TTG staff	0	0	0
Serious injury etc., accidents of high importance (non-death)	TTG staff	14	21	12
Registered accidents	TTG staff	371	381	251
Loss of work hour	TTG staff	1,552 days	1,767 days	1,042 days

- Number of accidents causing 30 or more days of loss is shared.
- 2 accidents in 2018 and 4 accidents in 2019 occurred in sports competitions organised by the Company.





As a result of the Materiality Disclosures Service performed by GRI Reporting Services, the disclosure references between 102-40 and 102-49 were clearly presented in the GRI content index and these references were found to be compatible with the relevant sections in the report. This service was performed on the Turkish version of the report.

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GRI409	Forced or Compulsory Labour 2016	
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CDP Validation Report



Limited Assurance Report To the Board of Directors of Türk Telekomünikasyon A.Ş.

We have been engaged by the Board of Directors of Türk Telekomünikasyon A.Ş. (the "Company" or "Türk Telekom") to perform an independent limited assurance engagement in respect of the Selected Information stated in the Company's CDP Climate Change Report ("the 2020 CDP Climate Change report") for the year ended 31 December 2020 and listed below.

Selected Information

The scope of the Selected Information for the year ended 31 December 2020, which is subject to our independent limited assurance work, set out on the section C6: Emissions Data and "Appendix 1: Türk Telekom 2020 CDP Climate Change Reporting Principles" is summarised below:

- Direct (Scope 1) Greenhouse Gas Emissions from owned or controlled sources,
- Indirect (Scope 2) Greenhouse Gas Emissions from the generation of purchased energy,
- Indirect (Scope 3) Greenhouse Gas Emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

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

Criteria

The criteria used by the Company to prepare the Selected Information is set out in section Appendix 1: Türk Telekom 2020 CDP Climate Change Report - Reporting Principles ("Reporting Principles").

The Company's Responsibility

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



Inherent Limitations

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

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

Our Independence and Quality Control

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

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

Our Responsibility

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

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



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

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

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

Limited Assurance Conclusion

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

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

PwC Bağımsız Denetim ve

Serbest Muhasebeci Mali Müşavirlik A.Ş.

Mehmet Cenk Uslu, SMMM

Partner

Istanbul, 27 July 2021

Annex 1: Türk Telekom 2020 CDP Climate Change Report – Reporting Principles

Reporting principles provides information on the data collection and regarding the greenhouse gas (GHG) emissions (Scope 1, Scope 2 and Scope 3) included in Türk Telekom 2020 CDP Climate Change Report ("the 2020 CDP Climate Change report").

This reporting principles provides information on the data preparation, calculation principles and reporting methodologies of indicators within the scope of the independent limited assurance of the 2020 CDP Climate Change report. These indicators include the greenhouse gas (GHG) emissions (Scope 1, Scope 2 and Scope 3). It is the responsibility of the Company's management to ensure that appropriate procedures are in place to prepare the indicators mentioned above in line with, in all material respects, the Guidance.

The data included in this document is for the FY 20 (1 January – 31 December 2020), fiscal year ended December 31, 2020, comprises only the relevant operations of Türk Telekomünikasyon A.Ş. ("the Company") in Turkey, that are the responsibility of the Company and excludes information about group companies.

General Reporting Principles

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

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

Scope of Reporting

For FY20, the greenhouse gas (GHG) emissions data of the Company is related to:

Direct (Scope - 1) Greenhouse Gas Emissions from owned or controlled sources;

Direct (Scope - 1) Greenhouse Gas Emissions from owned or controlled sources;

- Stationary combustion (fuels and heating sources),
- Mobile combustion (fuels),
- Fugitive emissions (refrigerant gas),

Indirect (Scope - 2) Greenhouse Gas Emissions from the generation of purchased energy;

• Consumption of purchased electricity,

Indirect (Scope - 3) Greenhouse Gas Emissions (not included in Scope 2) that occur in the value chain of the reporting company;

• Upstream activities (business travel, employee commuting, paper and tuner consumption)

Energy consumption outside of the Company-owned or -operated locations originating from supplier or customer and their associated greenhouse gas emissions (Scope 1 and Scope 2) are omitted from the scope of reporting.

Data Preparation

Greenhouse Gas (GHG) Emissions

GHG emissions were calculated in accordance with IPCC, GHG Protocol and DEFRA, "GHG activity data multiplied by emission or removal factors" based calculation methodology has been applied for calculating GHG. Boundaries of the organisation were addressed with a control approach, and the sources causing greenhouse gas emissions related production facilities under the control of the Company are as follows:

Direct (Scope 1) Greenhouse Gas Emissions from owned or controlled sources:

- Stationary combustion data is included fuels used in buildings such as natural gas and fuel oil.
- Mobile combustion data is included diesel and gasoline for company owned and leased cars.
- Fugitive gases data is included HFC gases (fire supresants and refrigerant gases).

