

2016 CORPORATE SUSTAINABILITY REPORT



D  **ĞUŞ**
OTOMOTİV

INHERENTLY
A BETTER FUTURE
FROM DOĞUŞ

At Dođuř Otomotiv we have been driven with the mission of leading the Automotive industry in Corporate Sustainability since with the eighth edition of our annual Corporate Sustainability Report, we would like to extend our gratitude to first and foremost our Employees, as well as our Subsidiaries, Authorized Dealers and After-sales Service Centers, and Suppliers for making this process a way of doing business...



Information shared on the website



GRI G4 Indicators



Information disclosed in the Annual Report



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CHAIRMAN'S STATEMENT G4-1



How was Doğuş Otomotiv's success rate in 2016? What was the effect of sustainability strategy and performance on this success?

AA: Doğuş Otomotiv attained its highest ever transaction volume in 2016. Market conditions as well as the domestic market contributed to this result. Meeting the demand for our products and services in a timely manner also had a positive effect. However, 2016 was also a year that brought all the risks a company might face. The coup attempt in July 2016 in Turkey, and Volkswagen's emission scandal-related issues the same year caused serious concern. We witnessed considerable foreign exchange rate fluctuations toward the end of the year in the domestic market. So we saw almost all the risks, both politically and also economically, that a company might face. And still, we were able to finish the year positively. This is perhaps the best answer to the question about how sustainability can contribute to a company's success. With the ability to improve themselves, and flexible organizational structures that can adapt to any situation, companies can be sustainable. What matters the most to Doğuş Otomotiv is not the absolute worth of a business or its direct contribution to profits or its effect on total profit. The spirit of a business should be well understood. In other words, sustainability for us is a way of life. This approach is reflected on all of our coworkers in the entire company. One of the most important topics of

sustainability is risk management, which is a significant factor that helps companies make it through crises without damage. At Doğuş Otomotiv, we have different committees for corporate risk management, and sustainability and corporate governance. Even though factors such as market conditions, lively demand and our wide product range have contributed directly to our performance in 2016, we have also seen positive effects of our management approaches to key areas of sustainability including correctly managing our risks and inventory, controlling our costs, and improving profitability and efficiency.

As a matter of fact, the economic meaning of the risk concept is uncertainty. In a way, what we do is exercise the kind of actions that can be taken in an uncertain climate. Even though we as a company have some predictive scenarios, at times we may encounter situations we have no way of foreseeing. In such cases, we are able to take swift actions and react quickly with our flexible organization. We managed the repercussions of Volkswagen's emission related problems in the US quite well here in Turkey because we did not disobey the laws in any way. This is an outcome of our ethical approach and way of doing business. Maintaining a sustainable organization by ensuring the customers' trust in the long term is much more important to us than just selling.

“What matters the most to Doğuş Otomotiv is not the absolute worth of a business or its direct contribution to profits or its effect on total profit. The spirit of a business should be well understood. In other words, sustainability for us is a way of life.”

Why is it important to adopt a strategic approach to sustainability? What do you do to make it a management style?

AA: First of all, I believe that the sustainability approach will bring about very positive developments in the future. Wherever the front wheels of a vehicle go, the rear wheels follow. So, a management team that functions as the company's brain should have foresight about some issues, and share them with their teammates to establish a bottom-up organization. This is how our work on sustainability started. But once the control is gone, the system returns to its former ways. But actually it should be an approach that all employees adopt and make it a way of life. The concept we call corporate culture can only become established if a company's employees embrace it. This is what we are trying to accomplish at Doğuş Otomotiv. We included our stakeholders and coworkers in the process, and discussed what we could do by forming suggestion groups. Starting in 2010 when we undersigned the UN Global Compact, we have been willingly striving to improve our performance each year. We are one of the first companies in the world and in Turkey to publish GRI reports. We allocated resources amounting to TL 14.5 million, which accounts for 5% of our 2016 profits, for such community development efforts.

At Doğuş Otomotiv, a strategic approach to sustainability means making it a part of the company's overall long-term strategies, and sustainability requires a long-term strategic approach.

Business ethics and countering bribery and corruption as its extension is regarded as another important topic of sustainability in terms of social responsibility. What is Doğuş Otomotiv's management approach to this issue?

AA: Countering bribery, corruption and all kinds of misconduct is one of our key missions as part of Doğuş Otomotiv's business integrity. We fight against them on all levels. First we incorporate this approach into our way of life, and we address relevant policies and guidelines as a whole within the company. We do not tolerate any misconduct whatsoever in any of our processes. If necessary, we would rather not do business. So we have a very firm stance in this issue. As in all areas, Doğuş Otomotiv is also a pioneer in doing ethical business. I believe we have assumed an important responsibility in establishing these concepts in Turkey's corporate landscape. Therefore we take action before anyone else, and build the systems that these concepts require.

Doğuş Otomotiv is among the 43 companies listed in the BIST sustainability index, which Borsa Istanbul launched in 2015. We would like to learn what you, as one of the companies included in this index for the last two years, think about the indexes that enable these companies' sustainability performances to attain a financial value from the investors' perspective. Do you believe these indexes have a boosting effect?

AA: I think they naturally have a positive effect. However, I also observe that the stock exchange

dynamics are not necessarily in line with real life. Therefore we just keep following our own path. We want to be included in the sustainability index but if you ask me whether our listing in the index and successful performance engenders a more positive outlook, I have not been able to fully establish that correlation yet.

When it comes to sustainability, I think our perspective as investors and the way we regard life is different than that of portfolio investors. We see that very few investors, most of which are pension funds, care about companies' long-term performance. Significant number of stock investors across the world focuses on profitability alone without considering a company's sustainability. In terms of how we organize our sustainability activities, we are a company that appeals more to investors with long-term vision. Therefore, we continue to move forward as a company that carries out long-term sustainability activities, contributes to the community, and also offers benefits to investors in profits.

I find such international indexes and ratings very valuable, and beneficial in terms of improving recognition of sustainability and demonstrating how companies in Turkey can be differentiated. I am aware that following the companies on the basis of such indexes carries serious messages for investors, and I believe it is the right approach.

Are sustainability related areas included in employees' or executives' targets?

AA: Yes, several areas related to sustainability are included in the key performance indicators of our executives, and some topics can have more weight. In evaluating the performance of senior management, we definitely take sustainability efforts as an important indicator, and assess them as weighted factors. Every year we receive numerous suggestions from many of our employees who think about how to perform a task, and how to address sustainability better. Except for the employees of our contractors, Doğuŝ Otomotiv employs 2,488 people. Last year our employees submitted around 2,300 suggestions, many of which touching directly or indirectly on sustainability. So we can confidently say that these areas have become a part of our employees' way of life. When evaluating our employees' performance, we also consider the suggestions received and duly implemented.

Considering that sustainability is a process management that encompasses the entire lifecycle of a business, what are your related predictions for Doğuŝ Otomotiv in 2017?

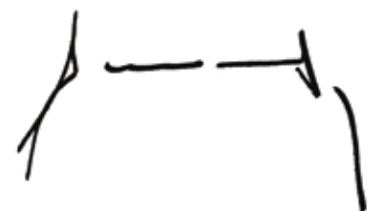
AA: All sustainability related topics are actually outcomes, and investments toward ensuring the company's existence in the long run. We are involved in and take care of many things, from our

authorized dealers' employees and owners to the education of their children. At Doğuŝ Otomotiv, we operate as commercial agents, so we import vehicles from some of the world's largest manufactures such as Volkswagen, and sell them through our authorized dealers. There are information systems in place and significant technology investments for this whole mechanism to function. Most importantly, we have the human resource that forms the foundation. Volkswagen, people, technology, and authorized dealers are four priority topics for us. We adopt Volkswagen's global values and adapt them to our organization. In representing this brand, we decided to move forward by focusing on the long-term values as a way of doing business. On this journey we increased the brand's market share from 0.5% to 21%. Today, there is no other country in the world where Volkswagen has reached such a market share without production. As part of this whole, we are doing many things right, and the cement that binds all of our achievements is sustainability, which we can breakdown to such aspects as environment, ethics, community engagement, and human rights. Sustainability brings together several topics. We have a certain stance as a company, we are headed in a specific direction, and we are striving to become a pioneer and leader in that destination. So we will keep going. Those that have reached a peak can only aim for new heights if they set higher standards. We are setting our own standards.

In 2017, we will continue to increase the number of Authorized Dealers and After-sales Service Centers that wish for their sustainability performances to be included in our report. We have already included a significant portion of our affiliates in our sustainability activities but there are still some that we have not fully integrated. We will keep on integrating them. We are also working on reducing our environmental impact. Volkswagen has started to use electric vehicles. By 2025, electric vehicles will account for 30% of Volkswagen's total production. This is a serious figure, and we will be a part of these activities here in Turkey. Soon, our other brands will begin to introduce electric vehicles as well.

We value the importance of doing our job right with integrity, principles and accountability. Being an open, transparent and accountable company as one of the basic principles of corporate governance is also at the core of sustainability. In fact, one of the key reasons behind Doğuŝ Otomotiv's success is its long-term vision by taking actions toward constant growth and development.

Aclan Acar
Chairman of the Board of Directors



CEO'S STATEMENT



Please tell us about the types of dialogue platforms Doğuş Otomotiv has created to communicate with key stakeholders on sustainability issues. How does your company evaluate and assess the stakeholders' opinions and suggestions? How does the senior management consider such opinions and suggestions?

AB: Since the very beginning, Doğuş Otomotiv has always valued the opinions of its stakeholders and taken care to maintain a dialogue with them. We are a company operating in the service industry. It is therefore an essential part of our business strategy to communicate directly with our customers as well as Authorized Dealers and After-sales Service Centers, which make it possible for us to contact our customers, via various channels and ensure the continuity of this communication. Our most important stakeholders are manufacturers, the OEMs. We are the distributors of the world's biggest and most prestigious brands. The most important factors that improve the quality of the work we do are our relations and the right, timely and constant communication we maintain with them. Being able to respond to the expectations of OEMs, maintaining the same quality of service as the representative of these leading brands in Turkey and being in mutual dialogue, constitute the foundations of our stakeholder engagement strategy and our institutional perspective.

Similarly, we as the management value the opinions of our employees on every platform. Our suggestion systems are very well established and adopted. Suggestions flow in from almost all of our employees working in different departments about how they can do their jobs better or regarding business system improvements. We as the management evaluate them and implement the viable and feasible suggestions, and

we encourage the suggestion system. Moreover, several platforms are managed by Human Resources to communicate with our employees.

We have a broad supply chain. So we also offer various communication platforms for our suppliers in different areas. We have a department that makes regular and constant communication possible with our Authorized Dealers and After-sales Service Centers, helping us to address their expectations. As senior management, we visit them frequently as well.

At Doğuş Otomotiv, we see our investors also as our customers. We evaluate their opinions and feedback, and always aim to be responsive.

What are the practices that Doğuş Otomotiv has been implementing to be a Great Place to Work? Why are such practices important to you?

AB: Since Doğuş Otomotiv is a company operating in the service industry, our employees are the cornerstones of our company when it comes to providing the best service. Being a Great Place to Work is not a new target for us. For many years we have worked toward this target and built systems. Increasing employee satisfaction and engagement was one of our most important goals. Two years ago we reached this goal. We were awarded with the Great Place to Work nomination in our industry. But our goal was to receive this nomination not only in our own sector, but among all industries. We have reached this goal as well last year. Our next goal is to make this position permanent. We regard all employees, both at Doğuş Otomotiv, and also at our Authorized Dealers and After-sales Service Centers, reaching nearly ten thousand, in the same manner across the entire value chain.

“ We are the distributors of the world's biggest and most prestigious brands. The most important factors that improve the quality of the work we do are our relations and the right, timely and constant communication we maintain with them. ”

This was why we established the DRIVE platform, which we launched three years ago as a pilot. This platform, which was established to provide support in human resources-related issues in our Authorized Dealer and After-sales Service Center network, has become an institutional structure in time. It is now managed by the General Directorate of Human Resources within Doğuř Otomotiv, and has become a support platform expanding every year. The feedback we are receiving in this area is also very positive.

What are the activities carried out in Doğuř Otomotiv's Authorized Dealer and After-sales Service Center network to raise awareness of sustainability? Why do you care about this issue?

AB: At Doğuř Otomotiv, we are striving to create a sustainability culture in our own field, as we do so for other strategies. There is a big difference between setting the rules and creating a culture. If you set a rule or impose sanction, you have to make an effort for it to be adopted. Besides, you may encounter irregular practices, in which case you need to apply punishments against rule violations and negative management methods. However, when you start building a culture, the employees of the organization carry this culture with you and take ownership, which leads to the development of self-control mechanisms. This is how we approach sustainability-related issues. Each year we add a new brick on top of what we have built so far. This kind of strategy also disciplines us. In this way we are making sure that all parties are working for the same goal. Our aims and goals meet on a common platform. We build relationships with both our Authorized Dealers and our suppliers in this direction.

Three years ago, we started to include our Authorized Dealers and After-sales Service Centers in our sustainability report with the aim of spreading

Doğuř Otomotiv's sustainability perception and strategy among our key stakeholders. In 2016, we included 17 Authorized Dealers and After-sales Service Centers in our report. We are receiving very positive feedback from them about this practice. We frequently visit our Authorized Dealers and After-sales Services together with our consultants. We inform them on global standards and Doğuř Otomotiv's activities in this area, and then we listen to them about what they are doing. In a way, we are providing guidance and support so that they can work more efficiently. We explain the benefits that sustainability strategies bring to companies. At Doğuř Otomotiv, we follow sustainability-related developments in the world very closely. Years ago, we had predicted that Sustainable Supply Chain Management would become increasingly important in every link of the chain. So, in a sense, we started these studies long before G4. Our goal is to reach the entire Authorized Dealer network and ensure that the number of good examples grow by monitoring the practices they perform in this area. We also make use of opportunities to create common platforms.

Doğuř Otomotiv has been very successful in terms of process management in business ethics, which is regarded as one of the cornerstones of sustainability. What would you like to say about your 2016 performance and 2017 goals?

AB: Doğuř Otomotiv is managed with a business integrity approach and a policy of "zero tolerance" against negative issues such as bribery and corruption.

We make sure that our coworkers that we appoint as managers and executives are individuals who align with our corporate culture in character and furthermore will develop that culture in the right direction.

Besides, our processes are formed in accordance with this policy. Our bidding regulations, our committees reporting to the board of directors, and our audit procedures have become a rigorous and continuous mechanism that does not allow any abuse or misconduct. Our Code of Ethics and related processes are monitored and supervised in the same way. We will continue to take initiatives in 2017 to increase awareness of our stakeholders in this area.

Please tell us about the activities carried out in Doğuř Otomotiv for Sustainable Risk Management and your targets on this topic.

AB: At Doğuř Otomotiv, we have never looked at risk management from the financial risk perspective alone. We always address the risk factor in a very broad perspective. We adopt the approach of managing the risk rather than just controlling it. In other words, expanding the companies' risk perspective, and as a matter of fact taking precautions by detecting risks ahead of time in all social, environmental, economic and ethical areas, and most importantly, being much more transparent about these risks. The Stakeholder Engagement strategy is a part of this because companies that are able to ask questions to key stakeholders in a timely manner and that can correctly evaluate feedback are in fact looking at risks from a broader perspective and taking precautions on time. One of the most important issues here is sustainability management. Sustainability-related areas should be adopted by senior management like all other processes within the organization; they should have objectives and strategies, or in other words, have their management approach defined.

Last year, we formed the Corporate Governance and Sustainability Committee, which directly reports to our board of directors.

I also serve on this committee composed of members of the Board of Directors. We hold Committee meetings announced through official channels, and monitor Doğuş Otomotiv's sustainability performance and targets. We also consider fresh approaches to risk management. Our company also has an Early Risk Detection Committee, which reports directly to the Board of Directors. With interaction between the Board of Directors and the Early Risk Detection Committee, the Company's risks along with economic, environmental and social issues are addressed as well.

What do you think is the impact of sustainability on Doğuş Otomotiv's growth figures in terms of brand value?

AB: Sustainability is one of the factors contributing to corporate reputation, just like all other Doğuş Otomotiv strategies and all the different platforms implemented. We have been investing in several areas for many years. Our goal of being a Great Place to Work, our Drive Project that is expanding across our Authorized Dealer and After-sales Service Centers Network, our efficiency related activities, our customer oriented approaches in the service industry, and our Value and Care Center founded with the aim of providing and measuring customer satisfaction directly are among the activities we carry out in contact with our stakeholders. Sustainability is at the heart of all of these efforts. We did not exactly aim to measure their impact on brand value because we do not engage in such activities to improve our brand value. We are doing them because they need to be done.

For instance, one of the areas we have invested in since 2015 is digitalization, which is the process of transforming a company's resources into new revenue, growth and operational results that will add value to the

company by using the opportunities that digital technology brings. In other words, digitalization means applying technology to these resources by bringing together the company's knowledge, human and technology assets in new combinations, developing new business models, creating unique customer experiences, enabling new products and services, and using company resources more effectively. Doğuş Otomotiv reached a score of 93% in Accenture's 2016 Digitalization Index, conducted in Turkey for the second time. This is one of the important developments in the field of sustainability.

Could you talk about Doğuş Otomotiv's collaboration with Vocational High Schools? Why do you support the vocational high schools and what are your goals?

AB: As part of Volkswagen's support of educational institutions, a new classroom was opened in 2016 in addition to supports provided to existing schools. The 7th Doğuş Otomotiv Volkswagen Training Laboratory was completed in İstanbul Küçükyalı Vocational and Technical Anatolian High School. Doğuş Otomotiv contributed TL 395,000 to Volkswagen Training Laboratories in 2016. For the 2016-2017 academic year, winter internships were organized for 146 students from five schools in 21 authorized after-sales service centers, and 50 students from two of these schools were offered summer internship opportunities in 12 authorized after-sales service centers.

In the 2016 academic year, 176 students started education in our classes in seven schools. Employment opportunities at our authorized after-sales service centers were offered to students who graduated from our classes. A total of 80 students graduated from these classes in 2016, and 27 of these graduates started

to work at our authorized after-sales service centers. 33 students continue their studies at Colleges or Universities, and 20 students started to work in different industries or for other brands. Furthermore, the total number of graduates rose to 434 in 2016, with 365 currently studying in these schools. 176 people working at Doğuş Oto facilities are graduates of Şişli Vocational and Technical Anatolian High School, and Ankara Vocational and Technical Anatolian High School.

It is now an accepted fact that in all areas of sustainability, companies need to carry out operations that will benefit all parties in their own impact. Our cooperation with and investments in Vocational High Schools are among our responsibilities to create employment, which is within the human resources domain and also one of the most fundamental topics of sustainable development. Doğuş Otomotiv has been a signatory to the United Nations Global Compact since 2010. The 17 United Nations Sustainable Development Goals declared in January 2016 include Decent Work and Economic Growth, and Quality Education. At Doğuş Otomotiv, we continue to take steps to fulfill the responsibilities of the private sector in community development as the pioneer in our industry in Turkey. Our work with vocational high schools will continue and develop further.

Ali Bilaloğlu
Chief Executive Officer



DOĞUŞ OTO GENERAL MANAGER'S STATEMENT



Esteemed Stakeholders,

As Doğuş Oto, we had announced our commitment in our strategy map as sustainable growth, sustainable profitability and sustainable quality.

We needed to make a strong statement where these three main goals touched the customer; and after completing the necessary internal preparation, we opened our new Kartal facility with the slogan "All Roads Are Open!" repeating everyday. We completely renovated the Audi showroom and After-sales Service in Doğuş Oto Maslak. We started offering the ŠKODA brand in Maslak as well. At Doğuş Oto Esenyurt and Doğuş Oto Etimesgut locations, the Volkswagen showrooms and After-sales Service areas have been renewed in line with the new concept. Furthermore, we started renovating the Volkswagen showroom in Etimesgut with a new digital showroom concept. We launched Audi City Istanbul where visitors are able to get information on all aspects of the Audi world and browse all Audi models' virtual versions in real life dimensions.

We monitored regional performances within the scope of "Dplan". The 5S activities, which aim to create regular, clean, safe, purpose-oriented and standard working environments, were embraced and executed in all regions. Like each year, we put emphasis on the employee health and safety issues and conducted intra-regional activities for their standardization.

All the research we conducted indicated that our 1,704 customer-facing employees were ultimately the reason for the final purchasing decision. While our customers naturally wanted to buy the cars, what concluded the deal was almost always our sales consultants' interest and sincerity. Our customers similarly wanted a Doğuş Oto that would never let them down in After-sales Services. Aiming to provide better after-sales services for our customers, we improved our workshop productivity rate up to 77.5% this year.

2016 was a year of record sales units and service entries. With 62,394 new vehicle sales including 33,323 Volkswagen Passenger Cars, 7,894 Volkswagen Commercial Vehicles, 9,108 Audi, 6,569 Seat, 4,823 ŠKODA and 677 Porsche, and 251,595 service entries, we attained a market share of 30.2% in sales, and 21.6% of service entries within Doğuş Otomotiv. In 2016, Doğuş Oto's market share in total passenger cars and light commercial vehicles in Turkey rose to 6.3%.

17 Doğuş Oto employees participated at the annual Lean Leader Training courses in 2016, conducted together with the Holding team, and implemented their projects throughout the year. 62 employees took the Lean Leader Training as of 2016 year-end, 45 of which completed their training projects and became Lean Leaders. Implementation of cost reduction projects were also among the 2016 targets and 4 projects were successfully implemented within this scope under the responsibility of Regional Directors. The Suggestion System, which is performed together with Doğuş Otomotiv, was actively used by our employees. 1,617 suggestions were made and 491 successfully implemented in 2016.

Our efforts to raise the bar with our "service beyond expectations" vision were fruitful and recognized with several awards. Doğuş Oto Bursa won the Audi Twin Cup Turkey in 2016 and captured fifth place in technical category globally, while SEAT claimed Turkish championship and second place globally at the SEAT Top Service People. Doğuş Oto Çankaya won first and second places in Volkswagen Passenger Cars SAT, and SEAT achieved top positions with the highest sales units in October and November in the Euroleague, and ranked first with its CSS score again in November. Doğuş Oto Kartal attained the CSS-IACS Best Labor scores in June and August with Audi After-sales Service.

As a result, the NPS Satisfaction Index, which is the real litmus test of customer satisfaction, reached 94% for sales, and 87% for After-sales Services.

Our goal is to create a 'crisis-proof' company, not affected from economic fluctuations. Of all the customers that purchased their vehicles from Doğuş Oto, 88% have also preferred Doğuş Oto for After-sales Services during the period (0-4 years) they own their vehicles. This has enabled our company to move forward on its path without being affected by the fluctuations in the sales market.

Therefore, we are bold and determined to create different business models and explore innovations to further improve customer loyalty and we continue to develop projects in the field of sales and After-sales Services.

With warm regards,

Zafer Başar
Doğuş Oto General Manager

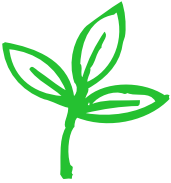
“As Doğuş Oto, we had announced our commitment in our strategy map as sustainable growth, sustainable profitability and sustainable quality.”

2016 PERFORMANCE - HIGHLIGHTS



ECONOMIC PERFORMANCE

Net Sales TL **11,925 M**



ENVIRONMENTAL RESPONSIBILITY

15,617 trees conserved through Recycling of Packaging Waste



EMPLOYEES

Doğuş Otomotiv Female Employment Ratio **35%**



COMMUNITY

TL **14,372 M**
Community Investment




PRODUCT AND SERVICE RESPONSIBILITY

Customer Satisfaction,
Sales **109.7** Service **103.6**

REPORTING SCOPE G4-17, G4-23




Doğuş Otomotiv's direct and indirect affiliates, share ratios and consolidated financial statements are disclosed in the 2016 Annual Report. The financial data included in Doğuş Otomotiv's 2016 Corporate Sustainability Report are in line with the data provided in the annual report. Furthermore, the scope of the Corporate Sustainability Report has been defined as Doğuş Otomotiv Sanayi ve Ticaret A.Ş. and Doğuş Oto Pazarlama ve Ticaret A.Ş. As part of the strategy to include the subsidiaries and affiliates in the value chain of Doğuş Otomotiv's sustainability performance, after vdf Servis ve Ticaret A.Ş. included in the 2014 report and Doğuş Teknoloji and ŠKODA Türkiye (Yüce Auto Motorlu Araçlar Tic. A.Ş.) has been added to the scope of the report in 2015.


Moreover, since first including the performances of three pilot Authorized Dealers and After-sales Services Centers in the Corporate Sustainability Report in 2012, the number has risen to 17. Accordingly, the performances of 17 Authorized Dealers and After-Sales Service Centers have been included in the 2016 Corporate Sustainability Report. Furthermore, the performances of three suppliers, which were included in the 2015 report, are again included in this year's report.  G4-19, G4-20 The awareness building activities on sustainability in our suppliers will continue in 2017.

REPORT PROFILE G4-18

Since 2014, the content, scope and overall structure of Doğuş Otomotiv's Corporate Sustainability Report are

prepared in accordance with the GRI G4 Sustainability Reporting Guidelines. Global Reporting Initiative (GRI) G4 Content Index is made available online along with this report.  <http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/gri-g4-content-index>  G4-32

Doğuş Otomotiv has published its 8th Corporate Sustainability Report this year in accordance with GRI Sustainability Reporting guidelines. Doğuş Otomotiv regularly reports its Corporate Responsibility and Sustainability performance annually  G4-28, G4-30 The 7th Sustainability Report was published in June 2016.  G4-29 Doğuş Otomotiv 2016 Corporate Sustainability Report has been prepared in accordance with the "comprehensive reporting" option, which is the highest level of reporting in G4 Guidelines, and has not been externally assured.  G4-33 However, Doğuş Otomotiv Sustainability Reports are prepared by an independent consulting firm. The consultant firm's officials, consisting of experts in their respective fields, monitor and check the accuracy of the data presented in the report and disclosure in compliance with standards in a limited capacity.

Calculation methods recommended within the GRI G4 Reporting framework have been utilized to calculate the data disclosed in the report. Non-consolidated data have been described in footnotes. We continue to work toward reaching healthier data with every passing year, and to encompass all the organizations in the Doğuş Otomotiv value chain within scope.  G4-22

CORPORATE PROFILE G4-3, G4-4, G4-5, G4-6, G4-7, G4-8, G4-9, G4-13

In the 22nd year of its operations, Doğuş Otomotiv has maintained its position as Turkey's leading automotive importer and one of the largest automotive distributors in 2016.

Doğuş Otomotiv prepares its business plans with the vision of "providing creative and innovative services beyond expectations", builds its corporate strategy on the objective of "working to deliver ultimate customer satisfaction". Today, Doğuş Otomotiv boasts the industry's widest brand portfolio and the largest service centers network in Turkey.

As the representative of 12 international brands, each one a leader in their respective segments, including passenger cars, light commercial vehicles, heavy vehicles, industrial and marine engines, and cooling systems, Doğuş Otomotiv offers its customers and corporate clients a wide brand portfolio consisting of Volkswagen Passenger Cars, Audi, SEAT, ŠKODA, Bentley, Lamborghini, Bugatti, Porsche, Volkswagen Commercial Vehicles, and Scania brands, along with a comprehensive product portfolio of over 80 models of these brands.

Furthermore the company operates in the marine engines market with Scania Engines brand, and in the cooling systems market with Thermo King brand.




Doğuş Otomotiv prioritizes ultimate customer satisfaction in all its services with one of the largest Authorized Dealer and After-sales Service networks in Turkey. With over 500 meeting points across the country, Doğuş Otomotiv provides wide-ranging and seamless services including sales, after-sales and spare parts for its customers.

Born as a result of the company's close, mutual trust-based cooperation with Volkswagen AG Group, D-Auto Suisse SA has been operating as an Authorized Porsche Dealer and After-sales Service Center in Lausanne, Switzerland since 2009. Currently the company continues its growth with the Bentley brand, and D-Occasion, the used luxury cars sales operation. Another international operation of Doğuş Otomotiv is the Erbil-based D-Auto LLC founded in 2014 to serve as the distributor of Volkswagen and Audi brands in Northern Iraq. Doğuş Otomotiv maintains its growth trajectory as an industry leader with new investments.

Doğuş Otomotiv, with nearly 2,500 employees, is one of the most important players in the Turkish automotive industry. With a dynamic service approach focused on ultimate customer satisfaction maintained without compromise since the very beginning, Doğuş Otomotiv ranks among the most liked and trusted brands according to corporate reputation surveys. Initially offered to the public in 2004, Doğuş Otomotiv shares are traded on Borsa Istanbul (BİST) with the "DOAS.IS" ticker code.

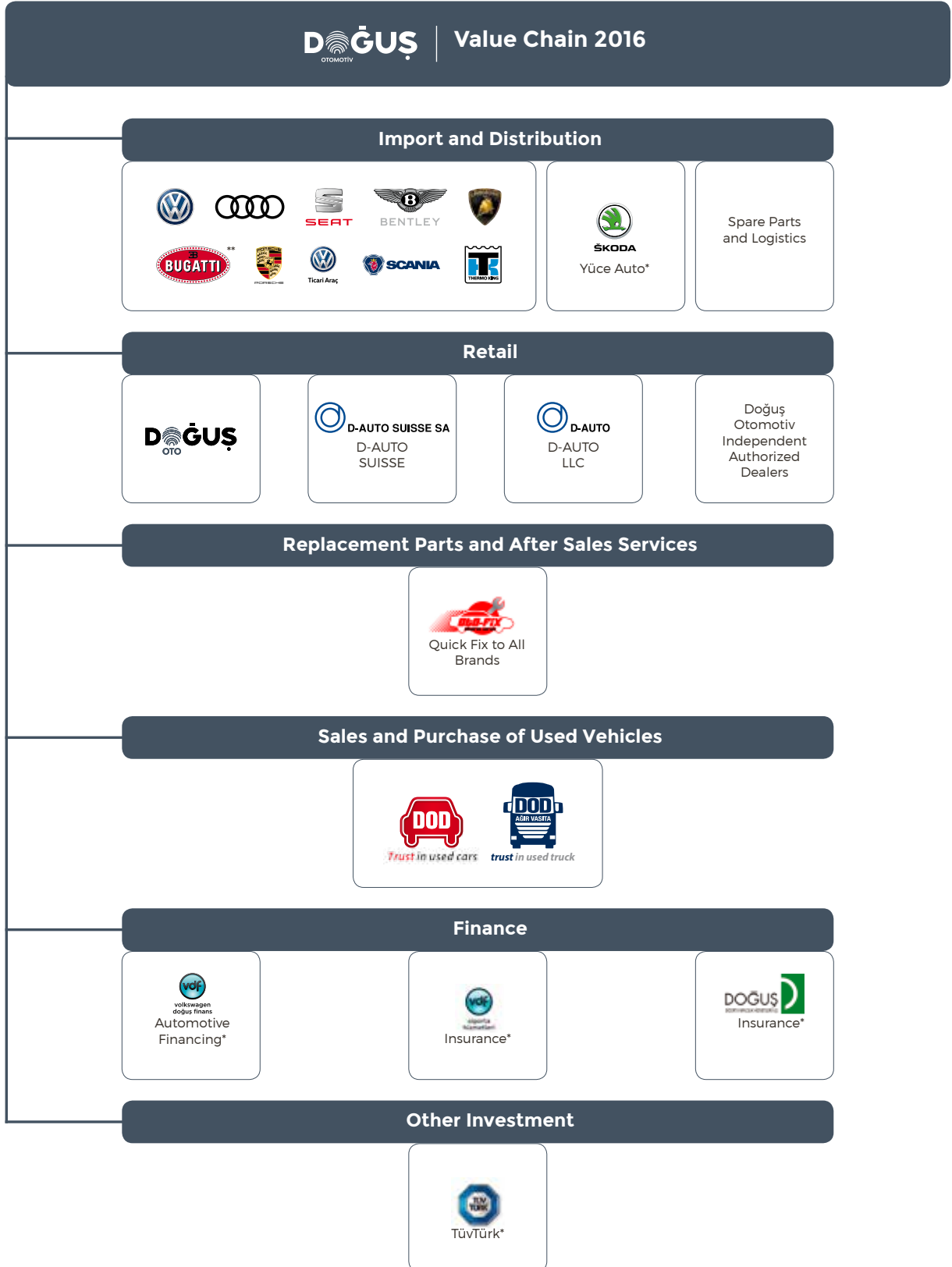
Doğuş Otomotiv shapes all business process around sustainability, and with this perspective, the company has published Turkey's first Corporate Sustainability in the automotive industry in 2009, and gone on to sign United Nations Global Compact in 2010. Doğuş Otomotiv's "Traffic is Life!" platform, first launched in 2004 to improve the community's overall responsibility toward traffic, raise awareness and manage the perception positively, has been going on uninterruptedly for the last 12 years as a community engagement project. With individual educational plans aimed at all age groups and carried out in cooperation with public institutions, the projects implemented within the scope of the "Traffic is Life!" social responsibility platform have been recognized with numerous awards to date.

Doğuş Otomotiv has been included in the BIST Sustainability Index for a second term, in the November 2016 – October 2017 period. Doğuş Otomotiv is part of the Doğuş Group operating in a wide range of industries from financial services and automotive to construction, media, tourism and services, property development and food & beverage industries.

Doğuş Otomotiv's 2016 financial indicators and most recent ownership and legal structure are disclosed in detail in the 2016 Annual Report¹.  G4-7, G4-9 For more information on Doğuş Otomotiv's vision and mission statements, strategies, commitments and values  G4-56, please visit Doğuş Otomotiv's corporate website at:  <http://www.dogusotomotiv.com.tr/en/about-us/values-and-principles/vision-mission-strategy>

¹For further information, please see Doğuş Otomotiv 2016 Annual report  <http://www.dogusotomotiv.com.tr/en/investor-relations/investor-relations/reports-and-presentations/annual-reports>

ORGANIZATIONAL STRUCTURE G4-17



* Subsidiaries

**Representative Offices

Doğuş Otomotiv further reinforced its strong position in 2016 in the Turkish automotive industry, through:

12 global automotive brands represented,

1,700,000 + units in total vehicle park,

500 + customer service locations,

Nearly **2,500** employees,

Close to **80** models offered to customers,

Total **208,956*** vehicles sold,

Total **22,534** used vehicles sold.

* Including heavy vehicles.



IDENTIFIED PRIORITY AREAS AND STAKEHOLDERS

Doğuş Otomotiv annually reviews its priorities² identified based on the global sustainability principles, and plans its activities accordingly. Doğuş Otomotiv interacts with each stakeholder group³ via different communication channels.

Priority Areas

Key Priority Areas 2016	2016 Targets	Outcome
Stakeholder Engagement Performances	Stakeholder Panel and Stakeholder Dialog Platforms	Stakeholder Panel will last through 2017. However, receiving key stakeholders' opinions and suggestions, as well as providing necessary feedback on a variety of platforms continued in 2016.
Strategic Sustainability Management	Establishing a Sustainability Committee to report to the Board of Directors	The former Corporate Governance Committee has been renamed "Corporate Governance and Sustainability Committee", and sustainability-related areas have been added to the committee's job description.
Expanding the Reporting Scope	Increasing the number of Authorized Dealers and After-sales Service Centers and affiliates included in the scope of the report.	The number of Authorized Dealers included in the report has reached 17.
Supply Chain Management	Selecting and informing 3 pilot business partners in our Supply Chain, and incorporating our expectations for Corporate Sustainability focus areas to supplier agreements. Within the scope of Sustainable Supply Chain Management, including sustainability criteria in the selection and audit stage, continuing with information and awareness activities on sustainability in the supply chain.	Met with and informed 3 suppliers. Expectations from them to monitor performance in certain areas so as to ensure inclusion in the report were communicated. In 2016, activities aimed at raising awareness continued at the suppliers that were included in the report back in 2015. The work has been completed to organize a Suppliers Day in 2017. Signing the protocol including the sustainability principles has been determined as a prerequisite for suppliers that are not yet in the selection phase.
Environmental Management System	Identifying policies required to establish an Environmental Management System, and creating a risk map.	Necessary preliminary work completed, activities under way to submit to the Sustainability Committee. To support the Environmental Management System, energy efficiency analyses and studies have been conducted, and necessary action plans prepared.

² Further information on the key automotive-related priorities, identification methods and prioritization activities is available in the Sustainability Section on the Doğuş Otomotiv corporate website:

 G4-18, G4-19, G4-20, G4-21  <http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/sustainability-at-dogus-otomotiv/dogus-otomotiv-priority-areas>

³ To access Doğuş Otomotiv Stakeholder Engagement  G4-25, Stakeholder Engagement Process  G4-26, G4-27, G4-37, Stakeholder and Dialog Platforms  G4-24, please see the Sustainability Section on the Doğuş Otomotiv corporate website:  <http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/sustainability-at-dogus-otomotiv/stakeholder-engagement>

DOĞUŞ OTOMOTİV PRIORITY AREAS PERFORMANCE CRITERIA



Topics	2015	2016
ECONOMIC DEVELOPMENT		
Net Sales (TL Million)	10,889	11,925
Number of Suppliers	666	736
Local Procurement Amount (TL Million) ⁴	965	921.6
Local Employment Ratio (%)	10.82	7.27
ENVIRONMENT		
Water Consumption Amount (m ³) – Per Vehicle Sold	0.69	0.48
Amount of Packaging Recycled Through ÇEVKO (kg)	436,776	473,225
Battery Recycling Ratio (%)	105.8	101.2
Electricity Consumption (kWh)	4,784,127	5,427,821
Natural Gas Consumption (kWh)	456,721	445,079
CO ₂ Emission per Vehicle Sold (kg)	127	121
EMPLOYEES		
Number of Employees	2,494	2,708
Employee Satisfaction Rate (%)	Employee satisfaction survey is conducted every other year	75
Workplace Accident Ratio (%)	0.73	0
Employee Representation Ratio in OHS Committees (%) ⁵	3	4.87
Female Employment Ratio (%) ⁶	24	23
Number of Suggestions Received by the Suggestion System	1,605	2,348 ⁷
Number of Suggestions Implemented ⁸	365	789
Training Provided for Employees (man/hours) - at Doğuş Otomotiv	29	35.9
HUMAN RIGHTS		
Rate of Employees Trained on Human Rights (%)	100	100
Number of Authorized Dealers Informed on Human Rights	14	17
Rate of Suppliers Informed on Human Rights (%)	100	100
CUSTOMERS		
Customer Satisfaction Rate (over 120)	Sales average: 110.16 After-sales Service average: 101.35	Sales average: 109.7 After-sales Service average: 103.6
Authorized Dealer Satisfaction Rate	Sales: 4.65 Service: 4.86	Sales: 4.64 Service: 4.74
COMMUNITY ENGAGEMENT		
Number of Employees trained on Code of Ethics	428	188
Number of Authorized Dealers informed on Code of Ethics	14	17
Number of Suppliers informed on Code of Ethics	3	3
Amount of Investments for Community Development Purposes (TL Million)	3,581	14,372

⁴ Domestic procurement amount excluding vehicle imports and purchases from Doğuş Group companies.

⁵ Pertains to Doğuş Otomotiv alone. Other ratios have been provided in detail in relevant sections of the report.

⁶ Doğuş Oto and Doğuş Otomotiv average figure.

⁷ Cumulative figure of Doğuş Otomotiv, Doğuş Oto and ŠKODA.

⁸ Doğuş Otomotiv and Doğuş Oto's total number of suggestions implemented as the date of June 16, 2017.

GOVERNANCE⁹

Corporate Governance and Sustainability Committee



G4-43, G4-44, G4-45, G4-47, G4-48, G4-49

The Committee is tasked with reviewing the Company to determine whether Corporate Governance principles are applied within the organization, the reasons if not, and the conflicts of interest arising from non-compliance with these principles, and to inform the public through the Corporate Governance Compliance Report. The committee also informs the Board of Directors on preventive/improvement measures to ensure implementation of sustainability principles, opportunities and operational results. In this manner, the Committee covers managerial, advisory and coordination matters that relevant institutions and stakeholders may need in line with the company's social, environmental, economic, and ethical responsibilities.

RISK MANAGEMENT




G4-2

Sustainable Risk Management

Extraordinary developments triggered financial risks in 2016 globally, and in Turkey particularly. Financial risks were identified and followed, and assessed using various scenarios. The financial risk management and financial measures strategy has been followed by considering market risks, credit/liquidity risks, operational capital management and performance management. Through corporate risk management activities, information and suggestions on early detection and reporting of risks, implementing necessary precautions, and developing effective internal control systems have been presented to the Early Risk Detection Committee, which communicates with the Board of Directors to address business risks as well as economic, environmental and societal issues. The navigation of risk management processes toward a strategic and proactive business model is guided by a holistic blueprint that includes correlations of risks. Our risk composition, which takes into account probabilities and possible implications of processes and scenarios, has been expanded in the recent years to encompass our sensibilities about health, safety, environment, climate, business continuity and social standards. Risk measurement and assessment parameters, use of common terminology, crisis management approach, related reporting, and informing of stakeholders are also reinforced in this direction.

In addition to the political and geopolitical developments in 2016, economic developments such as sharp fluctuations in foreign exchange rates, legislative changes in SCT, and the OEM "Dieselgate" issue have been identified as the major risks that might have an impact on the Company's operations. In light of all these developments, activities have been launched to create proactive monitoring models to ensure that market variables and dynamics within the Company are monitored according to different scenarios.

Doğuş Otomotiv's Risk Management Approach is explained in detail in the Sustainability section on the corporate website and under the respective heading in the annual report:

 <http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/governance-risk-management-ethics/risk-management>

Business Continuity

Throughout the year, Doğuş Otomotiv has carried out Risk Management (ISO 31000) and Business Continuity Management (ISO 22301). Within the scope of business continuity, risk classification, probability and impact analyses are performed, taking into account the interruption of critical business processes. Assigning roles, authorities and responsibilities, deciding on business continuity plan and strategies, identifying alternative workplaces, and creating emergency action plans are among the priorities. Crisis management activities also continue within the group.

Climate Change



G4-EC2

Doğuş Otomotiv defines climate change as a risk. By integrating sustainability strategies into business models, risks are managed proactively. Our company regularly monitors and measures activities to reduce the consumption of energy and water resources to address climate change risk. Furthermore, water and raw material limitations, toxic wastes and decreasing fossil resources are taken into consideration to increase the efficiency of risk management.

Pursuant to the Energy Efficiency Law No. 5267, a study was conducted in May 2016 by an accredited company to measure efficiency. As part of the services procured, the physical conditions in the Head Office and Logistics buildings were assessed, water, electricity, natural gas consumption data were calculated, and reported. The proposal to employ the services of an energy manager is currently being considered by senior management to take measures to increase energy efficiency. According to cost estimation calculations, a decision has been reached to procure consultancy services in 2017 to resolve the issue.

⁹ Detailed information on Doğuş Otomotiv Corporate Governance Structure, Members of the Board of Directors, Committees and their tasks is provided in the 2016 Corporate Governance Compliance Report.



BUSINESS ETHICS

The Audit Committee in Doğuş Otomotiv acts on behalf of the Board of Directors to assess the efficiency of the Company's internal audit, internal control and risk management, adequacy and integrity of the information produced within the framework of the annual audit plan, and reports findings to the Board of Directors. According to the audits conducted in 2016, no critical/high-priority issues regarding environmental and social performance have been identified.

Code of Ethics Trainings



G4-SO3, G4-SO4, G4-HR2

Code of Ethics trainings are organized at Doğuş Otomotiv to raise awareness of our employees about the subject. In 2016, 376 man/hours of Code of Ethics trainings were delivered to 188 employees.

Also in 2016, 127 new recruits received of 317,5 man/

hours of e-orientation, watched the Corporate Sustainability film, learned details about the subject, and were informed on code of ethics-related topics related to ethical code.

In addition to the in-class trainings, the Code of Ethics trainings will also be delivered regularly and annually in e-learning format in the next phase to ensure that ethical principles are adopted by all of our employees.

Our Authorized Dealers and After-sales Services have also continued to receive information on Code of Ethics. Details of Code of Ethics have been provided at info meetings with 17 Authorized Dealers and 3 suppliers, which are included in the Corporate Sustainability Report.¹⁰

Participation by years	Joins	Training Time (Hour)	Man/Hours
2015	1,755		
Doğuş Oto Pazarlama ve Ticaret A.Ş.	1,323*	2	2,646
Doğuş Otomotiv Servis ve Ticaret A.Ş.	432	2	864
2016	256		
Doğuş Bilgi İşlem ve Teknoloji Hizmetleri	68	2	136
Doğuş Otomotiv Servis ve Ticaret A.Ş.	188	2	376
Grand Total	2,011		

¹⁰ Participant registrations are recorded with the information retrieved from signature forms. Code of Ethics trainings were not conducted in Doğuş Oto in 2016, and Doğuş Teknoloji in 2015.

* The 76 people who received the trainings at Doğuş Oto include outsources.

ECONOMIC PERFORMANCE

Doğuş Otomotiv has increased its market share in 2016, and succeeded in maintaining its leading position in the Turkish automotive market for the fifth consecutive year.¹¹

The year 2016 saw various political and economic changes ongoing on a global scale continued as Turkey experienced significant challenges due to geopolitical reasons. Despite these difficult processes, and the impact of changes in SCT and foreign exchange rates, 2016 has also been a year in which the automotive industry gained momentum.

The total retail market for passenger cars and light commercial vehicles in Turkey, which amounted to 968,017 units in 2015, increased 1.6% year on year, and reached 983,720 units in 2016. Passenger car sales, which totaled 725,596 units in 2015, increased by 4% to 756,938 units in 2016 while light commercial vehicle sales, which amounted to 242,421 units in 2015, decreased by 6.4% in 2016 to 226,782 units.

In 2016, Doğuş Otomotiv increased its total retail sales, excluding heavy commercial, from 199,226 to 206,896, and its retail market share from 20.6% to 21.0%.

Doğuş Otomotiv, Turkey's leading automotive distributor, continued its growth in 2016 with the added value and competitive advantage of brands, enabling the world's most valuable brands to perform successfully in Turkey. The company has consistently strengthened with the vision of "providing creative and innovative services beyond expectations" and "working to deliver ultimate customer satisfaction".

In 2016, Doğuş Otomotiv's corporate governance compliance score within the scope of Borsa Istanbul's index rating rose to 9.51.

¹¹ More information is available in Doğuş Otomotiv's 2016 Annual Report.  <http://www.dogusotomotiv.com.tr/en/investor-relations/investor-relations/reports-and-presentations/annual-reports>

Doğuş Otomotiv Servis ve Ticaret A.Ş. Consolidated Profit and Loss Statements¹²

	2015 (TL Thousand)	2016 (TL Thousand)
Revenues	10,889,161	11,925,176
Cost of Revenues	(9,780,598)	(10,772,300)
GROSS PROFIT (LOSS)	1,108,563	1,152,876
General Administration Expenses	(310,269)	(394,690)
Marketing Expenses	(363,500)	(415,575)
Other Income from Main Operations	67,077	157,539
Other Expenses from Main Operations	(55,303)	(74,194)
MAIN OPERATING PROFIT (LOSS)	446,568	425,956
Income from Investments	46,875	23,024
Shares in Profits/Losses of Equity-Appreciated Investments	43,434	98,849
OPERATING PROFIT (LOSS) BEFORE FINANCING INCOME (COSTS)	536,877	547,829
Financing Costs	(171,488)	(272,697)
PROFIT (LOSS) BEFORE TAX FOR ONGOING OPERATIONS	365,389	275,132
Ongoing Operations Tax Income (Costs)	(62,945)	(37,189)
Tax Income (Costs) for the Period	(61,976)	(40,594)
Deferred Tax (Costs) Income	(969)	3,405
PROFIT (LOSS) FOR THE PERIOD FOR ONGOING OPERATION	302,444	237,943
Distribution of Period Profit (Loss)		
Non-controlling Shares	(477)	255
Equity Shares of the Company	302,921	237,688
PERIOD PROFIT	302,444	237,943
Personnel Expenses	144,749	181,265
Donations and Grants	3,581	14,373
Taxes, Duties and Fees	3,249	3,626

¹²For further information, please refer to Doğuş Otomotiv 2016 Annual Report  <http://www.dogusotomotiv.com.tr/en/investor-relations/investor-relations/reports-and-presentations/annual-reports>

SALES UNITS (RETAIL)	2016	2015
PASSENGER CARS	174,124	167,584
Volkswagen	101,763	107,401
Audi	22,005	20,279
SEAT	20,637	16,911
ŠKODA	28,876	22,107
Bentley	9	19
Lamborghini	7	6
Porsche	827	861
LIGHT COMMERCIAL	32,772	31,642
Volkswagen	32,772	31,642
HEAVY COMMERCIAL	2,060	3,856
Scania	2,050	3,291
Krone	2	158
Meiller	8	407
TOTAL	208,956	203,082
Doğuş Otomotiv Market Share (Retail)	21,0%	20,6%
Sales Units of Used Vehicles (DOD)	22,534	23,125

NEW AUTHORIZED DEALER AND AFTER-SALES SERVICE CENTER INVESTMENTS



Authorized Dealers, Authorized After-sales Service Centers Opened – Terminated – Appointed:

Investments in 14 Authorized Dealers and 13 After-sales Service Centers have been completed in 2016, and opened for business, while operations of 15 Authorized Dealers and 23 After-sales Service Centers have been terminated.

The numbers of new service points where investments were completed and that have become operational are listed below by each brand:

Brand	Dealer	After-Sales Service
Volkswagen	4	4
Audi	4	4
SEAT	1	2
Porsche	1	1
DOD	3	-
Scania	-	-
Meiller	-	-
Thermo King	-	-
Scania Engines	-	-

The following service points (by brand) have been terminated:

Brand	Dealer	After-Sales Service
Volkswagen	3	3
Audi	-	2
SEAT	-	-
Porsche	-	2
DOD	3	-
Scania	-	3
Meiller	9	12
Thermo King	-	1
Scania Engines	-	-

ŠKODA, on the other hand, closed 6 sales and service centers, 1 sales center and 1 service center, and opened 2 sales and service centers and 4 sales centers in 2016.