Indirect (Scope - 2) Greenhouse Gas Emissions from the generation of purchased energy:

Consumption of purchased electricity data is included electricity consumption (GWh)

Indirect (Scope - 3) Greenhouse Gas Emissions (not included in Scope 2) that occur in the value chain of the reporting company:

Upstream activities (business travel, employee commuting, paper and tuner consumption)

CO₂ equivalent factors for emissions CO₂, CH₄, N₂O, and HFCs (refrigerant gas) were used in calculations. Emission factors and Global Warming Potential (GWP) coefficients were taken from Intergovernmental Panel on Climate Change (IPCC) 5th Assessment Report and the UK DEFRA 2020 Emission Factors list. Grid emission factor has been calculated by using the relevant annual data provided by Turkish Electricity Transmission Company (TEİAŞ). Emission factors used for calculation are as follows:

Emission Factors – Scope 1	Emission Factor (kg CO ₂ -e)
Diesel – company vehicles (kg/l)	2.665
Gasoline – company vehicles (kg/l)	2.309
Natural Gas (kg/sm³)	1.942
Fuel-oil (kg/l)	3.127
Coal (kg/kg)	3.181
Diesel – generators and other (kg/l)	2.640
Gasoline – generators (kg/l)	2.230
Refrigerant gases – R22 (kg/kg)	1,760.00
Refrigerant gases – R404A (kg/kg)	3,942.80
Refrigerant gases – R407C (kg/kg)	1,624.21
Refrigerant gases – R410A (kg/kg)	1,923.50
Fire Extinguishers – CO ₂ (kg/kg)	1.00
Fire Extinguishers – HFC 236 fa fire supresants (kg/kg)	8,060.00

Emission Factors – Scope 2	Emission Factor (kg CO ₂ -e)
Electricity (renewables) (GWh)	0.0000
Turkey Electrical energy (grid) (GWh)	476,960.11

Emission Factors – Scope 3	Emission Factor (kg CO ₂ -e)
Employee Commuting (kg/vehicle.km)	0.498
Air Travel (Domestic) (kg/passenger.km)	0.129
Air Travel (Short Distance – Europe) (kg/ passenger.km)	0.082
Air Travel (Long Distance – Overseas) (kg/ passenger.km)	0.101
Paper Consumption (kg/kg)	8.979
Tuner Consumption (kg/piece)	4.382

Total Scope 1 Emissions (tCO2-e)	129,419
Total Scope 2 Emissions (tCO2-e)	601,635
Total Scope 3 Emissions (tCO2-e)	6,032

Restatements

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



Glossary

Alternative Energy: Alternative energy is an inclusive term referring to the use of an alternative energy source that will not harm the environment instead of an energy source that harms the environment. For example, using solar panels and/or wind turbines instead of fossil fuels to block the release of CO2 emissions. The concept of "alternative energy" does not include nuclear energy sources.

Waste Management: It aims to evaluate all the steps of the waste management in a holistic manner, and to ensure sustainability in both environmental and economic terms. An effective waste management is only possible with the combination of all methods. According to the Waste Management Hierarchy, prevention and reduction of waste at its source is the first step. In cases where waste generation cannot be prevented, reuse and recycling stages are applied. For waste types that cannot be recycled, regular landfilling is also performed.

Waste Prevention: It aims to take all necessary measures to minimise the negative impacts of waste on human health and the environment once it is generated.

Waste Reduction: It aims to take all necessary measures to minimise the negative effects of waste on human health and the environment once it is produced.

Disposal: The waste that cannot be recovered or recycled are disposed of.

United Nations Declaration of Human Rights: The Universal Declaration of Human Rights declares the fundamental rights of all people in the world, regardless of race, language or religion. It was adopted by the United Nations General Assembly on 10 December 1948.

United Nations Global Compact (UNGC) Launched in 2000, UNGC is the most comprehensive platform created to develop and implement policies within the framework of sustainability and corporate responsibility in parallel with the increasing speed of globalisation. It is considered as an innovative corporate responsibility approach. The United Nations Global Compact is a corporate sustainability initiative. The Convention calls for compliance with ten basic universal principles:

A. Human Rights

- Principle 1- Businesses should support and respect the protection of internationally proclaimed human rights.
- Principle 2- Businesses should make sure that they are not complicit in human rights abuses.