As of 01.01.2007, the practice of publishing the Authorized After-sales Service brand standards in summary form on the internet, and receiving Authorized After-sales Service applications via www.dogusotomotiv.com website still continues. Candidates, whose application files have been received by the Dealer Development Department, have been sent quality standards and procedures booklets and agreements for review. In 2016, a total of 317 Authorized After-sales Service applications were received (In 2015, 178 application files were received). The total sum is 2,497.

The 2020-Authorized Dealer Opening Plan is followed as part of planning the future investments. Accordingly, investments in 4 Volkswagen, 5 Audi, 4 SEAT and 1 Porsche dealers are currently in the construction phase.

ECONOMIC EFFICIENCY AND QUALITY ACTIVITIES

Quality and improvement works are carried out in every department to increase the economic efficiency provided by our company by the day, and to improve our internal processes.

In line with the increasing need for Information Technology Audits, the share of internal auditing work in this area has been increased in 2016 by employing an expert Information Technology Auditor within the Internal Audit Department. Furthermore, the growing importance of information technology today, along with increasing data and transaction volumes cause the adequacy of traditional audit methods to be questioned. In this respect, constant/computer-assisted audit work has gained importance as an electronic audit process that enables auditors to give assurance. Therefore, the Internal Audit Department has started ongoing audits in 2016. By developing an audit methodology, which enables daily, weekly and monthly reporting via the

system and generates results on all data instead of sampling, the accuracy and efficiency of audits and efficient use of time have been ensured. The goal for 2017 is to continue and increase the weight of constant auditing.

The main axis of our economic efficiency practices is built on customer satisfaction, cost management, active employee participation and lean management methodology. In order to create effective and sustainable improvement activities, there is a suggestion system in place where suggestions can be shared and evaluated while Process Management department also carries out activities every year to improve productivity as well.

PROCESS MANAGEMENT

The Process Management Department offers advice to employees on projects, and holds at least two meetings for each project, and then monitors the implementation of such projects and relevant improvements until the end of the year. The executives rate the project targets, which are also followed by the Process Management Department.

Improvement Projects

Aiming to spread the constant improvement perspective across the organization and ensure the participation of employees in process improvements, a lean methodology has been adopted. Among several process improvement projects focused on cost reduction, revenue increase, customer satisfaction or quality, 90 have been evaluated as viable and implemented in 2016. As is the case every year, these projects are included among the 2016 targets of Managers, Directors and General Managers. With 90

projects implemented in 2016, estimated savings amount to TL 1,650,000.

Birthday of Ideas at Doğuş

Every year, several new projects are developed and suggested by Doğuş Otomotiv employees to enhance business processes and to provide positive contribution to the Company's performance. Last year we launched the Birthday of Ideas at Doğuş event to learn about the projects firsthand from our coworkers who created and implemented them, and to be able to say we are together (Bir'iz) with our ideas as well. On the second Birthday of Ideas at Doğuş event organized in 2016, 22 projects, selected by the awards committee from among the 2015 projects, were presented. The Birthday of Ideas at Doğuş event, featuring a speaker on Organizational Entrepreneurship and Innovation, was attended by over 150 employees including those from Doğuş Teknoloji and Skoda.

Graduation Ceremony of the Birthday of Ideas at Doğuř Project

Birthday of Ideas at Doğuř Graduation Ceremony where the best projects of our employees were awarded took place on December 8, 2016 at the Doğuř Otomotiv conference hall with the attendance of senior management. During the ceremony, employees had the chance to present their implemented projects to senior management while coworkers that completed the Wave 13 Lean Leader training received their certificates.

Having completed their theoretical trainings, 16 Lean Leaders from Doğuř Otomotiv, Doğuř Oto and řKODA presented their projects, and received their certificates,

increasing the number of active Lean Leaders in our organization to 85. Out of the 85 process development projects created by Doğuř Otomotiv employees in 2015, 9 that were deemed worthy and 23 employees received their awards from senior management members.

Furthermore, the best suggestions that Doğuř Otomotiv and Doğuř Oto employees submitted based on their own observations were celebrated at an award ceremony, and 16 employees were presented suggestion awards. During this year's graduation ceremony of the Birthday of Ideas at Doğuř, 10 employees were awarded with prizes for their successful 5S-Quality work as a first.

SUGGESTION SYSTEM

The number of suggestions submitted to the Suggestion System established with the objective of systematically handling the ideas received from employees to improve business processes, and implementing the viable suggestions increased 44% year on year, totaling 2,348 suggestions in 2016 including 688 from Doğuř Otomotiv, 1,617 from Doğuř Oto, and 43 from řKODA employees.

With the new reward system introduced to swiftly recognize viable suggestions at Doğuř Oto, individuals, whose suggestions are actively implemented within the month continued to receive symbolic awards in 2016. Meanwhile suggestions that contribute to significant improvement in costs, customer satisfaction, speed, quality, and Sustainability (OHS, Environment, Social, etc.) were separately evaluated by the Suggestion Committee, and the best were awarded. The Suggestion Committee has convened twice for Doğuř Oto suggestions, once in February 2016 and once in October 2016. The suggestions found worthy by the Committee received their awards during the Birthday of Ideas at Doğuř Graduation Ceremony. The Suggestion Committee also convened to determine the winning suggestions for Doğuř Otomotiv Head Office, and the special awards were presented during the same ceremony.

In 2016, the department to submit the most suggestions (315 suggestions) in the Doğuř Otomotiv organization was Value and Care Center (DIM).

At Doğuř Oto, different practices were introduced in 2016 to increase the awareness of the suggestion system and the number of suggestions. The Mascot application was launched in all regions to remind the Suggestion System

and raise awareness. The Suggestion Mascot visited all Doğuř Oto regions and workshops to provide information about the suggestion system to the employees whose suggestions were received during by this face-to-face interaction.

Several campaigns were organized in 2016 to gather employee suggestions. Within this scope, a specific topic was determined and the employees were asked to offer suggestions on this subject. 42 suggestions were received regarding the first campaign, "Branded Casco Insurance Sales."

Suggestion System at řKODA

The suggestion system at Skoda was launched in April 2016, and 43 suggestions were submitted during the year. Moreover, Doğuř Otomotiv Process Management team provided consultancy for the projects about Lean Methodology throughout 2016, and 7 process improvement projects were implemented.

Aiming to support employees in both the suggestion system and process improvement projects, 4 Skoda employees participated in lean leadership training. Two lean leader projects were implemented, and the employees were entitled to receive their certificates at the Birthday of Ideas at Doğuř event, and become lean leaders. With the use of the suggestion system, the suggestion performance criteria of Lean Leaders and Unit Managers have been added to the target cards for the first time. Likewise, the projects carried out within the scope of process improvement projects have been added to the targets of our managers in 2016. This practice will continue in the coming periods.

Suggestion System at Doğuş Teknoloji

Infrastructure and training activities were completed in 2016 to implement the suggestion system in Doğuş Technology, with plans to launch in February 2017.

“With the Doğuş Otomotiv Suggestion System, which allows blue-collar employees to share their suggestions and opinions about the Company and all processes directly with the management, the number of suggestions increased 44% in 2016 compared to 2015.”

COMMUNITY DEVELOPMENT

In addition to the activities undertaken in line with its focus areas and in response to stakeholder expectations to contribute to the community as part of its Corporate Sustainability policies, Doğuş Otomotiv also supports various institutions. In 2016, Doğuş Otomotiv contributed a total of TL 14,372,417 in grants and donations, and continued to extend its support to the community.


DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş. and SUBSIDIARIES

2016 Donations and Grants	Amount (TL)
SOMA ELEMENTARY SCHOOL PROJECT (AFAD)	13,812,943
KÜÇÜKYALI VOCATIONAL AND TECHNICAL ANATOLIAN HIGH SCHOOL DIRECTORATE	322,118
TURKISH OIL FOUNDATION	65,000
SARIYER MUNICIPALITY SPORTS CLUB ASSOCIATION	30,000
ŞİŞLİ VOCATIONAL AND INDUSTRIAL HIGH SCHOOL	25,348
TURKISH FOUNDATION FOR CHILDREN IN NEED OF PROTECTION	23,011
AYHAN ŞAHENK FOUNDATION	18,204
BURHANETTİN YILDIZ TECHNICAL AND INDUSTRIAL VOCATIONAL HIGH SCHOOL	15,415
BESNİ VOCATIONAL AND TECHNICAL ANATOLIAN HIGH SCHOOL	13,646
OTHER ASSOCIATIONS AND INSTITUTIONS	46,732
TOTAL	14,372,417

Moreover, redundant computers and technical equipment are donated to schools in need every year to support education. In 2016, 101 items in total including 33 PCs, 18 Monitors and 50 laptop computers were donated to 8 different schools.

SUPPLY CHAIN G4-EC8

The procurement department at Doğuş Otomotiv manages the supply chain in 8 different categories. Accordingly, the Procurement Department alone works with 736 suppliers in total. Total amount paid to our suppliers by the Doğuş Otomotiv Procurement Department in 2016 was TL 163,063,998.¹³ All

procurement is made from local suppliers.  G4-EC9 Apart from the central Procurement Department, each of our brands carries out their own procurement operations. Domestic procurement¹⁴ of the Doğuş Otomotiv Group in 2016 amounted to TL 921.6 million.

¹³Local suppliers that Doğuş Otomotiv has procured goods and services in 2016 are included in the suppliers. Procurement of goods and services from Doğuş

Group Companies is not included in this amount.

¹⁴Excluding vehicle imports and Doğuş Group Companies, including Doğuş Otomotiv Group companies' local procurement amount.

Suppliers and Corporate Sustainability

In addition to acting in accordance with our product and service quality, our suppliers are also expected to comply with Doğuř Otomotiv's Sustainability Strategies and policies, and Procurement Practices Management Approach during both supplier selection and cooperation.¹⁵

In the process of selecting suppliers, Doğuř Otomotiv's Human Rights Policy, the agreements that include ethical principles, and the supplementary agreement on Doğuř Otomotiv Business Ethic Principles, signed by the suppliers, as well as Doğuř Otomotiv quality standards are all taken into consideration. In 2016, provisions on sustainability have been included among the supplier selection criteria.

 G4-EN32, G4-EN33

The provisions added to the supplier selection criteria are as follows:

- Activities related to measuring and reducing water consumption
- Waste Management
- Discrimination policies
- Occupational health and safety policies, risk assessment mechanisms and employee training
- Employee satisfaction practices




Our suppliers are also assessed in terms of their labor practices¹⁶ in selection and audit processes. Our supplier agreements contain provisions about our Business Ethics Principles. The health and safety of employees is our foremost priority. Accordingly, a provision about 'employee satisfaction' has been added to supplier agreements this year.

Ethical Sourcing

For purchases over TL 25,000, Doğuř Otomotiv Procurement Department receives sealed offers, and reaches a decision with the participation of committee members - Purchasing Officer, Purchasing Manager, Purchasing Director, Requesting Brand's Officer, Brand Manager, Purchasing General Manager/Brand General Manager (optional). Furthermore, all companies that submit offers with tender declaration are screened for partnership/family relationship in accordance with Doğuř Otomotiv Code of Ethics.



Supplier Audits

During Supplier Audits, companies that are missing documents (ISO, TSE, etc.) are informed about completing such documents, and given time to remedy the situation. Policies to act according to legislation on occupational health and safety, risk assessment mechanisms and employee training documents are checked during inspections. The audited suppliers are also checked to ensure that 'waste is properly collected and disposed of in accordance with legislation, and waste disposal is regularly performed'. It has been found that the suppliers we work with have their waste handled by contracted firms, and waste papers delivered to the municipalities they are affiliated with, as set out by law.

Doğuř Otomotiv Procurement Department expects its suppliers to follow policies respecting human rights in accordance with Doğuř Otomotiv's Business Ethics and Principles, and this is stated in the agreements. In our inspection/control processes, this is particularly emphasized to ensure that our suppliers do not enforce employment conditions in violation of applicable laws and regulations on human rights. Furthermore, basic criteria including child labor and forced labor, etc., as well as whether anti-discrimination policies are implemented in the company are questioned during inspections. The ratio of our suppliers who have been audited in 2016 by taking into account human rights criteria was 8% (59 Suppliers). Doğuř Otomotiv Procurement Department ensures that our suppliers, by signing the Doğuř Otomotiv Business Ethics and Principles in the annex to our general framework agreement, undertake to follow policies that respect human rights. The ratio of the number of new suppliers that signed the Business Ethics and Principles as part of their agreements in 2016 to total suppliers is 3%, and that of active suppliers who have signed these principles in 2016 is 40%. No adverse incidents of discrimination or violation of human rights have been found in our suppliers during the year.  G4-HR11 In line with the criteria considered during the audits, we do not have any supplier that has performed negatively in terms of workforce practices during the year.  G4-LA14, G4-LA15 None of the supplier inspections conducted was found to violate human rights¹⁷ in 2016.  G4-HR9, G4-HR10

¹⁵ For Doğuř Otomotiv Procurement Practices Management Approach  G4-DMA please visit Doğuř Otomotiv's corporate website at:  <http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/economic-responsibility/supply-chain>

¹⁶ For Evaluating Suppliers for Workforce Practices Management Approach  G4-DMA please visit Doğuř Otomotiv's corporate website at:  <http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/employees/employees-and-great-workplace-policy>

¹⁷ For Evaluation of Suppliers for Human Rights Practices Management Approach  G4-DMA please visit Doğuř Otomotiv's corporate website at:  <http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/human-rights>

The aim is to re-organize the supplier audit and evaluation criteria within the scope of the project to carry out purchases via the Turkuaz system, and to perform scoring and assessments through the system until the end of 2018.

Supplier Satisfaction

A supplier satisfaction survey and evaluation of its results is planned for May 2017, and Supplier Day to be organized in the last quarter of 2017.

Suppliers and Sustainability Performances

The 3 suppliers, which have been included in the 2015 Sustainability Report, have been visited again in 2016,

and their Corporate Sustainability and ethics trainings repeated. Detailed information on the performances of these three companies, namely Daikin Turkey, Eurest Services Turkey (Sofra Grup) and VOG Tekstil Promosyon Sanayi ve Ticaret A.Ş., is available on the website.

<http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/sustainability-performance-of-suppliers>



ENVIRONMENTAL RESPONSIBILITY



3.9% reduction in CO₂ rates of Environmentally Friendly Vehicles

413,722 kWh in energy savings (corresponding to **397 tons CO₂**) through Battery Recycling

1,901 tons of CO₂ emission prevented by Recycling of Lubricant Waste

1,300 tons of CO₂ emission prevented by Recycling of Scraps from Warranty Replacements

15,617 trees conserved through Recycling of Packaging Waste

2,715 tons of CO₂ emission from logistics operations prevented

Doğuş Otomotiv regularly measures power and water consumptions and emissions, and carries out a broad range of activities to reduce them.¹⁸

Doğuş Otomotiv initiated preliminary work on Environmental Management System (ISO14001) in 2015. Energy efficiency assessments were conducted in 2016, and work has commenced to take necessary actions.

¹⁸Our consumption data can be found in the "Doğuş Otomotiv 2016 in Numbers" section.

ENERGY EFFICIENCY G4-EN5, G4-EN6

During the year, all light bulbs in the common areas of the logistics building and the training building have been replaced with LED light bulbs, resulting in electricity savings of 130 kWh/year. Light bulb replacement in the common areas in the other facilities and departments of Doğuş Otomotiv is ongoing.

By operating the ventilation system used in Doğuş Otomotiv's Şekerpinar facilities at certain hours through a timer system, approximately 479,925 kWh/year was saved in 2016.

The energy efficiency study conducted at the Şekerpinar Head Office and Logistics Building in 2016 was completed. The cooling devices used during the summer and the devices and equipment used to heat the building during the winter period were inspected. Furthermore, other consumption elements (lighting, ventilation, etc.) have been inspected in detail.

The actions taken include the following: Thermal camera measurements in and around the boiler room where significant heat loss might occur, thermal measurements to observe heat loss in the cooling units, internal and external lighting illumination measurements, possible thermal bridges on the outside of the building, thermal imaging to determine possible heat bridges on the building façade and heat losses, air quality (CO₂, humidity, heat, etc.) in interior spaces, measurement of the lighting use rate according to the frequency of use in locations where illumination is highly variable (toilets, etc.), energy analyzer measurements to map the overall electricity consumption pattern in the facility, and chimney gas analyses to measure boiler efficiency. Boilers and heat exchangers as heating system, chillers (cooling groups) as cooling systems and connection elements, air conditioner

plants and fans for ventilation, along with lighting, mechanical elements and automation systems have been individually inspected.

As a result of these studies and inspections, the saving potentials of high energy consuming (electricity and natural gas) heating, cooling, ventilation, mechanical installation (transmission lines, pumps, valves etc.) and lighting systems have been taken into account for the proposed saving potentials, and necessary action plans have been prepared.

Within the scope of the study, all the energy consuming parameters were analyzed. These include:

- Boilers (heating and water) and heating system
- Cooling units and systems
- Lighting fixtures and light bulbs
- Pumps and valves
- Ventilation equipment (Air Conditioner Plants)
- Electrical infrastructure and energy quality
- Electric engines
- There are thermal camera measurements in the installation and boilers in terms of heat loss.

WATER CONSUMPTION

Water consumption was reduced by fitting faucets in the common areas with aerators during the year. With this practice, 200 liters/day, and 48 tons/year of water was saved. In 2016, the total amount of water consumed in the Şekerpinar facilities was measured as 6,011.00 m³.

The amount of water consumed per vehicle sold in 2016 was 0.48 m³.

Emissions

Doğuş Otomotiv implements operational enhancements to reduce the harmful emissions released to the environment every year.

Doğuş Otomotiv's emission reduction efforts can be summarized under three main headings:

- Route optimizations in domestic spare parts transport operations,
- Use of intermodal systems in international spare parts transport operations,
- Recycling/recovery in waste management (especially battery and lubricant waste)

Once the maintenance of the heating boilers is completed, exhaust gas emissions are measured to check whether the devices are over-consuming or not.

Doğuş Otomotiv's Environmental Responsibility Approach and the Energy Efficiency, Water Consumption, Waste and Emission Management Approaches as part of our policies prepared within the scope of Environmental Responsibility are available on our website.¹⁹

WASTE MANAGEMENT²⁰

The worn off tires of the company vehicles are recycled and recovered. In 2016, 145 tires were recycled.

Paper, plastic, glass and metal waste are recycled by the authorized companies in our vicinity.

All the hazardous waste collected from our Şekerpinar facilities and our Authorized Dealers and After-sales Service Centers are sent to partner waste management companies for recovery/disposal. Disposal methods may differ according to waste type. All the battery waste collected in our facility is delivered to the Çayirova Municipality.

Environmental Partnerships:

- ÇEVKO (Environmental Protection and Packaging Waste Recovery and Recycling Foundation)
- PETDER (Turkish Oil Industry Association)
- AKÜDER (Association of Accumulator and Recycling Industrialists)

Doğuş Otomotiv supports and encourages Authorized Dealers and After-sales Service Centers, as well as suppliers for effective waste management and minimizing environmental impact.²¹

Battery Waste (Doğuş Otomotiv-AKÜDER Partnership) G4-EN19

At Doğuş Otomotiv, we are required to recover 90% of the batteries released to the market in accordance with legislation (APAK Regulation), and we partner with AKÜDER to fulfill this obligation. Battery waste

is collected in accordance with AKÜDER's "Waste Management Plan". In the period between 01.01.2016 - 31.12.2016, 269,008 kilos of battery waste was collected and recycled, thus fulfilling the obligation to collect and recycle 265,761 kilos of battery waste, and in fact we exceeded our minimum legal requirement (101.2%).

Through battery recovery, 60% lead, and 10% plastic is recovered while 20% acid water is neutralized. With the 269,008 kilos of battery waste we recovered in 2016:


- 161,405 kilos lead and
- 26,901 kilos plastic was recovered, and
- 53,802 kilos acid water was neutralized, and its damage to the environment prevented.


In addition to these recoveries and environmental benefits, the following indirect benefits were also achieved:

- Approximately 161.4 tons of recovered lead, corresponding to 37,122 kWh in energy savings.
- Approximately 161.4 tons of recovered lead prevented 3,228,000 kilos of soil from contamination.
- Approximately 26.9 tons of plastic recovered from the battery waste saved approximately 376,600 kWh of electricity.

In 2016, a total of 413,722 kWh of energy was saved through battery recovery.

¹⁹ For Doğuş Otomotiv's Environmental Responsibility Approach  G4-DMA please visit:  <http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/environment/environmental-responsibility-management-approach>

²⁰ For Doğuş Otomotiv Waste Management Approach  G4-DMA and Environmental Impact of Products and Services Management Approach  G4-DMA please visit Doğuş Otomotiv corporate website:  <http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/environment/waste-management>

²¹ For Waste Management at our Authorized Dealers  G4-EN27:  <http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/sustainability-performance-of-authorized-dealers-and-after-sales-services>

Lubricant Waste (Doğuş Otomotiv-PETDER Partnership)

At Doğuş Otomotiv, we are required to deliver lubricant waste generated at our After-sales Service Centers to PETDER (Turkish Oil Industry Association), the only Ministry approved organization authorized to process lubricant waste pursuant to Regulation on Controlling Lubricant and Oil Waste. The protocol signed with PETDER is renewed every year. PETDER is required to collect lubricant waste from our authorized after-sales service centers across Turkey. Delivery of lubricant waste to any other real persons or legal entities is prohibited by law.

In 2016, a total of 2,297,559 kilos of lubricant waste was collected from Authorized After-sales Service Centers. A portion of this collected amount was sent to regeneration plants while the rest was delivered to cement and lime factories. The environmental gains from these practices are listed below:

- From nearly 104 tons of lubricant waste sent to regeneration plants in 2016, 76,197 liters of lubricant oil base was produced.
- 412 tons of lubricant waste collected from After-sales Service Centers and sent to cement and lime factories were used as supplementary fuel in place of conventional fuel sources (coal, petroleum coke, etc.) in these facilities. Not using fossil fuels like coal or petroleum coke or using them in smaller quantities has prevented the emission of 1,901 tons of CO₂, corresponding to creating the positive impact of approximately 86,400 trees or nearly 216 hectares of forest.

Packaging Waste Project G4-EN27

Paper-cardboard packaging materials delivered to the market and recovered via ÇEVKO amounted to 465,527 kilos while paper - cardboard packaging materials from Şekerpınar facilities and Gebze Scania After-sales Service Center collected separately at source and delivered to a licensed recycling company amounted to 387,620 kilos, totaling 853,147 kilos, and saving 14,501 trees.

Wooden packaging materials delivered to the market and recovered via ÇEVKO amounted to 3,347 kilos in 2016 while wooden packaging waste from Şekerpınar facilities collected separately at source and delivered to licensed recycling company totaled 275,700 kilos. Recovery of wooden packaging waste has saved 1,116 trees.

Recovery of packaging waste in 2016 has saved an estimated 15,617 trees in total.

Sustainable Logistics Management²² Spare Parts Distribution G4-EN30

Spare parts shipments to Doğuş Otomotiv's 140 distribution points across Turkey are made by land transport. In 2016, fill rate of vehicles reached 90-95%, and our route optimization efforts continued to improve this rate, especially in second

shipments to Authorized Dealers and After-sales Service Centers with lower fill rates.

Logistic cage exports have also saved 4,800 liters of fuel in 2016 compared to 2015.

Green Technology

The number of virtual servers used at Doğuş Otomotiv has risen from 128 to 171 in one year, total processors from 341 to 543, and total memory use from 926GB to 1,480GB, respectively. The existing virtual infrastructure has been consolidated on 10 servers running with the VMware ESXi operating system. If these increases in the server infrastructure had been made in physical servers, the costs of procuring, hosting, cabling, powering and cooling the servers would have been incomparably higher. The physical server memories of the Turkuaz database were increased from 256GB to 1.5TB and processors from 32 to 56-core, resulting in tripling the processor performance and multiplying the memory capacity by six.

Environmental Awareness Among our Employees G4-EN27

The activities we carried out to raise environmental awareness of our employees in the previous years continued in 2016. Information screens feature useful data about the environmental impact of our consumption. Images on digital screen, banners on the intranet and the Sustainability board at the main entrance also provide constant information on the topic.

Furthermore, the Employee Engagement Survey, conducted by the Human Resources Department every other year, includes questions about environmental awareness and environmental awareness. In this year's survey, under the subheading employer brand, our employees agreed 100% with the statement "My company is sensitive to the community and the environment".

Environmental Improvement Processes at our Authorized Dealers

Waste from spare parts replaced under warranty is disposed of by a professional and certified company in compliance with the standards and legislation, and under the continuous supervision of Volkswagen After-sales Services. For this practice, Volkswagen After-sales Services has appointed a full time technical expert.

The practice of placing absorbent pads with a large surface area to be used in the Authorized After-sales Service workshop area began at Doğuş Oto Kartal as pilot. The objective of this practice is to prevent waste chemicals from coming into contact with the floor and to eliminate the process of cleaning up using other chemicals afterwards. Depending on the test results, the practice will be expanded in 2017.

²²For Doğuş Otomotiv's Management Approach for Environmental Impact of Logistics Operations  G4-DMA, G4-EN27 please visit Doğuş Otomotiv corporate website at:  <http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/environment/logistics>

EMPLOYEES



DIALOGUE WITH OUR EMPLOYEES²³

Aware of the fact that lending an ear to the voice of our employees is essential for our Company's development, we communicate with them through different channels and on various platforms throughout the year to maintain constant dialogue.

For this purpose, the Human Resources Department pays visits to company sites during the year to meet with employees and inform them about the processes. Communication presentations are organized with the attendance of all employees at certain times and information on the changed/updated Human Resources practices are provided. Furthermore, management briefings are also held with mid-level managers.

Employees are informed by e-mail about the issues that concern them (employee rights, insurance, leave conditions, amendments to labor law, organizational changes, etc.). Regarding promotions, in the last week of the month in which some employees are promoted, the said employees are informed by a personal letter as well as our Company portal Daily, and general information is communicated to the entire staff.

²³For Doğuř Otomotiv Workforce/Management Relationships Management Approach  G4-DMA, G4-LA4 please visit Doğuř Otomotiv's corporate website:  <http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/employees/workforce-management-relations>

Employees 

Bir'iz (Together) Workshop



Bir'iz (Together) is a platform established to embrace the employer brand by appointing brand ambassadors within the company, to strengthen the employer – employee connection, and to instill a sense of belonging. Bir'iz employer brand covers all Human Resources, administrative affairs (living spaces) and communication-based practices, including the techniques used.

The number of committee members on the Bir'iz Platform must be at least 16, with at least one employee representing each department. Taking part in the committee is voluntary.

The committee convenes every other month and at least six times a year. Meetings are announced at least one week in advance by e-mail. The superiors of the members are also informed about the meeting.

Committee members assume responsibility in the Bir'iz activities as brand ambassadors. The members are the active representatives of their departments for the purpose of embracing and adopting the activities of Bir'iz.

During the workshops, which were held twice in 2016 with one employee invited as a representative of each department, employees' opinions and suggestions were received about the practices and activities of the Bir'iz platform. Viable suggestions were included in the work plan.

Including the dependent children in the private health insurance plans of the employees, announcing the annual leave calendar ahead of time, dietician support, yoga programs, Pitstop magazine, nursery support, hosting happy hour events in different concepts, dry cleaning service, and opening libraries are among the suggestions implemented within the scope of the Bir'iz Platform to improve employee satisfaction.

Activity-D

Activities such as excursions, plays and sports within the scope of Activity-D contribute to raising the employees' social engagement by spending time together out of the office environment.

The Stage-D Bir'iz Drama Club, also formed within the scope of Activity-D, is a group of colleagues that stage theater plays after intensive rehearsals.

Doğuş Otomotiv Drama Club carried out its activities between March 2016 and June 2016 with the participation of 17 employees (11 from Doğuş Otomotiv and 6 from Doğuş Teknoloji). The club rehearsed for a total of 100 hours in 2016, and performed the play "Love For Bidden" that was prepared on volunteer hours on June 12, twice at the CKM Cultural Center. The play was watched by a total of 700 people.

Employee Volunteering

Our employees voluntarily take part in a number of events every year within the scope of Activity-D. In 2016, 17 employees ran for charitable causes in the Runatolia and Istanbul Marathons.

MT Social Responsibility Activities

The new comers to the Management Trainee (MT) Program are trained on a variety of topics, and also expected to carry out Social Responsibility activities with a set budget as part of their Project Management training. These activities have been carried out since 2015 under the coordination of the Process Management Department.

The MT Social Responsibility work process consists of two phases. First, the management trainees select a topic, and determine the field they will work on and what they will do; then they present these their ideas to a committee, which is joined by members of senior management. The projects approved by the committee are implemented, and the owners of these projects present their activities in detail to the committee joined by members of the senior management.

In 2016, 15 management trainees selected for the Doğuş Otomotiv and Doğuş Oto MT Program were trained on project management. These employees will implement their social responsibility projects in 2017.

D-Day & Happy Hour

At the D-Day event held in 2016, Doğu Otomotiv employees and their families came together at Istanbul Park, and had the opportunity to experience various driving experiences and spent a lovely day. In addition, happy hours (such as Oktoberfest, grape harvesting) were hosted throughout the year.

Guest Speakers and Seminars

Considering the requests received from our employees, many leading figures in their fields are hosted every year in our Company. In 2016 speakers including Aret Vartanyan, Metin Hara, Üstün Dökmen, and Nasuh Mahruki shared their experiences and insights in their respective fields, and answered the employees' questions.

GO Platform

The GO Platform uses social network dynamics to create an atmosphere in which employees will be more willing to share their knowledge and learn from each other. With the blogging feature added to the GO platform, our employees are able to share their stories on any subject matter with other colleagues as often as they wish. This feature ensures that the information produced within the company gains depth, and is prepared for reuse and sharing. From the launch of the platform in November 2016 until the end of the year, 58 blog posts were published.

Pitstop

Our organizational online magazine Pitstop is made available for all employees.

Doğu Otomotiv Intranet Communication Channel

Our intranet channel, which was updated in 2016 and became more interactive, is also a communication platform for employees. The intranet channel is one of the most important internal communication platforms where we can communicate directly with

our employees. The international and local sales and communication achievements of our brands and support departments, the awards won by our managers and employees, the promotion announcements, news about the holding company, Ayhan Şahenk Foundation announcements, updates/events on the Bir'iz platform, and interviews featured in the media are among the content communicated via the intranet. In order to further enhance this channel, which contains countless up-to-date information about our company, page views are monitored and necessary updates are made by our IT Department. New fields are added according to need analyses, and user friendly applications are implemented. Search, forms, human resources organization chart, career opportunities, and procedures are the most used functions and sections of the intranet. This is our most important communication area that enables us to accurately and directly pass on our Corporate culture to our employees. Doğu Otomotiv intranet platform Daily features the full text of our Code of Ethics under the Human Resources - Working Life section.

Employee Engagement


Doğu Otomotiv conducts an Employee Satisfaction Survey every other year but starting in 2016 this practice has been replaced with the measurement of Employee Engagement. Action plans are made for the development areas identified as a result of this survey, and implemented in relevant timeframes. The appraisal results and plans are reflected on the objectives of the entire management team.

The survey was conducted in November 2016 in collaboration with AON Hewitt, and a total of 685 employees responded to the questionnaire, which was opened to 759 people throughout the company. With participation rate at 90%, our employee engagement score has been found as 75%. With this result, Doğu Otomotiv has been named the "Best Employer - Turkey's Best Workplace" by AON Hewitt.



EMPLOYEE TRAININGS²⁴

Aiming to meet the training/development needs that arise within the framework of our company's vision and strategy, all of our trainings are gathered in 8 main categories. With this model, newly recruited individuals or existing employees at Doğuş Otomotiv can clearly see which development programs they will attend during their careers, which programs to choose, and in which areas they can improve themselves. This model offers equal opportunities for all employees, regardless of their titles, levels and functions. Apart from these trainings, all employees except for the Manager, Director and General Manager positions, take part in the skill development programs every year. The Leadership Development programs for managers and higher positions aim to develop a "joint management culture". Employees' attendance in trainings is mandatory in some topics and optional in others. In addition to mandatory trainings, the employees are also offered workshops, guest speaker programs and internal trainings to support their personal development.

In 2016, a total of 28,732.5 hours of training was provided at Doğuş Otomotiv, and 57,364 hours at Doğuş Oto. The training period per person was 35.9 man/hours at Doğuş Otomotiv, and 28.4 man/hours at Doğuş Oto.  G4-LA9

Lifelong Training G4-LA10

Doğuş Otomotiv's Internal Training program has been training new trainers since 2009. While 12 Internal Trainers provided 135 man/hours of training in 2016, 15 mentees have benefited from the mentorship program, which currently has 18 mentors.

Doğuş Otomotiv also continues to partner with universities every year. These include:

- Bahçeşehir University (Corporate partnership, internship opportunities, 50% discount in MBA, Executive MBA and all graduate programs)
- Bilgi University (opportunity to cooperate in joint training programs, international conferences and workshops, 20% discount in e-MBA programs)
- Sabancı University (30% discount in e-MBA program, participation of managers in Finance Practices course in the Finance master's program, attending panel sessions

on industry related topics, internship opportunities, participation of Doğuş Otomotiv executives as guest speakers, Mini MBA for Doğuş Otomotiv Managers)

- Koç University (special discount for finance graduate program, 15% discount in training programs open to general public, internship opportunities, CEMS Skill Seminars, Career Days and participation of guest speakers, 10% discount if Doğuş Otomotiv benefits from Koç University facilities)

In 2016, a modular development program has been prepared in partnership with Işık University to ensure sustainable success and support the development of our customer-facing employees including Staff, Foremen, Technicians, Assistant Technicians, Warranty Officer and Disposition Staff in the After-sales Services.

The program consists of 3 modules:

- Module 1: Past and Present in the Automotive Industry - Brands in the Eye of the Consumer
- Module 2: Personal Motivation - Self-confidence and Friendly Service
- Module 3: Importance and Impact of Technicians - Future Vision in Technology

Big Wheel of Training Committee

Big Wheel of Training is a committee formed within Doğuş Otomotiv to ensure sustainability in training by bringing together trainers who work in sales, After-sales Services, technical and non-technical fields on a voluntary basis. The key objective of the committee is to bring together trainers working for the 10 different brands that lead the industry in passenger cars, commercial and heavy vehicles, to enable them to interact, and to ensure sustainability.

An online portal has been created to communicate with the training committee, with all members accessing it. The portal consists of contact information, documentation and resources that the trainers may need, a discussion platform, and pages on current training needs, and ideas and opinions. With this portal, all members can access up-to-date information from all online platforms.

²⁴For Doğuş Otomotiv Training and Learning Management Approach  G4-DMA please visit Doğuş Otomotiv corporate website:  <http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/employees/training-and-learning>

The Big Wheel of Training committee was established to provide the following contributions to Doğuř Otomotiv:

- Having trainers working for different brands to interact with each other to be aware of brands' innovations in training
- Co-development of training methodologies, and contributions of different brand strategies
- Exchanging information on new vehicle features

among trainers to assist trainings on Sales, After-sales Services, Technical and Non-Technical areas

- Contributing to the "Traffic is Life!" Platform as the training committee and creating community engagement programs together
- Supporting brands' projects that are directly or indirectly related to training, and exchanging ideas
- Supporting volunteering-based training projects
- Continuous monitoring of innovations and developments in the automotive world

PERFORMANCE MANAGEMENT G4-LA11

The Performance Management System consists of three periods: target entry period, target revision period and performance appraisal period. The performance and coordination process of all employees is carried out by the Human Resources Department. The wage and bonus system is managed based on performance outputs.

Our performance system is managed on D-Human, which is our infrastructure for performance monitoring of our white-collar employees.

The performance of blue-collar employees are managed through a different system that we call Dinamik. Similarly, in the process that ends with the 1. and 2. immediate superiors, our blue-collar employees are appraised for their competence, not on the basis of targets.

Training and rotation requests of employees are received via D-Human performance system where training and rotations are planned. After the performance appraisal period, career and succession plans are made based on the overall performances of the managers, directors, general managers and employees reporting to them in each brand/department. Job assignments and changes within the organization are evaluated according to these plans. In addition, mandatory and elective trainings on the basis of titles have been determined and employees have participated in these trainings.

The percentage of employees whose performance appraisals were carried out in 2016 and who were applied performance management is 100%.

EMPLOYEE HEALTH AND SAFETY²⁵



During Breast Cancer Week, Anadolu Health Center set up a booth in our company and informed our employees to raise their awareness of the issue. In addition, a Dietitian was introduced in May 2016. Our goal with this program is to raise our life standards under the supervision of a qualified dietitian and to strengthen awareness among our employees about better nutrition. More than 100 employees have joined the program, which currently continues with 76 employees.

In October 2016, 54 employees in our company were given flu shots. In addition, more than 100 employees who wanted to have their insulin resistance tested were

offered this test free of charge.

Every year, Doğuř Otomotiv carries out extensive Occupational Health and Safety (OHS) activities and reports these activities to its stakeholders on the corporate website. The OHS activities carried out at Doğuř Otomotiv, Doğuř Oto and the Logistics Department in 2016, and the OHS practices that suppliers are required to comply with are listed on Doğuř Otomotiv's Corporate Sustainability website:

<http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/employees/occupational-health-and-safety/dogus-otomotivs-ohs-work>

²⁵For Doğuř Otomotiv Occupational Health and Safety Management Approach  G4-DMA please visit Doğuř Otomotiv's corporate website:  <http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/employees/>  <http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/employees/occupational-health-and-safety/dogus-otomotivs-ohs-work>

Employees

In 2016, 2,367 employees were given 3,673 man/hours of OHS training. Within the scope of OHS trainings, necessary information is provided by the company physician on Occupational Diseases and Prevention methods.

As of 2016 yearend, 784 people are employed at Doğuş Otomotiv Head Office, and the OHS committee consists of 10 members. The ratio of the total number of OHS committee members to the total workforce is 4.87%. There are 166 employees in the logistics department, and 12 members in the OHS committee, accordingly the ratio of total number of OHS committee members to the total Logistics workforce is 19.92%. There are 5 Occupational Health and Safety specialists serving all Doğuş Oto sites. The ratio of this number to the total number of employees is 0.29%.



Mother – Infant Policy

Doğuş Otomotiv is one of the first companies to declare a Mother-Infant Policy in 2010, and complies with all laws and regulations to facilitate female employment toward becoming a Working Mother Friendly Company.

Doğuş Otomotiv has a daycare center for young


children of female employees, and offers daycare support to those mothers who are unable to bring their children to the company daycare center. While at work, employees are able to monitor their children using the camera systems installed in their homes. Female employees are offered paid maternity leave for the duration of their legal leave. Our workplaces also have nursing rooms for new mothers.

We have also introduced two new practices:

Including children in the private health insurance plans: As of 01.07.2016, Doğuş Otomotiv employees' children under 18 have been included in their parents' private health insurance plans, with premiums paid by the Company. With this practice, 385 children have been covered by private health insurance.


Compassionate leave on school opening day:

Female employees with children aged 2-10 are offered compassionate leave on the first day schools open. If their children's school opens on a different date, they may take this leave on that specific day.

At Doğuş Otomotiv, 25 female employees have taken maternity leave in 2016, and 100% of those have returned to work. No male employees have taken paternity leave in 2016.  G4-LA3

DIVERSITY AND EQUAL OPPORTUNITIES

We offer equal opportunities for all of our employees and treat them equally. Furthermore, our principles of offering equal opportunities for all of our employees are clearly stated in our procedures that include employees and good working environment policy, employee regulation, basic rights and obligations, and Code of Ethics.²⁶

The Doğuş Otomotiv Board of Directors has two female members.  G4-LA12

The employment ratio of people with disabilities is 2.8% at Doğuş Otomotiv, with 22 people with disabilities among 784 employees, and 3.2% at Doğuş Oto, with 55 people with disabilities among 1,704 employees. The total number of people with disabilities employed by the two companies combined is 77 among 2,488 employees, corresponding to 3% employment ratio of people with disabilities. Doğuş Otomotiv complies with all applicable legislation and has not been subjected to any fines in this area.

²⁶For Diversity and Equal Opportunities Management Approach  G4-DMA, Equal Pay for Equal Work Management Approach  G4-DMA and Doğuş Otomotiv Prevention of Discrimination Management Approach  G4-DMA please visit Doğuş Otomotiv's corporate website:  <http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/employees/employees-and-great-workplace-policy>

Doğuş Otomotiv in 2016

Female Employment Ratio: **35%** Female Employment Ratio in New Recruitments: **37%**

Equality at Work Platform

Women's participation in economic life plays an important role in running the economy in a healthy manner.

Therefore, we at Doğuş Otomotiv believe that sustainable development can only be possible with the contributions of all parties of a society. We are among the active and leading members of the 'Equality at Work Platform' established within the framework of the World Economic Forum's 'Closing the Gender Gap Program', aiming to encourage women's participation in economic life.

Within the scope of the Equality at Work project, we continued to provide trainings for our female employees in 2016, and 41 female employees were trained for 896 hours. With this program, female employees were offered coaching and mentoring support with the objective of contributing to their personal and professional

development by ensuring that they manage their spheres of influence well.


At Doğuş Otomotiv, the number of female employees, which was 165 in 2013, rose to 271 with our equal opportunity programs for women in 2016. While 19% of our executives were women in 2014, this ratio has risen to 28% in 2016.

Under the guidance and through the activities of the Remuneration and Nomination Committee, female members policy as a Board Member nomination criterion has been updated in 2016 with the addition of this principle: "In the selection of Board Members, women candidates with equal qualifications, knowledge, experience and competencies among all candidates will be given priority."


We are also striving to create exemplary opportunities for women's employment in the business world by updating our human resources policy, increasing women's participation in the business world, becoming a company preferred by women employees, and bringing different perspectives to our organization.


HUMAN RIGHTS²⁷

At Doğuş Otomotiv, we respect human rights at every stage of our business processes and we treat all stakeholders and employees equally without discrimination based on their gender, age, religion, language, race, ethnicity, etc. under no circumstances whatsoever.



No investment agreement²⁸ that may pose a human rights risk was entered into in 2016.  G4-HR1

Watching out for the rights of local communities living in regions of operation is also considered a priority for

Doğuş Otomotiv. Related Management Approach  G4-DMA to Local Communities and Their Rights has been published on our corporate website.

All security personnel²⁹ are informed on legal issues including personal rights and human rights as part of the mandatory trainings they take in the certification process.  G4-HR7 Security personnel received Human Rights Information training in 2016. In this respect, 58 people were provided 174 hours of training, which aims to raise awareness among security personnel about human rights and practices.

²⁷ For Doğuş Otomotiv Human Rights Policy  G4-DMA please visit Doğuş Otomotiv's corporate website:  <http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/human-rights>

²⁸ For Doğuş Otomotiv Investment Management Approach  G4-DMA please visit Doğuş Otomotiv's corporate website:  <http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/human-rights>

²⁹ For Security Practices Management Approach  G4-DMA please visit Doğuş Otomotiv's corporate website:  <http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/human-rights>

COMMUNITY³⁰



14.3 million in Community Investments

Total **176** students studying at 7 Vocational High Schools

“Child Safety in Vehicles” study with **3,000** respondents

Animated film on the importance of child seats
watched by more than **886,000** children

Viral video about child psychology in traffic viewed
1.5 million times

Traffic Safety Trainings reaching over **20,000** students
in **18** universities

Public Announcement Spot shown more than **10,000**
times on 88 TV channels

COMMUNITY ENGAGEMENT ACTIVITIES

TRAFFIC IS LIFE!

The "Traffic is Life!" platform believes that the positive cultural transformation regarding traffic safety will contribute positively toward all areas of life, leading to livable cities and a better future. Accordingly the platform carries out activities aimed at changing the behaviors and habits of individuals from all age groups about traffic safety, raising awareness in the community, and building consciousness across different target segments.

As we create projects to serve the community of which we are a part, we also see that ensuring community's involvement is essential for adopting those projects. Acting on this approach, the Traffic is Life! platform encourages the community to create and think through competitions it organizes, and draws attention to traffic safety. The Traffic is Life! platform will continue to launch interactive projects in the future and strive to spread the concept of fan customers by creating traffic ambassadors.

Traffic is Life for Children!

Every investment in and support for children is important in terms of looking to the future with confidence and contributing to a sustainable life. According to 2014 data, 29.4% of Turkey's population of 78.5 million people are children, and according to the same data, 413 children lost their lives in 2014 due to traffic accidents and nearly 50,000 children were injured in traffic-related accidents. Acting on this information, the Traffic is Life! Platform prioritizes the implementation of Corporate Social Responsibility practices related to traffic safety in Turkey, which can easily be defined as a "children's country".

- The platform started a new project in 2016 to raise awareness about children's safety in traffic and in vehicles, and launched the 'Child Safety in Traffic' initiative taking into consideration that the second most affected group from traffic accidents is the 5-14

age group, and that the number of children hurt in accidents in our country is increasing.

- As part of the "Child Safety in Traffic" initiative, the "Child Safety in Vehicles" in Turkey study was conducted in late 2015 in Izmir, Istanbul, and Ankara to create a roadmap and determine the actions to be taken. For the study carried out in cooperation with the Turkish National Police, 3,000 respondents were interviewed, and the results revealed once again the vital importance of child safety in traffic for our country. The study showed that among the families with children in the three major provinces of Turkey, only 23% use child seats.

- Considering that psychological factors as well as lack of knowledge adversely affected the use of child seats, an advisory team was formed for the project. Professor Serpil Acar of Loughborough University and Professor Memiş Acar, who conduct important studies on pregnant women and child safety in vehicles, and acclaimed psychologist Professor Üstün Dökmen, known for his psychological counseling and guidance work, joined the advisory team for the Traffic is Life! project.

- In order for the child seats to be embraced and adopted by children first, a short animation featuring the child seat as a super hero was shown in children's cinemas during 2016. The animated film that reached 886,206 children in 1,998 movie theaters was also featured on social and digital media.

- Professor Üstün Dökmen's viral film series where he talks about children's psychology in traffic reached the parents via social media, and was viewed over 1.5 million times.

- Social media influencers who are gaining more popularity in the recent years were also included in the communication activities of the "Child Safety in Traffic" project, and the training with mom bloggers that Professor Dökmen moderated received more than 8 million views.

Community

- The “Child Safety in Traffic” project collaborated with Kadıköy Municipality for local administration trainings, and content on mother-infant safety in vehicles was integrated into the “Pregnancy School” trainings.
- The platform also collaborated with İtameks and Central Rent a Car, two private sector companies, to offer free child seats to families that rented cars at the İzmir Airport, emphasizing the importance of child safety in all areas that touch people.
- The “Traffic is Life!” platform set up a booth at the Mother Infant and Child Fair on December 13-15 at the Istanbul Congress Center, and offered safe driving simulations and traffic safety trainings, reaching 8,713 parents that visited the fair.



Traffic is Life for Young People!

The Traffic is Life! Platform also carries out awareness raising activities among young people, as the future of the community and the most important force to change the traffic culture for the better, to ensure that they are protected from traffic accidents and informed about traffic safety.

- Road Safety Distance Learning has reached over 20,000 students in 18 universities to date. It is the first Corporate Responsibility project to be included in the university SCORM system and in the ‘social elective course’ category with its traffic safety content recommended by the Higher Education Council (YÖK).
- Road Safety Distance Learning was updated by Istanbul Technical University in 2016 in line with applicable regulations, and enriched with practical information that students can benefit from.
- The ‘Public Announcement Competition’ was launched as the first broad scoped interactive competition about traffic safety with the aim of involving young people in the road safety agenda, and encouraging them to think and create about the issue.
- The ‘Public Announcement Competition’ required

participants to shoot a maximum 45-second video in short film format using their own scripts about one key message used in the communications of Traffic is Life!; namely “Don’t Speed”, “Don’t Drive and Talk”, and “Fasten Your Seat Belt”. The owner of the winning project was offered the opportunity to re-shoot the video with Ömer Faruk Sorak, the acclaimed director of such films as C.O.R.A., Vizonte, and 8 Saniye.

- The ‘Public Announcement Competition’ received 783 applications, 422 were found to be eligible, and of the 18 semifinalists 5 were invited to make a presentation before the jury on March 11, 2016 at the Grand Hyatt Hotel.
- The five talented finalists presented their projects to the jury consisting of director Ömer Faruk Sorak, Hürriyet daily newspaper writer Elif Ergu, producer Oğuz Peri, and Doğuş Otomotiv Corporate Communications Director Koray Bebekoğlu. After deliberations, the jury chose Korhan Topçu as the winner with his film “Safety is the Future” about the trip of a family of 5 for conveying the main message most clearly and directly to the target audience.
- The Traffic is Life! Platform reaches young people in different cities across Turkey through panel sessions virtual reality driving simulations and social media activity booths in universities. At an event organized in February 2016 at Bilkent University, 160 students were trained on defensive driving techniques and hundreds of students took the safe driving simulations.

Traffic is Life for the Community!

The Traffic is Life! Platform, which bases its entire business model on a people-focused approach in order to create a livable future and leave a world with the culture of respect in traffic for younger generations, continues to reach all segments of the community through awareness raising activities to ensure the sustainability of its work.

The public announcement film “Safety is the Future” by the competition’s winner Korhan Topçu was shown on 88 channels more than 10,000 times, becoming one of the most shown films among all public announcements.

The Traffic is Life!, positioned as a platform that informs the community, posts vital data about traffic safety on social and digital media with the ‘Did you know...’ slogan.