B. Labor

- Principle 3- Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- Principle 4- Businesses should eliminate of all forms of forced and compulsory labour.
- Principle 5- Businesses should stop the effective abolition of child labour.
- Principle 6- Businesses should eliminate the discrimination in respect of employment and occupation.

C. Environment

- Principle 7- Businesses should support precautionary approach to environmental challenges.
- Principle 8- Businesses should undertake initiatives to promote greater environmental responsibility.
- Principle 9- Businesses should encourage the development and diffusion of environmentally friendly technologies.

D. Anti-Corruption

• Principle 10- Businesses should work against corruption in all its forms, including extortion and bribery.

BIST Sustainability Index: Sustainability Indices are one of the important measurement tools developed to systematically monitor the value created by the efforts of companies traded in stock exchanges in the fields of corporate social responsibility and sustainability in terms of economic and corporate reputation. It has been an important criterion in company valuation for investors. The objective of the BIST Sustainability Index is to create an index that will include companies traded in Borsa Istanbul with high corporate sustainability performance, and to increase the understanding and knowledge of and the practices on sustainability in Turkey, especially among Borsa Istanbul companies.

ICTA: Information and Communication Technologies Authority.

Direct Emission: Direct emission is the term used to refer to greenhouse gas (GHG) emissions that originate directly from an individual, event, organisation or product, such as greenhouse gases released from a chimney. Pollutant elements from production processes, factory tools and any directly controllable source are within the scope of direct emissions.

Indirect Emission: Indirect emissions are greenhouse gas emissions that originate indirectly from an individual, event, organisation or product. All emissions from the activities of an organisation that result from the use or purchase of a product are indirect emissions. For example, if the electricity supplied by a power plant leads to emissions, this is also considered indirect emission. Emissions from the production of raw materials are also of the indirect type.

Circular economy: It is an economic term based on the transformation and continuity of all kinds of materials and resources used, rather than the stages of production, consumption and destruction. The reuse of materials and energy in the industrial production is an example of a circular economy.

ESG: It is the English abbreviation of the words Environmental, Social, Governance, and it is the term used by companies when reporting on their work in these areas, as well as in financial ones. It is mainly used by institutions with a responsible business conduct model. Investors particularly question and expect companies to report their ESG practices, since they have an impact on the performance of corporate investments.

Ecosystem: The interaction of living and non-living things in a particular area with each other. In other words, it is the general definition of the interaction of plants, animals, air, soil and sun.

Emission: To disseminate, export, release.

FTSE4Good: The FTSE4Good Index is a set of ethical social responsibility and ESG-based equity investment stock indexes launched by the FTSE Group in 2001. To be included in the FTSE4Good Index Series, companies must score high on measures of environmental, social and governance (ESG) practices. In practice, this requires companies to have strong policies in areas such as respect for human rights, internal labour relations and workplace safety, lack of real or perceived corruption, and environmental sustainability of supply chains.

Recycling (Recovery): Converting used materials into new products in production and consumption processes is called recycling. Recycling prevents the waste of potentially reusable materials and reduces the consumption of new raw materials. In addition, recycling reduces the need for "traditional" waste disposal, lowers energy use, reduces air and water pollution, and produces less greenhouse gas emissions compared to normal production.

Climate Change: Climate change occurs directly or indirectly as a result of human activities and changes the atmospheric components and weather conditions.

Business Ethics: Business ethics refers to contemporary organisational standards, principles, value sets and norms that govern the actions and behaviours of an individual in an organisation.

Carbon Footprint: It is the measurement of the greenhouse gases emitted into the atmosphere based on the equivalent of carbon dioxide, resulting from the transportation, heating, energy consumption or production of any product that people buy. Our carbon footprint is determined by all our effects on nature, such as the fuel our cars consume and the electricity we use in our homes.

Carbon Disclosure Project (CDP): CDP is an independent and global system that allows environmental risks to be measured, disclosed, managed and shared. CDP, an international non-profit organisation, act as an intermediary for publicly traded companies to report to investors on how they use natural resources and natural capital, how they reproduce limited resources with their activities and how they manage their risks in this area.

Enterprise risk management: It is the risk assessment made from a comprehensive organisational perspective. Thus, all kinds of uncertainties are considered by all units of the organisation. The purpose of compiling all risk-related information is to ensure consistency in decision-making mechanisms across all risk categories. Regulatory and supervisory authorities increasingly expect organisations to adopt a holistic approach to governance, risk and compliance.