SUPPORTING VOCATIONAL HIGH SCHOOLS

Within the scope of Volkswagen's support of educational institutions, a new class was opened in 2016 in addition to the ones currently sponsored. The 7th Volkswagen Training Laboratory was completed in Istanbul Küçükalyalı Vocational and Technical Anatolian High School. Within the framework of the protocol signed with the Ministry of National Education, the schools were supported for physical improvements, as well as with equipment, materials and hardware. As of 2016, Doğu Otomotiv Volkswagen Training Laboratories are in seven schools, namely Istanbul Şişli Technical and Industrial Vocational High School, Istanbul Samandıra Technical and Industrial Vocational High School, Ankara Gazi Vocational and Technical Anatolian High School, Diyarbakır Burhanettin Yıldız Vocational and Technical Anatolian High School, Adıyaman Besni Osman İso Vocational and Technical Anatolian High School, Antalya Konyaaltı Bahtılı Vocational and Technical Anatolian High School, and Istanbul Küçükalyalı Vocational and Technical Anatolian High School. The investment made in 2016 to build the Volkswagen Training Laboratory in Istanbul Küçükalyalı Vocational and Technical Anatolian High School amounted to TL 325,000. With this investment, the classroom, atelier and training tools were renewed, and materials and equipment replaced.

The support extended by Doğu Otomotiv to Volkswagen Training Laboratories in 2016 amounted to TL 395,000. With this support, all the students were provided with t-shirts, sweatshirts, work uniforms, work boots, and books in 2016, like we do every year. Furthermore training tools, demo parts, various equipment and devices were donated to the schools. Thus, the number of schools benefiting from training material support including demo parts, etc. rose to 135. Atelier internships for 146 students from 5 schools have been arranged with 21 Authorized After-sales Service Centers for the 2016-2017 academic year, while 50 students from two of these schools were offered summer internships at 12 Authorized After-sales Service Centers.

In the 2016 academic year 176 students started studying in our classes in those 7 schools. Employment of the students to graduate from our classes by Authorized After-sales Service Centers has also been ensured. Among the 80 students that graduated from these classes in 2016, 27 have started to work at our Authorized

After-sales Service Centers. Meanwhile 33 of these students have pursued higher education in Colleges or Universities, whereas 20 have started working in different industries or for other brands. With the addition of this year's class, total number of graduates rose to 434 in 2016, with 365 still studying. A total of 176 employees working at various Doğu Oto locations are graduates Şişli Vocational and Technical Anatolian High School and Ankara Gazi Vocational and Technical Anatolian High School.

Interviews with students at the beginning of the academic year to train in Volkswagen Laboratories, as well as constant supply of textbooks during the academic year are among the processes monitored as part of the program. Furthermore, teachers at Vocational High Schools participate in the technical trainings offered within Doğu Otomotiv by Volkswagen After-sales Service trainers, and are provided with up-to-date training documentation to support their professional development.

With the help of regular school visits and interviews with students, their expectations, wishes and requests have been obtained, and guidance and information provided. Certification ceremonies were held for the 2016 graduates of the Doğu Otomotiv Volkswagen Training Laboratories in their respective schools.

MT Program

With the Management Trainee program, we recruit new graduates who demonstrate potential and compatibility with our corporate culture and who are open to development, and aim to ensure their fast adaptation to business life by supporting them with training, project orientation and rotation processes. Within the scope of the MT program, new graduates are trained on a number of topics including Project Management and Presentation Techniques. Using the theoretical knowledge they have acquired and turning it into practice by developing a social responsibility project in a topic of their choice is also part of the program. A total of 17 Management Trainees has worked in four projects developed in 2014 and launched in 2015, and in four more projects designed and implemented in the same manner in 2015. The 22-day training program which 15 Management Trainees completed in 2016, will continue in 2017 as well.

Community ✕

Organ Donation Project

Three info meetings about organ donation, organized by Neslihan Demir, Emre Gümüş and Serkan Ünal as part of the "Born Again by Organ Donation Project" were held at Doğuş Oto Maslak, Doğuş Oto Esenyurt and Doğuş Oto Kartal where videos on the topic were shown. The trainings have reached approximately 400 employees, and 115 people have become organ donors. The seminars were delivered by Dr. Ali Demirel, in cooperation with the Ministry of Health.

We Filled the Classrooms Project

Within the scope of "We Filled the Classrooms" projects, 16 computers and monitors were collected for the Çayırova Atatürk Middle School. A projection device was installed in the school's library to be used in trainings. Furthermore, Atatürk corner was created at the entrance of the school where 550 students benefit from these contributions.

Other Projects

Chess for The Right Moves in Life: As part of this project created to teach chess to 30 students residing in the Sırameşeler Sevgi Evleri (Shelter for Children), a chess tournament was organized following the trainings.

Born Athletes: This project has been developed to teach basketball to the students of the Küçükyalı Social Services Children's Orphanage. A game was organized after the trainings, and all students participating in the game were provided with outfits, basketballs and other sports needs.

Sports and Doğuş: This project aims to provide sports equipment for the children residing in the Ankara Orphanage Sevgi Evleri (Shelter for Children), and to organize a friendly game to encourage children for sports activities.

Increasing the Number of Female Interns at Doğuş Oto After-sales Services Facilities: Informative activities are planned with the aim of increasing the company's female employment ratio to encourage the employment of university, college and high school graduate women in Doğuş Oto's After-sales Service facilities.

Audio Library Support for the School for the Visually Impaired: The plan is to cooperate with Altı Nokta (Six Points) Association for the Blind to train employees on book reading to record audio books.

Tree Saplings: This is a program to present tree saplings to Doğuş Oto customers with their vehicle purchases.



Audi Göcek Race Week

The annual Sailing Week organized by Göcek Yacht Club every year on the occasion of May 19 and sponsored by Doğu Otomotiv Audi, the 'Audi Göcek Race Week' ended on May 19 with an awards ceremony at D-Marin Göcek. During the sailing races that D-Marin Göcek Marina hosted 26 sailing boats with Turkish and international flags competed for four days in the bays around Göcek and Gulf of Fethiye, with approximately 250 sailors fighting with the strongest winds of the last 17 years. The winner of the 17th Audi Göcek Race Week's "Şarık Tara, May 19 Commemorating Atatürk Youth and Sports Cup" was the team led by Andrey Arbuzov with his boat C. D. Couer.

The trophy in the shape of Atatürk's Bandırma Ship was presented by Serhat Belli, Turkish Sailing Federation President, Onur Ugan, D-Marin Göcek Marina Manager, Göker Tuncay, Göcek Yacht Club Commodore, and Board of Directors.

Audi – Sponsorship of Contemporary Istanbul

Contemporary Istanbul, one of the most prestigious arts events not only in Turkey but also in the global art world, took place on November 2-6, 2016 at the Istanbul Congress Center. Audi was the official carrier sponsor of the 11th Contemporary Istanbul event, which was attended by more than 90,000 arts fans. During the fair, where 70 galleries and 520 artists from 20 countries exhibited, the visitors and guests found the opportunity to experience the Audi models that represent the most advanced level of contemporary technology as well as contemporary art. Within the scope of carrier sponsorship, special guests from different countries were transported and transferred in VIP style by a fleet of prestigious Audi models. Audi made a difference in Contemporary Istanbul not only with its technology experience, but also with its creative approach. As the official carrier sponsor, Audi stepped outside the boundaries of a traditional sponsor and became a part of contemporary art rather than simply exhibiting an Audi model. The steel wire that carries the picture frame was shaped by an artist in the form of an Audi R8 silhouette, and exhibited in a special gallery allocated to Audi.



SEAT Darüşşafaka and Euroleague Sponsorships

Since 2014, SEAT has been a sponsor for Darüşşafaka Doğu Basketball Team competing in the Turkish Basketball League. As part of its ongoing sponsorship for Darüşşafaka Doğu Basketball Team, SEAT has allocated Alhambra models to the foreign players in the team. SEAT's Euroleague Basketball sponsorship, which started in 2015, continued in 2016. According to an agreement with the administration of the league, SEAT Turkey is one of the sponsors of Euroleague for two seasons from 2015-2016 onward. SEAT Turkey sponsors Game of the Week, as well as the games played in Turkey.

In order to achieve more effective communication about our support of basketball, a commercial promoting Euroleague sponsorship was shown on NTV Spor, Lig TV and TRT Spor channels that broadcast Turkish Basketball League and Euroleague games throughout the season. In addition to the TV commercial, the digital apps "Support your team with SEAT" and "SEAT Selfie" have been offered to basketball fans on Apple Store.

PRODUCT AND SERVICE RESPONSIBILITY³¹









CUSTOMER SATISFACTION

Our company's CRM (Customer Relationship Management) Department is structured under the Strategic Marketing and Corporate Communications Directorate to manage customer satisfaction, simplify customer communication processes, carry out activities to increase customer loyalty/profitability, be closer to our customers, and monitor and record our relations with customers.

The customer experience activities carried out in 2016 are explained in detail in the Doğuř Otomotiv 2016 Annual Report:

 <http://www.dogusotomotiv.com.tr/en/investor-relations/investor-relations/reports-and-presentations/annual-reports>

³¹ For Doğuř Otomotiv Product and Service Responsibility Policy  G4-DMA please visit Doğuř Otomotiv's corporate website:  <http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/product-and-service-responsibility/product-and-service-responsibility-policy> For Customer Health and Safety Management Approach  G4-DMA: Customer Health and Safety  G4-PR1 practices and Product and Service Labeling (Bilgilendirme) Management Approach  G4-DMA Doğuř Otomotiv web site  <http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/product-and-service-responsibility/product-and-service-responsibility-policy>

Privacy of Customer Data

As part of our efforts to comply with the Law on the Protection of Personal Data published on April 7, 2016, we have carried out activities with the aim of processing and protecting our customers' data, and sharing them in a limited manner with third parties from which we procure services under contract. Accordingly, our customers have been informed about their consent for receiving marketing information, and the infrastructure that enables customers to opt out from such communications at any time has been implemented

in compliance with the law.³² Similarly, necessary arrangements have been made within the framework of the law on the privacy and storage of all kinds of data received from our customers. As of 2016 yearend, a popup window has been incorporated into the website to inform about privacy of personal data. Anyone who visits the website is deemed to have accepted this detail. An inventory of our customers' CRM data has been compiled, Turkuaz authorizations reorganized, and personal data considered private removed from the Turkuaz database.

VALUE AND CARE CENTER (DIM)

Trainings

The most important part of DIM operations is the training of employees to ensure that they deliver experiences that make a difference. Trainings are designed in a manner to address all aspects of customer experiences individually. The main objective of these trainings is to help the employees gain not only communication skills but also social skills such as displaying empathy, understanding, optimism, and care, as well as to adopt, develop and manage those skills. The following trainings have been designed for the Customer Representatives, Team Leaders and Managers, that all form the foundation of DIM:

- Orientation Training
- On-the-job Trainings (Survey / Road Assistance / Diyalog / Appointment)
- Diction Training
- Stress Management Training
- Workshop Activities
- Individual Monitoring and Feedback
- Refresher Trainings
- Technical Trainings

Once operations and trainings start, new recruits are provided guidance by Mentors about the business and Company. In addition to above trainings, the following trainings and activities are carried out:

- Software trainings for Turkuaz, Infotech, and ININ, etc.
- Hands-on trainings for the team's work process
- Trainings on the brands' products, processes, culture, and customer profiles
- Trainings as part of the GO Development School specific to the management team at DIM
- Team Leadership training specific to team leaders
- Effective written communication training for the Digital

Media team

- Effective quality management consultancy training for the quality team
- Trainings on various topics including Presentation techniques, Excel, OHS and CRM in line with the topics within DIM's field of operations
- Behavioral trainings for customer-facing Emergency Service officers, other than DIM employees
- Communication trainings on site for tow truck operators have been conducted in three regions (Istanbul, Ankara, Antalya).
- Communication trainings have been conducted for the Emergency Service and Tow Truck operators during the annual DIM convention in Antalya.
- A Road Assistance Training Video has been prepared to inform the Emergency Service and Tow Truck operators about the Road Assistance process.
- A Behavior booklet has been prepared and distributed to the Emergency Service and Tow Truck operators.

A training laboratory has been set up within DIM to provide beginner trainings for new recruits, as well as externally and internally sourced trainings.

DIM Talent Development Program (TDP)

Talent Development Program aims to train and develop employees currently working as Customer Representatives that meet certain criteria such as education, performance, speaking a foreign language, etc., and to groom them as potential resources for different functions if the need arises. The program lasts one year during which time the employees that meet the criteria are included in training and development programs designed for them. In 2016, six DIM Employees were included in the program.

³²For Marketing Communications Management Approach C4-DMA please visit Doğuş Otomotiv's corporate website: <http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/product-and-service-responsibility/product-and-service-responsibility-policy>

Product and Service Responsibility

The trainings provided during the TDP process are:

- Designing Happiness in Launching a Career
- Customer Experience Training
- Dealing with Difficult People Training
- Excel Training
- Time Management Training
- Sales Skill Training

Diyalog Mobile App

The first phase of the DIYALOG mobile app developed to meet customer expectations and provide superior customer experiences has been launched. The mobile app identifies and shares location information of the customer in need of road assistance with the call center and the road assistance vehicle, and assigns emergency service/tow truck operators to the customer. It also enables the customer to track the location of the emergency service and tow truck, ensuring that customers can benefit from road assistance services with one click.

DIM Technical Experts

The Technical Expert Support program has been introduced with the aim of elevating customer satisfaction and reducing service times by having a highly qualified technical expert in-house. With this program, the customer representative taking a road assistance call decides on the course of action regarding specific issues by conferring with the Technical Assistance Expert, without having to first speak with Emergency Service staff. The goal is to shorten the duration of calls with Emergency Service staff, increase efficiency, and decrease wait periods for the customers. The program has resulted in a 19% increase in efficiency.

DIM Rent A Car

DIM, which has introduced several practices and services to achieve ultimate customer satisfaction, has started to offer Audi A4 and Volkswagen Passat models as substitute vehicles with the aim of providing the best service to the customers in need of road assistance, and ensuring both customer loyalty and satisfaction.

Quality Team

In only its second year, DIM internalized the quality assessment and measurement service, previously procured from third parties. Forming a quality team has enabled more calls to be monitored, and ensured a more efficient follow-up process with experts in their fields.

The new team that enables several actions to be taken within DIM has also launched QUA, an online platform for performance appraisal of employees. The platform makes it possible for the employees to instantly monitor all activities related to them.

Online Performance System

The Online Performance System has been integrated into a new software designed specifically for DIM and the performance system. The results of the actions measured (call quality, tests, etc.) with this system are simultaneously communicated to the customer representatives.

Quality Certification

In 2016, DIM has earned the ISO EN 15838 Customer Management System certification, which is an international standard for Call Centers with industry-specific requirements and granted to customer-focused service companies, and the ISO 10002 certification, an ISO 9001- compliant management approach to establishing more beneficial and long-lasting relationships with customers and building on these relationships.

Digital Media NPS

DIM, which is in contact with the customers on all platforms, started to measure its correspondence quality by asking them. A customer satisfaction survey has been sent to customers as part of every email and every chat correspondence with the customer. Having sent these surveys to 10,355 customers since the implementation of this practice in February 2016, DIM has achieved an average satisfaction rate of 78.30% according to the 22% response to these requests.

Affirmative Action in the Operator System

With the Affirmative Action Project we launched in 2016, a new practice has been introduced to provide faster service and to minimize waiting times for people with disabilities and elderly customers who are among the customers we serve. With the definitions entered into the system that DIM is connected to and the telephone operator system, these customers are prioritized by the operator system, and their special conditions (elderly and/or with disabilities) are flagged on the customer representatives' screens to ensure that they are provided special service.

Suggestion System

DIM employees, who play an active role in improving and enhancing the Company's and their own processes, have submitted 315 suggestions to the Suggestion System, and become the department to offer highest number of suggestions.

Multi-skill Work

Apart from their jobs, DIM employees are also trained to contribute to the tasks and processes of different teams, and 50% of the employees have the skills to perform other duties and take on other responsibilities. As a result, employee productivity has increased, and risks and occasional congestions that may occur in the operation process are prevented.

The scores and achievements of DIM's customer satisfaction performance in 2016 are summarized below:

- The NPS score, which is an evaluation of the customer representatives and a measure of the service quality and its perception by the customer, was 83.96 in 2016.
- In the Secret Customer evaluations conducted in Germany for Volkswagen Passenger Cars, our score together with DIM was 88.3 in 2016. This result is an important piece of data about the quality of DIM and its services confirmed by an independent study commissioned by Volkswagen AG.
- At the fifth annual Call Center Customer Experience Summit and Quality League Award Ceremony organized by Telephone Doctor Turkey, DIM was recognized with the 'Best Approach' award among 33

companies in 2016.

- DIM also won first prize in the 'Best Customer Experience' category at the eleventh annual Contactcenterworld.com Awards, considered the world's most prestigious award of the customer relations management industry among 45 companies shortlisted in 34 categories, as well as the second prize in the 'Best Call Center Design' category.

Employee Satisfaction at DIM

Employees' happiness and motivation lies at the heart of the value and care extended to customers at Doğuş Otomotiv. At the beginning of the year, a calendar of monthly activities is created at DIM for our employees. In addition the annual activities, special events also take place in accordance with the year's priorities and employee expectations.

Each event is organized to serve one of the four key topics:

- Activities to Improve Performance
- Activities to Instill a Sense of Belonging
- Activities to Motivate Team Consciousness
- Activities to Encourage Taking Responsibility

Road Passion Rewards

Doğuş Otomotiv's Road Passion Reward System is applied in DIM with the Wow concept each month. Customer Representatives share their unforgettable customer experiences throughout the month with their teams, and at the end of the month the best story is voted by the employees. Road Passion - Wow reward aims to increase recognition of positive experiences offered to customers across the entire operation. In addition to these activities, events such as DIM Short Film Competition, Local Good Week, Bowling Tournament, Movie Day, Pinkday, and Brownie Day have been organized. DIM's second anniversary was celebrated in October 2016 with the entire team spending a weekend in Şile.

The "Road Passion" platform where DIM employees compete with each other every month to offer a unique customer experience rewards the employee to provide the best experience. Accordingly, 72 unique customer experiences were nominated throughout 2016, 12 of the have been rewarded with "Road Passion" awards.

DIM 2016 in Numbers

- In 2016, DIM successfully responded to **133,041** dialog calls, which correspond to a **14%** increase year on year while the average speed of answer (ASA) was at **23** seconds.
 - Customer emails answered totaled **40,923** with average email response time was **6** minutes. DIM also held a total of **28,403** online chats, and replied to **60,700** notifications on social media (Twitter and Facebook).
 - As an important part of generating more meaningful and comprehensive data for the brands that we and DIM serve, **110,514** calls were recorded, which marks a **49%** increase in recording time of the incoming requests.
 - DIM responded to **315,814** calls for road assistance in 2016, seeing a **19%** increase compared to the previous year while the average speed of answer (ASA) for these requests was recorded as **20** seconds.
 - The “emergency service” reached **25,065** in number with an increase of **13%** year on year.
 - The car towing services decreased by **3%** in 2016, and totaled **27,844**.
 - The number of entries for road assistance calls increased by **14%** in 2016 on the previous year, totaling **125,382**.
 - Customer satisfaction with road assistance was rated at **93.13%**.
 - **412,185** surveys have been conducted for **28** different projects.
 - Throughout the year, the appointment line (Doğuş Oto and Şenyıldız) received **269,585** calls, with **106,849** resulting in bookings.
 - DOD calls increased by **69%** year on year, and reached **37,092** in 2016.
 - While the world average for Service Level as one of the key indicators for the call center industry is **75%**, DIM's score was **80%** in 2016.
 - DIM customer representatives' call quality score was rated at **90.79**.
 - In 2016, customer satisfaction surveys for services provided by the towing contractors of DIM resulted in **92.74** out of **100**.
-

AUTHORIZED DEALER AND AFTER-SALES SERVICE CENTER DEVELOPMENT ACTIVITIES

Service Points

As of 2016 yearend, our Authorized Dealer and After-sales Service Center network consists of 86 legal entities, operating at 438 service points excluding ŠKODA brand, or 510 including ŠKODA.

Communication and Quality Activities at Authorized Dealers

The Dealer Development Department conducts benchmarking activities annually by gathering information on region-based partial revenues through 'business management reports'. A new portal was formed in 2008 with the address <http://www.dogusotomotivbayi.com>, and a single user name and password were defined for all users, enabling access to existing brand intranets via this address. The dealers currently continue to use this portal where relevant information is published. Within the scope of the Volkswagen AG Renovation Project, the dealers that want to renovate their existing Piazza concept can access the Renovation project details via their showroom networks, and use this portal, which was prepared for this purpose. The façade renovations of all Volkswagen dealers have been completed as part of the renovations project announced by Volkswagen AG and implemented by us.

The FTP site has been made available for easy access by our dealers to ensure continuity of corporate memory, enable the use of virtual storage system to keep up with evolving technology, and offer implementation guides and sample applications. Furthermore, consultancy services have been provided to departments to improve processes within the scope of preparing the company for quality audits.

Within the scope of the 'Dealer Identification Checks, all the dealers are routinely checked four times a year in the Turkish Trade Registry Gazette, and monitored for processes.

Architectural and CI/CD support continues to extended to our dealers for each brand individually, and DOD Contract renewal processes are also supported.

We have also attended the DOS Conference, organized by Scania AB in Stockholm, Sweden from May 31 to June 2, 2016.

New Applications

Volkswagen Digital Authorized Dealer Project's pilot phase was completed at Doğuş Oto - Etimesgut facility, and started to serve customers. Project and importation processes were followed for Audi digital concept.

Internal Quality Audit and ISO 9001: 2008 Certification Process

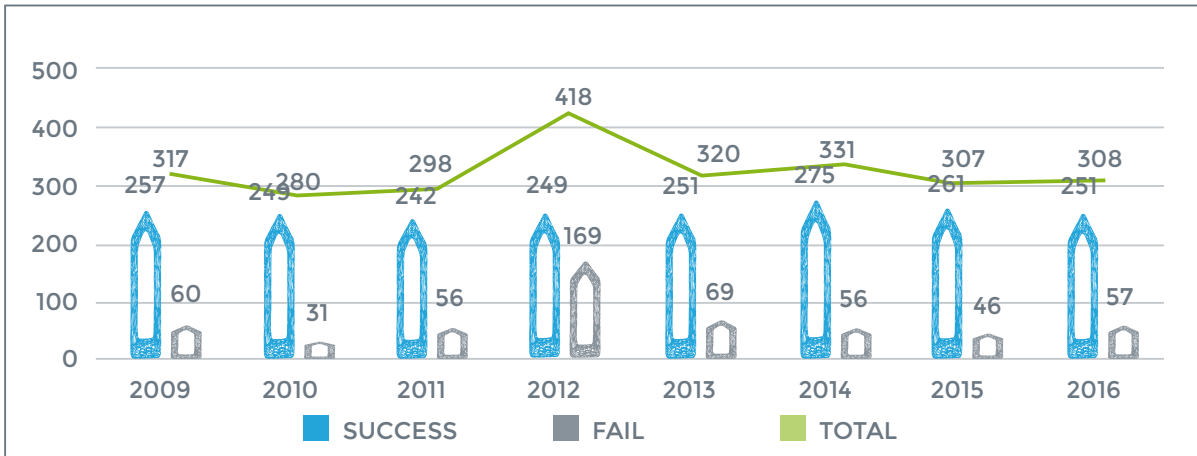
Doğuş Otomotiv's ISO 9001: 2008 certification audit for 2016, prepared in coordination with Dealer Audit Department, was carried out by TÜV-SÜD on February 17-19, 2016 and successfully completed. Doğuş Otomotiv's ISO 9001: 2008 certification audit for 2017 will be held on February 14-17, 2017. As part of preparing for the audit, individual meetings were held with 25 departments in 2016, and information about the process was shared.

Auditing Authorized Dealers and After-sales Service Centers

In 2016, 374 audits in total were conducted including 308 Quality and Brand Standards Audits (ISO+Scania DOS), and 66 Brand Standards Audits.