Corporate Sustainability: It is the adaptation of economic, environmental, and social factors to company activities and decision mechanisms together with corporate governance principles, and the management of risks that may arise from these issues in order to create long-term value in companies. It is accepted as an emerging management theory that came up as an alternative to the traditional growth and profit maximisation model.

Corporate Social Responsibility: It is one of the corporate communication practices acknowledging that companies, as corporate citizens, have legal and moral obligations to future generations and society.

Global Reporting Initiative (GRI) As a globally operating, non-profit and multi-stakeholder organisation working closely with United Nations programs such as the United Nations Environment Program and UNGC, GRI's mission is to develop globally applicable sustainability reporting guidelines and disseminate tripartite reporting by making it routine and comparable as in the case of financial reporting.

LEED: LEED is an internationally accepted green building certification system. LEED certifies that a building or structure has been designed and constructed using strategies that improve certain environmental factors. These factors are energy saving, water saving, reducing CO2 emissions, improving the indoor environment of the building, being sensitive to resources and their impacts.

Net zero emissions: means the level of greenhouse gas emissions that countries must reach in order to achieve the maximum global warming target of 1.5 °C agreed under the Paris Agreement.

Stakeholder: It is defined as any group and/or person that can affect a company in achieving its goals or be affected by the company's achievement of this goal. Company shareholders and employees, investors, consumers, suppliers, unions, non-governmental organisations, regulatory authorities and government can be considered as stakeholders of companies.

Greenhouse Gas Emissions: Greenhouse gases (sometimes abbreviated GHG) are natural and anthropogenic gaseous components of the atmosphere that absorb and emit certain wavelengths of radiation within the spectrum of infrared radiation emitted by the Earth's surface, atmosphere and clouds. As a result of these features, they cause the greenhouse effect. Water vapor (H2O), carbon dioxide (CO2), nitrous oxide (N2O), methane (CH4) and ozone (O3) are the main greenhouse gases.

Zero waste: A philosophy that encourages the redesign of resource life cycles to reuse all products. The aim is not to send any garbage to landfills, waste incinerators and the environment.

Sustainable Development: The concept of "Sustainable Development" was first defined in the Brundtland Report published in 1987. According to this generally accepted definition, sustainable development is "Meeting the needs of the current generation without compromising the ability of future generations to meet their own needs".

Sustainable Energy: Sustainable energy is the acquisition of energy to meet the needs of the current generation, while not compromising the ability of the next-generation to meet their needs. Renewable energies such as biofuels, solar energy, wind energy, wave power, geothermal energy and tidal power are generally considered as sustainable energy sources. This energy also brings in technologies that improve energy savings.

The Sustainable Development Goals (SDGs) The Sustainable Development Goals (SDGs), also known as the Global Goals, are a universal call to action to eradicate poverty, protect our planet, and ensure that all people live in peace and prosperity. The 17 Goals, which were designated after being submitted to the view of stakeholders around the world, build on the achievements of the Millennium Development Goals. They also cover new areas such as climate change, economic inequality, innovation, sustainable consumption, peace and justice, in addition to other priorities. The goals are interrelated, and the key to success in any goal is to tackle common problems together.

The Sustainable Development Goals entered into force in January 2016 and will guide United Nations policy and finance for the next 15 years. As the leading development agency of the United Nations, the United Nations works in more than 170 countries and regions to put goals into practice.

- SDG 1: End poverty in all its forms everywhere.
- **SDG 2**: End hunger, achieve food security and improved nutrition and promote sustainable agriculture.
- SDG 3: Ensure healthy lives and promote well-being for all at all ages.
- **SDG 4**: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

- SDG 5: Achieve gender equality and empower all women and girls
- SDG 6: Ensure availability and sustainable management of water and sanitation for all
- SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all
- **SDG 8**: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- SDG 10: Reduce inequalities within and among countries.
- SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable.
- SDG 12: Ensure sustainable consumption and production patterns.
- SDG 13: Take urgent action to combat climate change and its impacts
- SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development.
- SDG 15: Protect, restore and promote the sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation, and halt biodiversity loss.
- SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
- SDG 17: Strengthen the means of implementation and revitalise the global partnership for sustainable development.

Materiality Analysis of Sustainability Issues: It is the name of the work conducted to identify and prioritise the most important issues for the Company and its stakeholders.

Sustainable Investment: They are investments planned and implemented based on the details of ESG (all effects of environmental, social and governance issues on investment are added to feasibility and practices) beyond financial investments and expectations.

Reuse: A method that aims to use the waste to create another product.

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