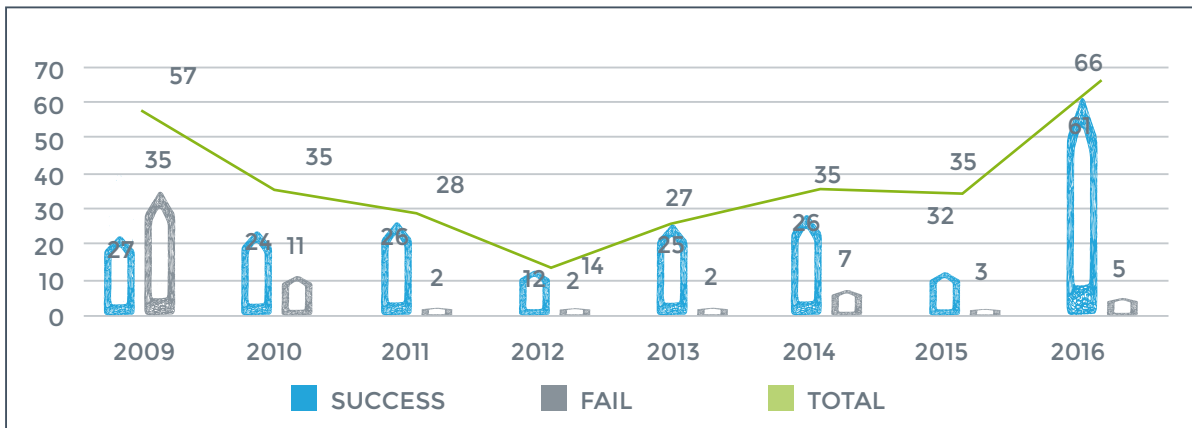
In May 2016, Audi AG has conducted manufacturer audits for Sales and After-sales Services in two Authorized Dealers. In September, TÜV-SÜD has conducted manufacturer audits for Sales and After-sales Services in three dealers, and necessary actions have been taken in development areas identified during these audits. For 2017, 400 audits in total are planned. DOS 4 manufacturer audits have been conducted by the Dealer Development Department for the Scania brand. And Scania AB has participated in some of these audits. The Authorized Dealers and After-sales Service Centers, which have failed in these audits, have been informed accordingly and supported in their improvement efforts.

Product and Service Responsibility



* Quality standards audits conducted since 2009 totaled 2,579.

BRAND STANDARDS AUDITS*



*The Brand Standards Audits conducted since 2009 for Volkswagen, Audi, SEAT, ŠKODA, Scania and Porsche brands totaled 297.

Customer Satisfaction in After-sales Services



Doğuş Otomotiv continues to conduct monthly Customer Satisfaction Surveys (CSS) to ensure ultimate customer satisfaction. CSSs are conducted by manufacturers through IACS – International Aftersales Customer Satisfaction Study. The development areas are identified based on the results, and improvement actions to follow are planned. Based on the related survey, the Volkswagen Passenger Cars brand was nominated the second place in 2016.

The CSS results for 2016 averaged 109.7 out of a possible

120 points for sales, and 103.6 for After-sales Services.

Dealer Satisfaction Surveys (DSS) conducted with the managers at authorized dealers and after-sales service centers to rate the quality of service and behaviors in different departments of After-sales Services revealed a score of 4.64 for sales, and 4.74 for after-sales (both out of 5) in 2016.

We also continue to audit and score the quality of service using the secret customer method. The tests are carried out by an independent company at all dealers. In 2016, total 207 secret customer visits were conducted.


Furthermore, we have established online contact for Volkswagen Passenger Cars and Volkswagen Commercial Vehicles on our website, conducted 28,403 live interviews, and replied 29,990 e-mails in 2016.

Notifications, announcements, developments, particularly regarding the customers are shared, and service appointments are communicated and guided by service consultants in a planned manner through

the “Appointment Screens” located in the customer environment in the Authorized After-sales Service Centers. The Subject of the Week Tests conducted via the screens in the ateliers continued in 2016. This application not only motivates the employees but also improves their knowledge, which in turn helps them to follow updates, information and notifications more easily, and results in better service and repair quality for customers.

CUSTOMER COMPLAINTS MANAGEMENT

After-sales Service Campaigns

After-sales Service campaigns are carried out in cooperation with the After-sales Services Manager at Doğuş Otomotiv and the After-sales Service Campaign Officers assigned to the task at Authorized After-sales Services, and 8 corrective activities due to various reasons were recorded in 2016. 

Quality Activities and Trainings in After-sales Services

The updated quality control has become a mandatory part of the repair process. The standards included in the Quality Standards and Procedures Booklet are updated according to the needs observed in the field. A Technical Report Card has been introduced to ensure continuity of quality at authorized after-sales service centers.

These report cards are shared with Authorized Dealers and After-sales Service Centers to contribute to their development. Furthermore motivating activities are carried out to enhance performance. The Spare Parts Service Vehicle sent to the dealers has been enhanced and produced again, and dispatched to the dealers that needed it. With adjustable height feature in the new vehicles, complaints such as back pain have been prevented. The new larger wheels prevent the vehicle from entering the grids. As a result, employees in the Spare Parts Department have been able to move more efficiently and healthily in the workshop. A wheeled vehicle with partitions has been developed and produced specifically for the dealers to carry parts to the lifts in the workshops, and dispatched to the dealers, thus enabling more parts to be carried to the lists for multiple vehicles. Thanks to the plastic material used on the vehicle, damage to the vehicles in the workshop is prevented.

With the new tablets sent to the service consultants, better quality and faster service is provided for the customers. Parts with Shelf Life magnets were produced for our dealers, allowing the labels to be updated via

mobile in case the parts' locations on the shelves change. A refresher test has been conducted to ensure that technical experts with qualifications such as most effective, advanced, knowledgeable, and solution finder, etc. experienced in our authorized after-sales service centers are up-to-date as “Master Technicians” and “Mechatronic Technicians” and to support their development, resulting in 56 “Master technicians” to be re-certified.

Large touch screens have been delivered to our Authorized After-sales Service Centers to improve service efficiency and speed. These screens, used mainly for workflow planning in the ateliers, enable instant vehicle, technician monitoring and planning, customer service appointments, vehicle service history, and repair phase, etc. Can be provided instantly and used during the repair process. By integrating “Service Screens” into other programs used in after-sales, productivity of workshop planning is improved, and repair process can continue without interruption.

In 2016, motivation improving managerial and communication trainings have been procured from outsources and delivered to after-sales service consultants and after-sales service managers. Total 260 After-sales Service Consultants received 11 professional trainings, and 68 After-sales Service Managers received four professional trainings.

A technology room has been set up at the Doğuş Otomotiv training center for monitoring, easily accessing and efficiently using special Volkswagen tools and equipment. A redundant classroom at the Doğuş Otomotiv training center has been renovated, and transformed into a space for productive technical and non-technical trainings. Furthermore, operations such as calibration, adaptation and adjustment of driver support and passive safety systems have been demonstrated with a hands-on approach during the training sessions.

Product and Service Responsibility

During the technical trainings, the use of a large (46") touch screen as well as the "GoPro" camera has been introduced so that technical equipment and training applications can be viewed by a large number of technicians. The plan is to incorporate this practice into non-technical trainings in 2017.

After-sales Service Employees' service outfits were specially designed and produced, and delivered to our authorized after-sales service centers in personalized packages.

We organized a large-scale event, the "Service Training Days" with the attendance of relevant employees of all of our Authorized After-sales Service Centers in Antalya on October 19-27, 2016 with the aim of improving the site performance of the after-sales services, sharing the latest solutions, technological developments and innovations, creating common solutions, and generating common ideas and projects. With total 87 warranty officers, 118 technical supervisors, and 428 After-sales Service Consultants attending the event, groups of participants were provided 2-day trainings.

The "Summer Period" practice continued in our training program for our Authorized After-sales Service Centers. To ensure that customer services are not interrupted and seasonal drops in service quality are not experienced, after-sales service trainings were suspended for two months in the summer. Meanwhile, trainers have found the opportunity to observe the reflections of their instructions on site, identify the training needs, and

deliver on site and on-the-job training depending on needs identified on the spot. A total of 8 trainers visited 34 authorized after-sales service centers in 99 days, and conducted on-site and on-the-job trainings, and met with the employees. Within the scope of feedback gathered from the site visits, unplanned trainings, namely ELSA, Volkswagen New Technologies, and Differential, have been provided. With the new environment-friendly air conditioner gas (R1234YF) introduced in our vehicles as of 2016, 2-day technical trainings on the subject were delivered as well.

Two electric car charging stations were set up, one in front of the Training Center and the other in front of the Head Office building with the aim of establishing and testing an infrastructure for our vehicles and identifying potential needs, and two electric Passat GTE vehicles benefited from this infrastructure.

Visits to the manufacturer have been planned for our successful and certified after-sales service consultants, and group visits were organized to the plants in Germany. The first of these visits in groups of 20 people on average took place in late 2016, with plans to continue in 2017.

Safe Driving Trainings

The "Environment Respecting, Economic and Safe Driving" training has been organized as a two-day event on a voluntary basis and as part of in-house trainings, and total ten employees have attended these trainings, which are delivered by volunteering in-house trainers and offered to employees including Doğuş Oto.

SUSTAINABILITY PERFORMANCE BY BRANDS

In our Sustainability Management, where each of our brand representatives is also a member of the Doğuş Otomotiv Sustainability Team, those brand representatives play an important role not only in supporting these efforts but also in spreading this awareness among other Company employees. Each process that our brands carry out individually is implemented in accordance with the Doğuş Otomotiv Sustainability Strategy. The new Sustainability activities developed and implemented during the year for

each brand are included in the report. Information on the basic performance of the brands and other detailed activities carried out during the year are explained in details on our website under "Customer Health and Safety", "Product Safety", "Customer Satisfaction", "Informing the Customer Accurately", and "Environmental Responsibility" sections, which are among the key criteria the Doğuş Otomotiv Sustainability Strategy.

Volkswagen Passenger Cars SAT Sales Academy

All sales consultants have completed 75 different trainings regarding Volkswagen Passenger Cars within the e-Training system. These trainings on the e-Training platform are categorized under five main headings: Products (Training for 13 Models), Innovations (9 Training Modules), Must Tell (20 Training Modules), Volkswagen SAT International Basic Training (21 Training Modules), and Quality in the QSP Sales Process (11 Training Modules). Our certification exam has been completed, and nine managers have been awarded their certificates in 2016. Of the 63 sales managers, 48 are certified. In 2016, a total of 2,960 man/days of training was provided, with trainings and announcements delivered live or streamed online to ensure faster information flow to the whole team. 39 videos in total 12 broadcasts were shared with our sales team, reaching over 8,500 views in total.

Volkswagen Passengers Cars - BlueMotion Technology

Versions with Bluemotion Technologies sold in 2016 made up 97% of all sales, recording 12% improvement compared to 2015. Discussions are currently ongoing with Volkswagen AG to introduce the Passat GTE, a plug-in hybrid vehicle that can travel 50 km on electricity alone, in the Turkish market. Meetings with companies that offer charging station services in Turkey have also been conducted, and two charging stations have been installed, one in front of the Doğu Otomotiv Head Office building, and the other in front of the training building.

Volkswagen offers safe driving training for purchases of cars as university entrance gifts
Another novelty Volkswagen Passenger Cars introduced in 2016 is a training campaign to support the customers who are stepping into a new life by entering a university.

Young people who purchased a Volkswagen at any Volkswagen Authorized Dealer in Turkey until October 31 were entitled to participate in the Safe Driving Techniques trainings by Intercity Driving Academy, by presenting proof that they have been placed in a university.

Young Volkswagen owners had the opportunity to train in theory and practice by expert trainers on vital topics including safe driving techniques, car mechanics, avoiding obstacles and braking during training sessions at the Intercity Istanbul Park facilities. The university students, who were allowed to schedule their own training dates within one year of purchasing their vehicles, receive a Ministry of National Education-approved certificate upon successful completion of their training.

Volkswagen Commercial Vehicles - Customer Satisfaction Smart Turkuaz Screen

The Smart Turkuaz Screen application was launched in 2016 at the Volkswagen Authorized Dealers and After-sales Service Centers. The aim of this application is to provide the most suitable service by analyzing the information that the customers provide with their consent in online and offline mediums. The Smart Turkuaz Screen application processes multitude of information in the background using certain algorithms, and presents the processed data to the sales or after-sales service consultant, improving the quality of communication with the customer. At the same time, visualization on the screen is visualized and the customer returns faster. Furthermore, with these new screens, data is converted into analyses, which in turn are interpreted and transformed into decisions by the sales or after-sales service teams.

Audi Customer Satisfaction

The fourth Audi City, with the first launched in 2012 in London, was opened in May 2016 at İstinye Park in Istanbul. The design and operation model of Audi City, defined as the "showroom concept" of the future by Audi AG, combines the best aspects of the virtual-digital world with the current and future sales methods. Audi City enables the brand to offer not only a technological infrastructure in a virtual showroom, but also more personalized customer consultancy.

Product and Service Responsibility 

Audi City presents the brand's complete model line-up in a fully digital format. Using innovative media technologies, it gives visitors a realistic experience on a personal level, allowing them to choose from a few million options to customize their own cars in real life dimensions on floor-to-ceiling digital screens.

SEAT Customer Satisfaction

Our complaint and request lines receive an average of 35 customer calls every day. The customers who communicate their complaints or requests to us are asked to evaluate the processes they have gone through. These data are then sent to the CRM department on a monthly basis by the brand's Customer Relations. In turn, CRM department shares these data with DIM to include them in the survey program, and calls are initiated. The results are then shared with the manufacturer. Complaints are responded within less than 4 days on average, with first response within maximum 24 hours. Similarly, emails from customers are replied within maximum 24 hours. All complaints and requests are analyzed and evaluated. Furthermore, information on customer opinions is gathered from regional authorized dealers who are in direct contact with customers. In accordance with the feedback received from customers, actions to improve satisfaction are planned.

Scania Value Sales Program

Value Sales Program is an Authorized Dealer Development Program launched by Scania CV AB in 24 countries with 1,186 participants. The main purpose of the program is to prepare verbal sales arguments that explain the difference we make while presenting a product or service, and to convert the arguments into reflex responses through telephone calls. The sales and service consultant participating in the Value Sales Program is called by an operator at appointment time. The operator asks the questions directed by the customers but does not provide coaching. The coach feedback is entered into the system as a written comment by our trained value sales specialist. Finally, the manager (team leader) monitors the progress and supports the team through the system.

In 2016, a total of 77 people from Scania distributors and authorized dealers participated in the Value Sales Module 1-2-3 program. According to the survey conducted by Scania CV AB, the participants' cliché response rate in the Turkish market decreased to 4% at

the end of the Value Sales Program's Second Module. Meanwhile, the rate at which we can tell how our products produce value increased to 97% at the end of the Second Module. The rate of giving firm examples of how client values are generated rose to 99% at the end of the Second Module. The Value Sales Program, which continues successfully in the Turkish market as part of the New Generation Scania activities, is scheduled to continue with the Fourth Module in 2017.

SESS Driving Academy

SESS Driving Academy, a pioneer in Turkey, offers even the most experienced Scania users an opportunity to improve their skills in just a few days. Provided in an organized structure by trainers, all experts in their fields, the trainings cover a range of topics from economic and safe driving to defensive driving, and teach how to use Scania's features in the most effective way possible, with the end result of savings as an added benefit to the drivers' companies and the environment. Trainings at SESS Driving Academy aim for the Scania drivers to improve their driving skills by using the most advanced features of their vehicles for road and load safety and economy, and thus to minimize operational costs. These trainings provided in cooperation with a professional training company, have introduced an institutionalized approach to driver trainings as a first in the heavy commercial vehicles and logistics industry. During trainings, vehicle data are analyzed using an internet-based operating system as part of the Scania Integrated Drive Systems (SESS). SESS Effective Driving Trainings generate up to 10% savings in fuel consumption.

SESS Effective Driving Trainings may be held in Istanbul and other cities, and in a manner to include the customer's own field. Training is a three-hour long program while test-drives and hands-on trainings may last up to eight hours a day.

In 2016, 15 people within the Scania Authorized Dealer network were trained as expert driving trainers. Total 755 driving trainings were provided through a professional training institution and by 15 expert driving trainers. 46% of the trainings were held at the customer's site, while 54% were held at the training track and authorized dealers' facilities. In cooperation with the Insurance Surveyors Association, total 79 insurance surveyors were given theoretical and practical driving training in three groups to raise safe driving awareness.

SESS (Scania Integrated Drive Systems)

SESS (Scania Integrated Drive Systems), which Scania has pioneered, comes as standard on all vehicles manufactured since October 2014. Built on equipment that communicates via satellite and mobile phone signals, SESS is an integrated system that aims to provide analysis, simulation, tracking and inspection.

With the SESS communication device, a total of 85 parameters are retrieved from the vehicle. These parameters include important information on vehicle and environmental safety and health such as seat belt usage, operating conditions of equipment that affect safety, and fuel and emission information, which are all communicated to the users.

The system includes interconnected services such as Smart Fleet Management, Effective Driving Training, Driver Coaching and SESS Laboratories. The main purpose of all these services is to provide a single solution content in an integrated package to the customers, thus helping them to take direct action based on the need.

As of 2016, approximately 245,000 vehicles in the world, and 6,000 in Turkey feature SESS.

Scania Integrated Drive Systems, basically starting by tracking the vehicle's location, retrieve reports via the portals that enable tracking the performance and driving conditions of all vehicles and drivers in a fleet. In this manner, the vehicle and fleet owners can easily monitor and manage parts of the operating costs under their control that originate from the driver and the vehicle.

With the performance information of the vehicles and drivers they obtain from Smart Fleet Management, they can easily identify the drivers who need training and compensate the lack of performance needed with "Effective Driving Trainings", another service of the SESS. After the driving trainings, "SESS - Driver Coaching", which aims to prevent the driver from returning to old driving habits and to sustain the "safe and economical" driving characteristics acquired, ensures that Scania drivers will always use the vehicle features at the highest level, and drive economically and safely.

Another convenience that SESS offers to Scania customers is the SESS Room at the Scania - Doğu Otomotiv Head Office, and the mSESS (Mini SESS) Laboratories at selected Scania Authorized Dealers.

The aim of this service is to raise awareness of the Scania Integrated Drive Systems and to ensure that the users of vehicles with SESS benefit from their features fully. Moreover, the mSESS Laboratory concept has been developed on the mobile platform "SESS On the Road", providing services on location for Scania customers who benefit from SESS services.

Product and Service Responsibility 

Main goals of the services that SESS will offer to customers include:

- Instant failure notification and service planning
- Remote vehicle access and heater control
- Instant vehicle tracking with detailed location information stored for up to 3 months
- Detailed driving and performance tracking of vehicles
- Route and zone tracking / alarm system on map
- Detailed psychoanalysis and performance reporting of drivers
- Analysis of driving efficiency for all drivers
- Instant safety tips to increase environmental awareness
- Instant driving tips to reduce emissions
- Technical infrastructure and practical trainings for fuel-saving driving
- Increasing vehicle life and efficiency
- Tracking fleet location across the world
- Optimal use of vehicle features through trainings
- Instant monitoring of fuel levels

Scania Integrated Drive Systems, since their introduction as standard, continue to operate seamlessly on all Scania vehicles and offer tailor-made solutions for all owners of vehicles with SESS.

SESS Effective Driving Training

Effective Driving Training is part of the Scania Integrated Driving System, and as a computer-based training system connected to the vehicle it was launched in 2016 with the aim of ensuring that Scania owners get the most out of their vehicles, receive training according to their needs, and drive safely and economically. The system can be customized according to the activity conducted, and it is the first in the sector with its pre- and post-trainings focusing on the driver.

SESS Driver Coaching

Driver Coaching, as one of the most important services that Scania Integrated Drive Systems provide, involves follow up calls and a coaching process designed to prevent drivers who have received “Effective Driving Training” for safe and economical driving from returning to their old driving habits and to maintain the skills they have acquired.

Service and Maintenance Reminder Project (Remindania)

The project conceived to remind Scania users via various communication channels about their vehicles' service and maintenance needs, together with information on consumable material and spare parts that will be replaced in the future – calculated dynamically by considering the data of more than 6,000 vehicles in Turkey with SESS (connected via satellite and mobile phone signals) such as frequency of use and road conditions where they operate – was launched and offered to Scania users in 2016.

Thermo King – Environmental Responsibility

Thermo King has started the production of a device compatible with R452A gas type, which has a lower emission level than R404A refrigerant to reduce the effect of coolant gas emissions that cause global warming. The system will be actively introduced in Turkey in 2018. Considering the emission values, the new R452A system's gas-type emission values are halfway lower than that of the R404A gas type.

DOD – Informing the Customers Accurately

Vehicle survey and pricing information are communicated at sales points, through DOD.com.tr and the DOD Mobile app. In the vehicle procurement process, the 101-Point Survey is performed on each and every vehicle without exception. The 101-Point Survey results are displayed transparently and in full detail on vehicle information cards on all vehicles in the inventory, and users are offered the opportunity to inspect the vehicles on digital platforms as well. Furthermore, the 101-Point Survey report, which has legal sanctions, is shared with the customers in order to reassure them after the vehicle is sold. In the event of any vehicle-related problems that may arise after the sales transaction, first the 101-Point survey report delivered to the customer is examined, and if anything is found to be lacking in the survey report, necessary actions are taken to remedy the customer's suffering. The plan for 2017 is for the survey reports presented to the customers to be drawn up in a simpler and clearer language with more details.

With the development of the Tramer System Turkuaz Integration, which started in 2016, the damage records of all vehicles in the DOD inventory will be automatically included in the survey reports. This project, slated for completion in the first quarter of 2017, will contribute positively to both business processes and customer satisfaction.

SUSTAINABILITY AWARENESS WITHIN OUR SPHERE OF INFLUENCE

At Doğu Otomotiv, we continue to work toward improving our efforts further to convey our Sustainable business approach to all stakeholders within our sphere of influence, and to assist every Stakeholder in improving their own Sustainability performance. Therefore the number of Authorized Dealers and After-sales Service Centers included in our reports increases every year.  G4-EC8

The performances of the following companies have been included in our 2016 Corporate Sustainability Report along with Doğu Oto and Gebze Scania After-sales Service Center: Our affiliates Doğu Teknoloji, vdf, Yüce Auto; Authorized Dealers and After-sales Service Centers: Acarlar Otomotiv Tic. ve San. A.Ş. (İstanbul), Acarsan Sağlık Hizmetleri İnşaat ve Otomotiv A.Ş., (Gaziantep), Aldo Otomotiv Servis İnşaat Taahhüt Turizm Gıda San. ve Tic. A.Ş. (Mersin), Altur Otomotiv San. ve Tic. A.Ş. (İstanbul),

Avek Otomotiv Servis San. ve Tic. A.Ş. (İstanbul, Çanakkale), Aykan Motor Servis A.Ş. (Adana, Osmaniye, Kayseri), Başaran Otomotiv Otelcilik Tur. İnş. San. ve Tic. A.Ş. (Fethiye, Isparta, Alanya, Antalya Merkez), Demoto Demireller Otomotiv Pazarlama Maden İnş. San. ve Tic. Ltd. Şti. (Afyon-Kütahya-Manisa), Erel Otomotiv İnşaat San. ve Tic. A.Ş. (İstanbul: Kadıköy, Maltepe), General Oto Servis ve Tic. A.Ş. (İstanbul), Lena Otomotiv San. ve Tic. A.Ş. (Aydın-Muğla), Mercan Satış ve Servis Hizmetleri Tic. Ltd. Şti. (Edirne Merkez, Keşan), Opat Otomotiv İnşaat Elektronik Tur. Gıda Paz. San. Tic. A.Ş. (Mersin: Mezitü, Tarsus), Şenyıldız Otomotiv Servis ve Tic. A.Ş. (İstanbul: Yenikapı, Nişantaşı, Topkapı), Tamaş Motorlu Araçlar San. ve Tic. Ltd. Şti. (İstanbul: Topkapı, Bakırköy), Uzay Oto A.Ş. (İstanbul), Vosmer Otomotiv Tic. ve San. A.Ş. (İzmir: Alsancak, Gaziemir). The suppliers we have included in our 2016 report are, Vog Tekstil, Daikin Turkey and Eurest Services Turkey.

CORPORATE SUSTAINABILITY AT DOĞUŞ OTO

Doğu Oto, wholly owned by Doğu Otomotiv, performs the sales of new and used vehicles, spare parts and accessories, and provides insurance, financing and after-sales support services to customers at 32 authorized dealerships and 30 After-sales Service Centers in İstanbul, Ankara and Bursa for the seven brands it represents (Volkswagen Passenger Cars, Volkswagen Commercial Vehicles, Audi, Porsche, SEAT, ŠKODA and DOD).

ENVIRONMENTAL RESPONSIBILITY AT DOĞUŞ OTO

Economic Efficiency

Natural gas, water and electricity consumption in our regions are monitored monthly and benchmarked each year. Periodical maintenance and inspections of all electric panels are performed with the aim of eliminating energy losses and leaks. Specialized companies in different regions have worked on energy efficiency. Accordingly, we commission relevant service companies to improve the efficiency of natural gas boilers, inspect chimneys and ensure that natural gas

consumption is kept under control.

In some regions, additional turbo/sectional doors have been installed in the service areas to cover the gaps opening to the outside to conserve the energy consumed for heating and cooling the facilities.

Using Water-based Paint

We use water-based paint in our service centers. Water-based paints are products that contain large quantities of water in their acrylic-based compositions, and dry by evaporation of the water content, without health hazards. In this sense, they are superior to synthetic paints. Synthetic paints can be harmful for health since they release the chemicals in their composition as they dry. Water-based paints have a longer service life than solvent-based paints.

Water-based paints also offer legal, environmental and economic advantages in terms of service centers. This is an important factor in preferring water-based paints. The advantages can be summarized as:

Product and Service Responsibility

- 80% decrease in solvent use,
- Using water in equipment cleaning,
- Working economically with quick and easy application,
- Working efficiently with high paint coverage,
- Perfect patching technique in all colors,
- Reliable and safe storage and stocking

Customer Health and Safety

Doğuş Oto presented its customers informative documentation with content such as Traveling with Pets, Child Safety, Lubricants, Checklist for Long Road Trips, Tire Use, Fuel Savings, and the Importance of Test Drives in showrooms and service centers in 2016, like it did in 2015 .

Especially during the winter months, when weather conditions are bad, our road assistance vehicles are kept ready to assist at various critical points close to our facilities. Furthermore, information on the importance of winter tires has been emailed to clients.

The main product and services are procured by Doğuş Otomotiv in order to implement the highest customer health and safety measures. In smaller procurements, companies with quality certifications and qualifications that meet OEM's standards are preferred.

Our customers are periodically informed about the servicing of their vehicles and reminded about changing their tires by email or SMS messages. In the process after the vehicles are delivered for maintenance to Doğuş Oto After-sales Service Centers, the owners are informed about the stages of work done on the vehicle by SMS messages.

EMPLOYEES

Doğuş Oto's "All Roads Are Open" Project

Doğuş Oto carries out activities aimed at employee satisfaction with the "Yolumuz Hep Açık" (All Roads Are Open) slogan. The promotional gifts such as supplies in the month of Ramadan, school supplies and stationery, birthday cards, candy for holidays, and celebratory promotions on national holidays as part of employee satisfaction activities. Doğuş Oto's quarterly publication "Doğuş Otomotiv Bir'iz" Magazine is also an important tool we use to communicate with our employees.

An employee satisfaction survey is conducted every other year in Doğuş Oto. As a result of this survey, various action plans are made for the development areas that have been identified, and implemented in the relevant

period. The results of the survey and activities are reflected on the objectives of the entire management team.

Employee Trainings

Technical and competency-based trainings are determined for each employee group at the beginning of the year. In the training needs analysis, employees' performance appraisal results, analysis results and management expectations are taken into consideration to ensure development and improvement. GO, the digital platform that can create added value by using technology effectively to reach the new targets specified in the training model, that offers strong communication opportunities, that is scalable and measurable, features standard training management options such as registration in and booking courses, and that is able to benefit from the power of gamification and social learning, has also been launched at Doğuş Oto.

Employee Volunteering

Adapted from Rezaizade Mahmut Ekrem's Araba Sevdası (Love of Cars) with the same title, the play was performed by the Doğuş Oto Theater Company consisting of volunteering employees on March 3 and 6 at the TİM Show Center in Istanbul, on March 17 at Bursa Uğur Mumcu Stage, and on March 18 at the Ministry of Education Auditorium in Ankara. Our employees watched Doğuş Oto Theater together with family and friends. Volunteering work done during company's working hours totaled 136 man/hour with the contributions of 17 people.

COMMUNITY RESPONSIBILITY AT DOĞUŞ OTO

As part of the communication activities of Doğuş Holding's community engagement programs including the platforms 'Stay in the Game,' 'Today is Tomorrow,' 'Keep Living,' and 'A Place for Art,' customers were presented informative documents in the sales and after-sales service areas, and Doğuş Oto employees were provided with trainings on the meaning and importance of these initiatives.

DOĞUŞ OTO PAZARLAMA VE TİCARET A.Ş.	
Doğuş Oto 2016 Donations and Grants	Amount-TL
Turkish Foundation for Children in need of Protection	23,011
Ayhan Şahenk Foundation	10,000
Gazi Vocational and Technical Anatolian High School	1,770
Şişli Vocational and Technical Anatolian High School	1,000
TOTAL	35,781

CORPORATE SUSTAINABILITY AT GEBZE SCANIA AFTER-SALES SERVICE CENTER

Gebze After-sales Service Center, a part of Doğuş Otomotiv Servis ve Tic. A.Ş., provides after-sales services for Scania and Thermo King brands' heavy vehicles and operates in a complex owned by Doğuş Otomotiv in Gebze (Kocaeli). When needed, the center also provides road assistance in nearby cities and regions including Istanbul, Sakarya, Yalova and the Thrace Region.

Stakeholder Engagement at Gebze Scania

Gebze Service is basically in business relationships with five key stakeholders. These are the other departments of the Head Office, and the other authorized dealers, customers, employees and suppliers in the Scania network. Periodic evaluation meetings are held together with all departments of the Head Office throughout the year. During these meetings, the past year and current situation are evaluated, and the future plans are made. Furthermore, preplanned meetings based on projects and topics are held, and relevant action plans are implemented.

Customer relations, communications and customer perception are of great importance for Gebze After-sales Service. Therefore, four employees (After-sales Service Specialist and After-sales Service Consultants) pay our customers preplanned visits. Our customers are contacted within one week after they receive their vehicles from the service center, and their satisfaction levels are checked.

Before agreements are concluded with our suppliers, they are investigated to ensure that they meet the required standards, and the agreements are signed only after quality/cost analyses are performed. In the process of entering into agreements with suppliers selected within the framework of Doğuş Otomotiv procurement procedures, the suppliers are notified of Doğuş Otomotiv Business Ethics Principles as well. Gebze After-sales Service Center has worked with 81 suppliers in 2016. Furthermore, regular monthly meetings are held with some suppliers (catering, security, etc.) on contract with Doğuş Otomotiv Purchasing and Administrative Affairs Department.

Environmental Performance at Gebze Scania After-sales Service Center

To reduce energy consumption in the Gebze Scania After-sales Service Center, ceiling fixtures in the office

are replaced with panel led light bulbs, faucets with sensors have been fitted to reduce water consumption. Employees have been informed about saving water. There are no water sources adversely affected by our activities.

Personnel shuttle routes are optimally planned to reduce carbon emissions and fuel consumption. The use of the personnel shuttles has also been optimized for savings. Furthermore, customers visiting the service center are informed about preventive measures and repairs performed with a view to reducing exhaust gas emissions.

Lubricant waste is regularly delivered to Pet-Der for disposal. The wastewater infrastructure was updated in 2016. Apart from this, various fruit trees were planted by the employees. In 2016, 3,200 kilos of lead battery waste was recycled. Furthermore, as we start the service we ask our customers whether they want to dispose of the replaced parts. When our customers do not take back the replaced parts, we take care of disposal on their behalf. Additionally, driving trainings are organized for customers on demand. By saving fuel through our effective driving trainings, both the operating costs and the emissions are reduced on the customer side.

In 2016, we have invested TL 30,000 as infrastructure participation fee for Dilovası Organized Industrial Zone, and TL 24,000 for the separation of water filtration and wastewater as environmental investments.

Customer Health and Safety at Gebze Scania After-sales Service Center

The customer waiting areas within the service were positioned to be as far away as possible from danger. Walking routes were arranged according to OHS guidelines. Our customers are encouraged to stay away from the workshop areas and necessary warnings are issued. During the delivery process, a dedicated specialist is assigned to explain the vehicle's technical structure, safe driving and other information. Furthermore, our expert trainers provide safe driving training to our customers.

Our customers' vehicles are tracked via satellite to provide preventive information and warnings on issues such as misuse, overloads, and excessive fuel consumption values.

Occupational Health and Safety at Gebze Scania After-sales Service Center

At Gebze Scania, all employees have been informed by an open letter of their right to stop work and not to be held accountable for any consequences in the event of a situation that threatens occupational health and safety. Regular trainings are provided on this topic. An A-class OHS specialist appointed by Doğuş Otomotiv regularly checks the systems at Gebze After-sales Service Center. Furthermore, employee representatives have been determined for OHS-related issues, making it possible for all requests to be address. Throughout the year, monthly services were provided for all employees by a dietitian. As part of this practice, based on an employee suggestion, a healthy breakfast prepared by our dietitian is served for our employees as well as customers. Moreover, the mandatory practices required

by applicable laws and regulations on work-related accidents are monitored. In 2016, no work-related accidents have occurred.

Trainings at Gebze Scania After-sales Service Center

The trainings at Scania After-sales Service Center are delivered in three different topics: trainings by the Central Training Department, technical qualification trainings, and OHS trainings. All of our employees receive these trainings, which average 100 hours in a year. Currently, there are three employees studying at the Open University. Additionally, employees benefit from the English language courses at Doğuş Otomotiv. Apart from this, all technicians were delivered computer use training.

CORPORATE SUSTAINABILITY AT vdf

Volkswagen Doğuş Finansman A.Ş. was founded in 1999 as a joint venture of Volkswagen Financial Services A.G. (51%) and Doğuş Group companies (49%). The company still operates within the scope of Law No. 6361 on Financial Leasing, Factoring and Financing Companies, and BRSA regulations. vdf serves its customers in 46 provinces across Turkey through the authorized dealers who also sell Volkswagen Group brands in these locations. According to the latest data, vdf has ranked first in the vehicle loans market with a share of 14.7% in 2016 (Passenger+Light Commercial+Heavy Vehicle) among banks and other financing companies.

The goal of vdf is to maintain and further strengthen its position in the market by offering products to meet the financial needs of all the players in the automotive value chain. As vdf, we also aim reinforce our position in the market with vdf Fleet Rental, our company that was launched in late 2016.

vdf and Suppliers

As part of vdf's policy to encourage women's contributions to the overall economy, companies with female general managers/owners or partners are prioritized in supplier selections.

The suppliers are expected to undertake social responsibility activities, as well as offer industry experience, reliability, quality and service across the country.

Ethics at vdf

There is a "Code of Ethics and Guidelines Procedure" in place at vdf. All employees acknowledge these ethical principles and sign a declaration, which is kept in their personnel files. All new recruits read and acknowledge this procedure as well.

At vdf, an Audit and Risk Committee, which reports to the Board of Directors, has been established. This committee is responsible for supervising and regulating issues that fall within the scope of all kinds of risk and audit.

Customer Satisfaction at vdf

Information forms about products and services, and policies of vdf are prepared in a detailed and descriptive manner. If there occasional misunderstandings or complaints due to customers not being able to read the forms clearly or misinformation as they claim, these are recorded while the procedures and information related to the customer's products are communicated. Such complaints are reported to the relevant Regional Managers, who in turn contact the Authorized Dealers, and necessary checks and information are ensured.

Customers report their complaints to vdf by email, telephone, and fax or via social media. In addition, within the scope of our membership to the website sikayetvar.com, the complaints received on this platform are also answered and solved.

In all marketing communication activities at vdf, adhering to principles of ethics, integrity, societal responsibility, accuracy respect for consumer rights is essential. We also take utmost care to comply with the provisions of the competition laws in our communications.

Employees at vdf

vdf offers the following benefits for its employees:

- Private health insurance,
- Private life insurance,
- Bonuses,
- Scholarships for graduate studies,
- Support for foreign language courses,
- The right to annual leave starting on the date of employment,
- Birthday leave,
- Birthday gift,
- Training catalog,
- Job - based technical training options.

The programs aimed at improving employee satisfaction and maintaining constant communication with employees include the following:

- vdfLife, the human resources sharing platform
- Quarterly staff meetings
- vdf employee support programs (Technical trainings such as Master's Degrees, Foreign Language Courses, Project Management, Business Analyst Courses, etc.)
- Celebrations of special days (New Year's Day, Birthday, Mother's/Father's Days, Women's Day, etc.)
- Organizations (New Year's Party, vdf_Champs (long-term internship), General Evaluation Meetings)
- Achievements that have direct impact on Company's main goals are announced to the entire company, and rewarded.
- Employees who are successful in specific areas of interest, independent of their jobs, are announced to the entire company and commended.

vdf takes part in the "Stimmungsbarometer" (Idea Barometer) survey conducted by Volkswagen FS AG among all Volkswagen companies to measure employee satisfaction and the Great Place to Work rankings. Meetings are held with various departments to evaluate the results of the Idea Barometer, and satisfaction areas/expectations/proposals are discussed.

Based on the results of the Idea Barometer and Great Place to Work achieved in 2015, the vdf Employee Assembly (vdf Echo), which consists of volunteering employees, has been established, in 2016 with working principles and documentation provided to start functioning.

Employee Suggestion System at vdf

Within the scope of vdf's suggestion system, employees are offered a communication environment where they can clearly express their suggestions both regarding their own jobs and also in issues that concern the entire company. Employees can submit written and verbal suggestions to their managers and the Human Resources department to improve and enhance business processes.

As part of the 360-Degree Management/Innovation Program, the projects prepared in line with the suggestions of the participants and the vdf Values are directly submitted to the Senior Management, evaluated and implemented if deemed viable.

Employee Trainings at vdf

vdf employees have received the following trainings in 2016:

- Conflict Management
- 5 Choices for Exceptional Efficiency
- Problem Solving, Initiative Taking, Decision Making
- What is Operational Fleet Rental? (In-house Trainer)
- Excel Training (Basic-Advanced)
- Project Management (In-house Trainer)
- Valuable Documents Training (In-house Trainer)
- Digital Transformation Training
- Trailblazing Presentations
- Managing Differences and Negative Emotions
- MAN in the World, The Faith in the Hereafter (In-house Trainer)
- Building and Sustaining Internal Motivation
- Influencing and Persuading
- Vehicle Financing of the Future (In-house Trainer)
- Self-confident Behavior through Creative Drama
- Powerful Memory Workshop
- Teamwork and Sense of Belonging
- Strategic Planning and Thinking (In-house Trainer)
- Analysis of Economic Indicators and Financial Markets
- Numerical Perspectives and Feasibility of Projects (In-house Trainer)
- PowerPoint (In-house Trainer)
- Meeting of Generations (Understanding and Managing the Y-Generation)
- 360 Degree Management and Innovation

Furthermore, vdf employees are encouraged to develop through scholarships for graduate studies, English language support programs, personal development and technical trainings, and professional trainings.

There are also special discount agreements offered to the company employees by some universities and language schools.

Training needs in the vdf are determined in line with the Company's strategy and values. First, the departments come together to determine their individual training needs. Then, the annual training catalogue is prepared and offered to the Company employees. In-house trainings are also included in the annual training programs, and experts in their fields are supported as trainers.

Within the Talent Management Circle established by Volkswagen FS AG, managers and manager candidate assistant managers who are candidates for the country manager position in the medium term are included in the Assessment Center, and supported by special training/development programs.

In accordance with the ownership structure of the company, employee demands, needs and appropriate positions are taken into account and international employee exchange programs are supported.

Performance Management at vdf

The vdf Performance Management System is used as an effective and important management tool that enables the added value created by employees to be guided toward common goals and targets by integrating individual targets with the company targets.

With the Performance Management System, the overall performance of the company is evaluated and improved in line with the individual performances of the employees. The aim is to identify and differentiate employees who perform well. Performance appraisal also forms the basis of remuneration (salary) and rewarding (bonus) systems.

Employee Health and Safety at vdf

For the health and safety of employees working at vdf, there is an OHS Specialist whose services are procured within the scope of Occupational Health and Safety (OHS), and a Workplace Physician.

The Occupational Health and Safety Committee is composed of 36 people including the Emergency Teams that completed the necessary trainings of the authorized institutions, and constitutes approximately 12% of the total number of employees. The teams and procedures are established in accordance with applicable regulations.

Within the scope of Occupational Health and Safety practices, maintenance and checks of fire fighting equipment and extinguishers, electrical installation checks and earthing measurements, maintenance and checks technical equipment coordinated with the building management, analyses and checks of drinking and tap water and treatment system, and maintenance and checks of the ventilation system are all performed. Lighting and thermal comfort measurements are also conducted in the workplace. Furthermore, the hazards and risks identified by the OHS specialist and workplace physician during regular site visits are also resolved through necessary actions.

All employees are trained on employee health and safety. Trainings are given in 8 hours (man/hours) by the OHS Specialist and Workplace Physician.

In addition, the private health insurance plan offered to employees is quite comprehensive and designed to cover a wide range of health problems and demands of employees during the year. The private health insurance plan includes a free annual check-up package, and employees can benefit from general health checks every year. To promote employee health, we organize workshops on drinking water and purification systems, and host seminars to provide information on detox programs and balanced nutrition.

CORPORATE SUSTAINABILITY AT DOĞUŞ TEKNOLOJİ

Doğuş Teknoloji was established in 2012 to provide Information Technologies services for Doğuş Group companies. Operating in compliance with the ISO 27001 Information Security Management, ISO 20000 IT Service Management, ISO 22301 Business Continuity and COBIT standards, the company offers a variety of services including software development, business process design and business analysis, system and infrastructure services, business intelligence and reporting, IT processes and quality management, IT consultancy, mobile app development, internet technologies and CRM, interactive projects, and Microsoft Dynamics. Incorporated as a joint stock company, Doğuş Teknoloji serves in two provinces, Istanbul and Kocaeli.

Stakeholder Engagement at Doğuş Teknoloji

Doğuş Teknoloji regards its stakeholder engagement strategy, carried out with the clients as the company's most important stakeholder, as the foundation for establishing and maintaining good relationships and identifying their needs. Forging effective relationships and ensuring communication with the clients, users and other stakeholders helps in creating business demand based on the services provided, and enabling business performance and growth.

At Doğuş Teknoloji:

- **Customer relationship:** Enabled through service reports, SLAs, regular meetings, customer visits, and customer satisfaction surveys,
- **User relationship:** Enabled by user satisfaction survey, service desk and user support,
- **Senior Management Relationship:** Enabled through budget reviews, service reviews, service reports and management reviews.

Furthermore, Doğuş Teknoloji meets with its clients every three months via Technology Leaders Meeting where Doğuş Teknoloji's developments and services, technological innovations are shared and ideas exchanged. Clients and account executives meet face-to-face at regular intervals.

All activities and information are communicated to the employees via e-mail, and all announcements are included in the company intranet system.

Town Hall Meetings

Doğuş Teknoloji's General Manager meets with all employees every two months to inform them about the Company's agenda, and answer their questions.

Newsletters

Quarterly newsletters featuring company news are delivered to the employees via e-mail, and uploaded to the intranet.

Breakfast Meetings

Every two months, Doğuş Teknoloji's General Manager comes together with 10-15 employees at an informal breakfast meeting.

Quality Standards at Doğuş Teknoloji

By establishing and operating an integrated management system in line with international standards within the company, Doğuş Teknoloji has aimed to assure quality, security and continuity in the services and products provided. Accordingly:

- **Activities related to ISO27001:** 2013 Activities within the scope of Information Security Management System Certification continued in 2016 to ensure that the privacy, integrity and accessibility features of our information assets are protected and risks are minimized to acceptable levels.
- **With the ISO20000:** 2011 IT Service Management System, IT services are continually enhanced, and brought up-to-date with best practices, while service processes are managed with a customer-oriented approach.
- **By applying the ISO22301:** 2012 Business Continuity Management System, services to be provided in unexpected situations and responsible business units have been identified, and the actions to take and the methods to employ were defined.

Doğuş Teknoloji has documented the processes and policies needed to fulfill the requirements of the standards within the scope of the above mentioned integrated management system, and provided trainings to improve the technical and behavioral skills for the purposes of continuous improvements, systematic management of the risks against information assets, and raising information security awareness.

The Company has adopted the following principles and presented them to relevant parties: to comply with legal requirements by implementing relevant policies; to comply with the provisions of the agreements entered into with third parties (business partners, customers, suppliers); to ensure the continuity of key and supporting business activities with minimum interruption; to prevent any and all kinds of revenue or opportunity losses caused by security incidents; and to meet information security requirements.

Product and Service Responsibility 

Certification renewals continued in 2016, while the company organized ITIL (Information Technology Infrastructure Library) trainings, and the number of ITIL-certified employees increased to 51. Information Technology Infrastructure Library is a service management methodology developed to manage IT services to fully and in the best quality.

Doğuş Teknoloji and Suppliers

The suppliers list is reviewed and renewed by Doğuş Teknoloji Administrative Affairs Department at least once a year based on the "supplier quality system audit questionnaire" and set criteria (having TSI certification, ISO 9001 certification, TSI quality certification, manufacturer's approval, preferred by group companies, etc.).

At Doğuş Teknoloji, performance evaluations are performed every six months for critical suppliers. Critical suppliers in particular are expected to operate in accordance with the business continuity expectations of Doğuş Teknoloji. Within the scope of the Information Security Policy, provisions about security checks, service descriptions and service levels must be included in the service agreements with third parties, which must comply with and commit to these provisions. In this respect, agreements with third parties, their services, reports and records, the employee structure in critical suppliers, and possible threats and vulnerabilities are regularly monitored, reviewed and audited.

In the supplier evaluations, no company among our suppliers has been identified to have a negative impact on the environment or human rights.

Energy Efficiency at Doğuş Teknoloji

At Doğuş Teknoloji, incandescent light bulbs are replaced with LED light bulbs with the aim of reducing electricity consumption. Timer system is used for outdoor and vicinity lighting. As an additional precaution, lights in the building are manually turned off when employees exit the building. Air conditioning plants, fans and VRV system are managed by automation. Photocells have been preferred in less used areas of the building. Devices such as printers and projection machines in the building are operated with energy saving mode on. The refrigerators, ovens, dishwashers and washing machine used in our kitchens are energy-efficient A-class appliances.

Environmental Practices at Doğuş Teknoloji IT Department

There are recycling boxes on every floor in the company. The number of virtual servers in our company increased from 246 to 351 in a year, total processors from 656 to 1,030, and total memory usage from 1918GB to 2938GB, respectively. The 351 virtual servers on the existing virtual infrastructure have been consolidated on 12 servers running on the VMware ESXi operating system.

Doğuş Teknoloji and Environmental Awareness Activities

Doğuş Teknoloji serves as a Private Integrator approved by the Turkish Revenue Administration. The e-Invoice, e-Book, and e-Archive services offer operational benefits for group companies as well as other clients, and paper, toner and energy cost savings, thus contributing to the environment and more efficient use of the country's resources.

No penalties or fines in cash or in kind have been imposed on Doğuş Teknoloji for non-compliance with environmental laws and regulations.

Customer Satisfaction at Doğuş Teknoloji

Organizational departments such as a Customer Representative Office and a Project Management Office are being formed in Doğuş Teknoloji with the aim of ensuring that the work done is better understood by the customers and also better understanding the customer needs.

The company uses a request management system to follow customer suggestions and complaints. Customer satisfaction surveys are conducted through the request management system, and result statistics are reported with graphs. Customer feedback received by parties responsible for customer relations within the Company, as well as the satisfaction comments communicated by customers through the request management system are evaluated at management review meetings and in discussions with customers.

Furthermore, an e-mail address has been allocated for customers to send their opinions/suggestions. Our customers can also submit their complaints by completing the form on the website. These complaints are regularly addressed and actions are taken to remedy such issues.

Customer Health and Safety at Doğuş Teknoloji

With the policies, business plans, processes, continuous improvement and control mechanisms related to ISO27001:2013 "Information Security Management System", ISO20000 "IT Service Management System" and ISO22301 "Business Continuity Management System" applied for products and services, Doğuş Teknoloji gives assurance for compliance with international standards in security, continuity and service quality.

Internal audit activities related to information security and service processes are carried out during defined periods within the year, and the nonconformities that need to be corrected and issues that have room for improvement are checked and followed through to completion.

Privacy of Customer Data at Doğuş Teknoloji

Rules governing the privacy, integrity and accessibility of customer information are applied with policies and procedures within the scope of ISO27001 Information Security Management System while the risks against information assets are managed systematically and reduced to acceptable levels with regular checks. The current situation is evaluated through internal audits of information security carried out at specific intervals, and corrective and remedial actions are taken and followed through. We also have advanced practices against taking classified customer data out of the Company, and their theft or loss. For this purpose, physical precautions are taken on system layers and regular checks are performed.

Employee Satisfaction at Doğuş Teknoloji

Employee satisfaction survey at Doğuş Teknoloji is conducted as focus group activities on specific topics at different times. Furthermore, a survey is conducted every other year to measure employee satisfaction. Employees are asked questions online about their satisfaction, and the factors affecting loyalty to the company and satisfaction. The first survey was conducted in late 2015, and its results and actions were shared with the senior management in the first quarter of 2016. The employee suggestion system will be implemented in the first quarter of 2017.

Employee Trainings at Doğuş Teknoloji

A total of 288 employees participated in total 70 trainings on various topics in 2016, with training per employee totaling 33.7 man/hours.

Employees of Doğuş Teknoloji, which partners with Bahçeşehir University, Sabancı University and Koç University

are entitled to discounts in their graduate studies while employees who wish to learn English are also supported.

Employee Health and Safety at Doğuş Teknoloji

There is an OHS Committee within the company and regular follow-ups are carried out for occupational safety. The committee consists of 11 employees: A Physician, Nurse, OHS Specialist, 1 Employer Representative, 1 Employee Representative, 1 Human Resources Officer, 1 Administrative Affairs Representative, 1 Building Maintenance Specialist, 1 Information Security Representative, 1 Purchasing Representative and 1 Quality Representative. The ratio of this number to the total number of employees is 4%. Subcontractors' representatives also serve on the board.

Occupational health and safety risks are identified by getting the opinions of employees. OHS trainings (Emergency, first aid, fire, civil defense, evacuation, etc.) are provided for all employees and related teams. OHS Committee Meetings, OHS trainings, health screenings upon recruitment and at intervals are conducted regularly. During the year, several trainings on occupational health and safety have been offered, including such topics as OHS culture, fire fighting and first aid, search and rescue, occupational diseases, psychosocial risk factors, general OHS, OHS principles, basic disaster awareness, tasks of teams in evacuation drills, and fire.

Provisions pertaining to OHS are included in supplier agreements. Supplier audits for OHS is conducted by the Administrative Affairs Department.

Security precautions are taken inside and outside the building for employee health and safety. Information on emergency situations has been communicated within the company and also shared with other related parties. An emergency action plan is being prepared. An evacuation drill was exercised in 2016. Equipment subject to periodic inspections will be checked and ambient measurements will be carried out in 2017 within budget plans. Near miss boxes have been placed in work sites susceptible to danger.

Employee Volunteering at Doğuş Teknoloji

Doğuş Teknoloji has an 'Animal Protection Club' consisting of volunteering employees, who collect the waste food that animals can consume. These food wastes are collected by animal shelters on certain days of the week. The 'Stray and Shelter Animals Protection Club' placed 15 doghouses for stray animals in an area of high dog population in Darıca, which is quite close to the company's premises.

Equality at Doğuş Teknoloji

Doğuş Teknoloji does not discriminate among its employees for their external appearance, physical disabilities, religion, gender, language, and race, etc. This is expressly stated in the Doğuş Otomotiv Code of Ethics.

Sanctions and penalties for corruption are defined and communicated to the employees through policies and regulations issued and published within the organization. In 2016, 25% of the employees participated in the face-to-face Code of Ethics Code training.

Community Engagement at Doğuş Teknoloji

Doğuş Teknoloji has undertaken a project to promote the employment of individuals with autism in the IT industry. Competencies such as mastery of the details and faultless execution of routine tasks, which are some of the key characteristics of individuals with autism, are an advantage in IT projects. This program is coordinated with the Autism Associations Federation (ODFED) while consultancy is procured from companies that conduct such studies abroad. Currently, an employee with autism has been included in the permanent staff after a pilot study. We have plans to spread this practice wider.

SUSTAINABILITY AT ŠKODA/YÜCE AUTO

Founded in 1989 to operate as the Turkish distributor of ŠKODA, and as a subsidiary of Doğuş Otomotiv, Yüce Auto/ŠKODA offers sales, after-sales and spare parts services for Fabia, Rapid, Rapid Spaceback, Octavia, Yeti, and Superb models with 38 Authorized Dealers and 3 Authorized After-sales Centers across Turkey.

Relationships with Employees at Yüce Auto

Ramadan packages, school stationery supplies, birthday, New Year's, holiday and women's day gifts, private health and private life insurance support are offered to Yüce Auto employees within the scope of social benefits. Employees are also served breakfast every morning.

Employees and senior management at Yüce Auto are in constant communication. All notices and announcements are communicated to the employees by e-mail. An employee satisfaction survey is conducted every other year at Yüce Auto. Various actions are planned for the development areas that are identified as a result of

these surveys, and implemented in the related period.

Based on the results of the employee satisfaction survey conducted with Yüce Auto employees in 2016, Yüce Auto was recognized with the 'AON Hewitt Best Employer of 2016' award.

Suggestion System at Yüce Auto

The objective of the suggestion system at Yüce Auto is to obtain suggestions of the employees about improving the processes and elevating the service quality in line with the Company's vision, strategies and targets. The system also aims to enhance the employees' sense of belonging with the Company.

Approximately 15% of employees are rewarded at the "Employee Rewarding Event" organized annually. In selecting the employees to be rewarded, the achievements of the employees and their participation in process improvements within the Company are taken into account.

Employee Trainings at Yüce Auto

Skill building trainings are organized at Yüce Auto to improve employees in terms of observable behaviors that include distinctive competence and personality traits in achieving performance excellence. In addition to these trainings, employees are also offered the chance to attend workshops for their hobbies. Furthermore, seminars and workshops are held for all employees.

The training needs of the employees that they determine in their needs analyses, performance appraisal results, and management's expectations are taken into account for the Skill Building and Workshop Trainings. Once the training planning process is completed, an annual training plan is created.

Performance Management at Yüce Auto

The performance management system has been established for the following purposes: To determine individual goals and responsibilities in line with the company's objectives with the aim of attaining the company's targets and strategies; to measure the expectations of the employees for their career prospects, their strengths and openness to development, their skills and alignment with Yüce Auto values; to provide guidance to employees through effective feedback in these matters and enhance employee-supervisor communication; and to obtain objective data on the systems related to employees such as compensation, rewarding, promotion and potential selection.

Performance appraisals are conducted every six months for employees who have completed 3 months in the company.

Employee Health and Safety at Yüce Auto

The Occupational Health and Safety Committee at Yüce Auto is composed of 19 people including the Emergency Action Teams that have completed the necessary trainings at authorized institutions, and represents approximately 30% of the total number of employees.

All Yüce Auto employees are provided OHS Trainings, which are delivered by the OHS Specialist and Workplace Physician. All employees have received the trainings required by law, and all the subjects mentioned in the regulations are covered in the trainings. In 2016, no work-related accidents during working hours were reported.

Customer Satisfaction Practices at Yüce Auto

In accordance with the quality policy at Yüce Auto, applicable laws and regulations are observed diligently, and customer complaints and problems are addressed to ensure that customer rights are respected pursuant to Consumer Protection Law No. 6502. Whereas Law No. 6502 stipulates that temporary vehicles should be provided in place of vehicles that need repairs within the warranty period and that require more than 10 days for repairs, we offer these temporary vehicles free of charge for the owners of vehicles that will take longer than 24 hours to repair. Furthermore, customers who do not prefer temporary vehicles are offered free travel and accommodation opportunities.




CORPORATE SUSTAINABILITY BY SUPPLIERS

DAIKIN TURKEY

After operating in Turkey through distributors since 1978, Daikin acquired Airfel's 100% shares in July 2011, and became a prominent player in the Turkish HVAC industry. Today, Daikin Turkey boasts the widest product range in the field of heating, cooling and ventilation in Turkey.

Daikin and Airfel brands under the Daikin Turkey umbrella offer a broad range of products for the HVAC industry, including boilers, air conditioner units, panel radiators, fan-coil units, and air conditioning plants, etc. produced with the latest technologies to meet different needs. Daikin Turkey has launched the production of Daikin branded products in addition to Airfel brand at the Daikin Hendek plant, spread on a covered area of 42,000 m² on 100,000 m² of land. Daikin Turkey, headquartered in Istanbul, serves a broad geographical area of Turkey with its six regional offices (Adana, Ankara, Antalya, Gaziantep, İzmir, Trabzon), 170 dealers, 500 sales points and 501 authorized after-sales services.³³

For further information about the company:  <https://www.daikin.com.tr/Kurumsal/Daikin-Turkiye-Hakkinda>

Quality Standards

Daikin A.Ş. operates in line with its Quality Policy, and carries out all activities in accordance with ISO9001:2008 Quality Management System. Kaizen and quality circle concepts are applied at Daikin Turkey to improve quality. Projects found to be successful as a result of the activities are implemented and rewarded in accordance with the procedures. Kaizen panels and online portal are used to communicate information within the company.

Environmental and Human Rights Compliance at Daikin's Suppliers

In addition to following Doğuş Otomotiv's business ethics, Corporate Responsibility and all other operating principles, Daikin Turkey also considers business integrity, environment, human rights and fundamental labor rights when selecting its suppliers, and performs checks based on these criteria.

In 2016, Daikin After-sales Services Department procured services, spare parts and products from 550 different suppliers across the country, and spent approximately TL 10 million on maintenance and repair services. Relevant sanctions, in

accordance with the discipline provision in our procedures, are applied to companies in the supply chain that have a negative impact on the environment or human rights.

Daikin and Environment

Daikin's environmental policy is built on the mission of "Enriching today, protecting the future".

Daikin Europe plays an active role in environmental responsibility by closely following the parent company in Japan and introducing policies beyond official rules and regulations. As a result, since 2001, the culture of "environment-friendly management" has played a key role in the company's day-to-day activities and development strategies.

Sustainable Energy Use

At Daikin, where business operations are guided by the slogan "Reduce, Recover, Reuse", utilization of all resources and energy consumption are constantly monitored to sustain energy efficiency. Employees are encouraged to separate hazardous materials such as trash, batteries and printer cartridges, and recyclable products such as paper and cardboard. Moreover, "ZERO Waste" and "ZERO emission" targets have been adopted by the manufacturing department at all stages of production.

Within the scope of Daikin Turkey's energy efficiency practices, activities are carried out to reduce the consumption of our resources in accordance with the studies and analyzes conducted by energy methods engineers. Optimizing the operating hours of HVAC systems, review and revision of heat losses in the HVAC systems, optimization of illuminated areas, effects of maintenance system on energy saving are among the recent activities. Production areas and production resources are studied separately from our head office.

Ozone-friendly, helping to save energy

Daikin Europe has always been a pioneer in promoting the use of ozone-friendly gases. The R-22 gas, which has completely disappeared now, has been replaced by R-134a, R-407C and eventually R-410A. Furthermore, all products are continuously redesigned to guarantee optimum performance in both heating and cooling cycles. Several models are Class A according to the EU energy classification system, while others are Class B. In this manner, the emission consumption is reduced.

³³Daikin data pertain to three locations including Head Office, Daikin Fuha İstanbul and After-sales Services.

Water Consumption

Daikin Turkey's head office is located in Turkey's first LEED Platinum certified high-rise, the Allianz Tower. The state-of-the-art faucets in the buildings provide water efficiency in international standards without sacrificing user comfort. With the efficient water faucets used in the buildings, reduction in water consumption has exceeded 35%. Daikin Turkey does not have a natural water source that is adversely affected by water consumption.

Product Recovery and Waste Reduction

Daikin constantly analyzes the production and packaging materials' use and recovery potential. For instance, damaged wooden European pallets are repaired and reused. The water used at the plant is treated before being delivered to the wastewater system while large quantities of sediment is separated as useful sludge for the cement industry. Battery waste is collected in battery boxes located at Akademi Maltepe, and delivered for recycling.

Developing Products that Respect the Environment

Daikin is deeply committed to the "eco-design" concept, constantly striving to improve the "green" content in its products. The use of lead, mercury and cadmium is reduced. The design department adopts the "green procurement" policy, which requires all material suppliers to declare that their products do not contain any material harmful to the environment.

Employees' Environmental Awareness

The importance of environmental sensitivity is emphasized in the messages displayed on the employees' computer screensavers. Production staff are constantly trained for heightened awareness about protecting the environment by preventing refrigerant gas emissions during production and test phases. The comparative data showing the positive effects of this policy are shown on the notice boards in the production areas.

Daikin Turkey also communicates information on recycling waste, energy use, and collection of refrigerant gases in all visits to the dealers and during Authorized After-sales Service audits across the country. Seminars and meetings under the 'industry experts days' name that Daikin Turkey's customers, employees and all stakeholders can benefit from are held free of charge at the Daikin Solution Plaza in Etiler, Istanbul. The latest event was about the environmental impact of refrigerant gases and the new generation gases that cause

minimum harm to the environment. Furthermore, the articles created by Daikin employees on HVAC issues are featured in trade publications.

ISO14001 accreditation for Daikin's global organization

Acting in line with Daikin Europe's environmental policies, Daikin Turkey has also developed its own local standards by taking European regulations and directives into account. To ensure continuous development of all environmental activities, Daikin has instructed all its subsidiaries to acquire the internationally recognized ISO14001 accreditation by the end of 2005. In this manner, Daikin encourages its global organization as well as its material suppliers and subcontractors to define the impact of their normal business activities on the environment and to take all necessary measures to protect the environment. Daikin Turkey has not been imposed any penalties in cash or in kind for non-compliance with environmental laws and regulations.

Daikin Turkey Customer Satisfaction

Daikin Turkey carries out its operations with 100% customer satisfaction approach, and ensures the security of customer information in line with applicable procedures.

Customer Satisfaction at Daikin Turkey

Strategy meetings, New Year's dinners, e-mailing, as well as various other events are organized to maintain continuous communication with employees. Employee satisfaction levels are identified through employee satisfaction surveys during the year. Daikin radio is another way of communicating with the employees.

During the year, Technical, Professional, Personal Development and Legally Required Trainings were delivered to employees. In 2016, 7,784 hours of training were given to 763 people.

Community Engagement at Daikin Turkey Sakura Project

Daikin Turkey launched the Sakura project in 2014 in cooperation with KOSGEB and Kal-Der to support university graduate women entrepreneurs to become business owners. With the Sakura Project, women entrepreneurs are first trained, and then launch their own businesses with the help of workplace support. The plan is to support 100 women to become business owners and launch their entrepreneurship careers by the end of the third year of the project.

HVAC Laboratories for Vocational High Schools

Daikin Turkey has been setting up training laboratories for the vocational high schools' HVAC departments to benefit. Schools determined during the planning

period each year are supported accordingly. Furthermore, the young people that graduate from the HVAC departments of these schools are offered job opportunities at our Authorized After-sales Services after interviews with İş-Kur in the respective schools.

COMPASS GROUP – SOFRA GRUP

Founded in 1987, Sofra Grup is part of the world leader Compass Group Plc. COMPASS GROUP PLC, the world's largest food, beverage, service and event organization, is the 6th largest employer in the world, serving at 50,000 locations in 50 countries with more than 500,000 employees and over £19.9 billion in annual revenues a year, and is listed on the London Stock Exchange, and traded on the FTSE 100.

Sofra Grup, which provides catering and support services to business centers, factories, educational institutions and health institutions, maintains its leading position in the industry, offering food and beverage, and hospitality services to thousands of people who trust the company for breakfast, lunch and dinner every day.

Sofra Grup is the first catering and food service company in Turkey to be awarded with the Quality Management (TSE EN ISO9001:2008), Food Safety (TSE ISO EN22000), Occupational Health and Safety (TSE ISG OHSAS TS 18001:2008), Environmental Management System (TSE ISO EN 14001:2004), Customer Satisfaction (TSE ISO10002:2006), and Energy Management (TSE EN ISO50001) certifications in Turkey. Occupational safety is ensured through product controls including storage, cooking and other processes from procurement to service, trained staff, hygiene in production and service, and trainings on machinery and equipment, and aims to maintain the quality assurance in the services provided by Sofra Grup.

For more information about Sofra Grup and Quality Activities:  <http://www.sofragrup.com/Kalite-Yonetimimiz.aspx>

Business Ethics at Sofra Grup

In all business processes, Sofra Grup acts in accordance with the Compass Group Business Ethics Principles, which include Food Safety, Responsible Supply Chain,

Conflicts of Interest, Personal Integrity, Commercial Integrity, Employment, Company Assets, and Ethical Rules for External Operations. Compass Group has also developed the Compass Group Code of Conduct. These Guidelines clearly set out the expected standards of behavior of all Compass Group employees, customers, suppliers, shareholders and other stakeholders in relation to matters outside the Company. The guidelines have been developed in collaboration with key stakeholders such as the Compass European Works Council (CEC) and the Institute of Business Ethics. The Code of Ethics forms the basis for Compass' social, ethical and environmental commitments. To that end, Compass Group has signed the United Nations Global Compact. The 10 principles of the UN Global Compact are an integral part of Compass Group's business principles.

Sofra Grup and Supply Chain

Each supplier in the support services supply chain is selected for its safe, ethical and good service quality, competitive prices, and strong financial structure.

Compass Group carries out all procurements and sourcing within the framework of its "Procurement Policy". Sofra Grup diligently sources products from safe, quality, healthy and local suppliers considering their impact on the environment. The company, together with the purchasing and procurement team, manages relationships with suppliers in the best possible manner to maintain a seamless purchasing chain that considers customer needs and advantageous purchasing opportunities. Compass Group strictly evaluates suppliers' compliance with health, safety and environmental standards, and compliance with these criteria is specified in the agreements. Compass Group's supply chain in Turkey does not contain companies that currently have or might potentially have material impact on the environment or human rights.

Sofra Grup's sustainable procurement goals are:

- Full monitoring of suppliers and products within the approved supply chain to ensure ethical and safety standards;
- Supporting local resources; cooperating with farmers and growers for locally and regionally made or grown food products;
- Collaborating with customers, suppliers and distributors to minimize the environmental footprint of our business;
- Supporting farmers and communities with fair trade approach.

Sofra Grup and Sphere of Environmental Impact

At Sofra Grup, the environmental impact and the dimensions of such impact are identified for all departments, and necessary actions are introduced. Various activities are carried out in all departments to reduce the environmental impact that may arise as a result of production and service activities within the scope of TSE ISO EN 14000 Environmental Management System Standard, and to raise environmental awareness among all employees. Our approach to environmental responsibility is communicated to all employees and related parties through our "Environmental Policy".

At Sofra Grup, various energy saving programs are implemented, particularly in terms of efficient use of equipment, with the aim of reducing the consumption of energy sources such as electricity and natural gas in all departments. Automatic faucets have been installed for hand washing to reduce water consumption, and leakages monitored and immediately fixed. Along with this measures, procedures to use water more efficiently are in place, warning labels are used, and water consumption is recorded. During the year, 1,800 liters of water per year per person was saved means of spray nozzle faucet control systems. To reduce the environmental impact of vehicles used at service locations by decreasing consumption and emissions, various actions are taken, including using fuels that are less harmful to the environment, measuring emissions and ensuring regular maintenance of vehicles, route planning and limiting vehicle speeds.

Waste Management at Sofra Grup

In most countries, food constitutes over 15% of waste delivered to garbage disposal sites, and decomposition of food waste results in release of methane, a gas 20 times more effective than carbon dioxide. Furthermore, disposal of food waste creates significant economic

impact. Sofra Grup strives to reduce the impact of food waste, and implements the sustainable Trim Trax program to raise awareness and ensure reduction of food waste. Trim Trax is a waste reduction program for monitoring, measuring and reducing the food waste in the Sofra Grup kitchens. Designed to increase operational efficiency, raise awareness of food waste and reduce the environmental impact of these wastes, this program aims to reduce waste by making it more visible, give them a financial value, and offset the rising food costs. Trim Trax Program stands out with important features such as allowing food waste to be monitored, measured and minimized on site, and providing the employees with the tools, perspective and a sense of belonging needed to minimize and monitor waste in the production process. Applying Trim Trax contributes to a more sustainable future by reducing costs in the disposal of food waste and improving operations. In 2016, 7,600 kilos of waste paper, and 27 kilos of battery waste were recycled. Measures are taken at Sofra Grup to reduce waste by evaluating the waste generated from the activities on the process scale. Effective production planning, keeping minimum inventory and improvement of working methods are some of the activities carried out for this purpose.

Customer Satisfaction at Sofra Grup

Protecting the health and safety of the customers is not only a responsibility for Sofra Grup, but also a key element of success. In line with this approach, the Quality and Assurance Department conducts regular inspections to ensure compliance with the procedures and the rate of reaching the targets.

Sofra Grup and Employee-related Practices

Sofra Grup, as Turkey's largest provider of catering and support services, continues the diligent recruitment processes with ongoing training, development opportunities and regular performance reviews.

Sofra Grup's employee policy ensures that existing and potential employees are offered equal opportunities regardless of gender, race, color, religion, nationality, ethnicity, age, sexual orientation, marital status and disabilities.

Within the organization, the Company acts in line with the Occupational Health and Safety procedures, created and audited according to the Occupational Health and Safety legislation and OHSAS TS 18001 Standards in business processes.

Product and Service Responsibility 

Sofra Grup conducts employee satisfaction surveys every other year to understand their needs, and provide them with the best possible support.

The team responsible for trainings and development at Sofra Grup plays a vital role in maintaining the employees' motivation levels, and

developing the business by grooming employees with advanced knowledge and skills. Accordingly, various trainings are provided during the year to assist employees in their professional and personal development. In addition, annual performance appraisals of all employees are regularly carried out.

VOG TEKSTİL

Quality Standards at Vog Tekstil

At Vog Tekstil, all processes are constantly monitored in order for the company to provide services in the desired quality. The production monitoring program was integrated into the system during the year, and the logistics system renewed. A new system is currently being created, and new software developed to increase the effectiveness of the bidding process and to evaluate the bids more effectively and save time in operations. The system will be implemented in the coming period. Utmost care is taken to ensure that the fabrics and materials used are documented and Ecotex certified. Vog Tekstil suppliers do not use raw materials that may be carcinogenic in printing materials. In the supply of raw materials, all necessary inspections and checks are conducted.

Vog Tekstil and Employee Practices

In order to increase the satisfaction of Vog Tekstil employees, an employee satisfaction survey is held once a year and their expectations are sought. The

suggestions found to be viable as a result of the survey are implemented. All safety precautions for employee health and safety as specified by the occupational safety specialist are taken, and necessary checks are performed accordingly.

To ensure the development of the employees, necessary training support is given in line with the development areas that they indicate.

Vog Tekstil and Environment

Aiming to reduce its impact on the environment, Vog Tekstil carries out activities to raise employees' awareness of this issue.

Community Engagement Practices at Vog Tekstil

Vog Tekstil delivers the products that do not bear logos and are not sold during the year to people in need in Anatolia.

CORPORATE SUSTAINABILITY AT AUTHORIZED DEALERS AND AFTER-SALES SERVICE CENTERS

We initiated strategy sharing and awareness raising activities with our Authorized Dealers and After-sales Service Centers, as a priority stakeholder group within Doğuş Otomotiv's sphere of influence, in 2014. By including 17 Authorized Dealers and After-sales Service Centers in our Sustainability Report, we have accelerated our efforts in 2016 to expand our development goals along with transparency, measurements, assessments and sustainable supply chain management.

ACARLAR OTOMOTİV

Employees: 156

İstanbul

 <http://acarlar.vw.com.tr>

As part of Acarlar Otomotiv's strategy to reduce power consumption, the building where the company operates has been designed in a concept to ensure maximum benefit from daylight. Acarlar involves its employees in the process management and provides necessary information to raise environmental awareness. Accordingly, all employees are informed about using the energy consuming equipment with maximum savings in mind. The awareness raising practices include among others, shutting down all computers automatically at the end of the work day, preparing the physical infrastructure necessary for the construction of the water treatment facility, offering customers various benefits to reduce water consumption in cleaning vehicles, and the Compost System built in cooperation with the Beykoz Municipality. In 2016, 2,359 kgs

of battery waste was delivered to the authorized company for disposal.

Acarlar Otomotiv employees are entitled to 10% of company profits along with all their social rights. Acarlar Otomotiv, which has declared that the employees' opinions and feedback are obtained and considered through various platforms, has been encouraging education since 2004, and all Acarlar Otomotiv employees that were once only elementary school graduates now have High School or Industrial Vocational High School diplomas. English language education has been offered to the management team in the office, and the IT specialist has received computer trainings on site. Body repair and paint technicians' trainings have been supported to help them earn Master Certifications from the National Education Directorate. Furthermore, new recruits are informed during the orientation process about Acarlar Otomotiv's human rights and equality approach.

ACARSAN AUDI

Employees: 85

Gaziantep

 <http://www.acarsanaudi.com/index.php>

Acarsan Audi Corporate Values

- Assuming responsibility for the community and customers as a necessity of living together, not as coercion; continuity of service to our customers; and always aiming activities toward our customers.
- Respecting people and human rights, being human-focused.
- Adopting the principle of fairness and equal opportunity.

- Sharing transparency, openness, honesty, knowledge and impressions willingly and sincerely, without disturbing integrity, and being accountable.
- Being aware of the fact that we borrow the world from our grandchildren, and striving for a sustainable life.
- Choosing science as the true guide in life. Fighting for a science-dominated society.
- Acknowledging that quality can only be achieved as total and through management, and showing efforts in this direction.
- The 'we' approach, not 'me'. Standing together through good and bad.

ALDO OTOMOTİV

Employees: 35

Mersin

 <http://www.aldootomotiv.com>

Aldo Otomotiv provides trainings on safe driving techniques and fuel economy under the supervision of Doğuş Oto-approved trainers for customers who are transportation drivers.

Aldo Otomotiv publishes the Aldo Newsletter quarterly to reinforce communication within the organization. In addition to this publication, which offers information and announcements regarding the developments in Aldo Group and awards, the company also has an intranet system for communication within the organization. The employees' suggestions are communicated and evaluated on a platform in the intranet system.

Aldo Otomotiv offers all employees the opportunity to drop their children after school hours at the playroom within the company under the supervision of a nursery assistant and to pick them up at the end of office hours. Aldo also conducts employee satisfaction surveys at regular intervals to measure

its employees' satisfaction levels.

Aldo Otomotiv published its "Code of Ethics Procedure" in 2016. In addition to the regular technical development trainings provided for employees, customer satisfaction trainings are repeated for the service department on Mondays, and sales department on Fridays.

Aldo Otomotiv also encourages its employees to participate in community volunteering programs. Some of these programs that took place in 2016 include visiting the Mersin Bahar Nursing Home during the Elderly Week, and the Mersin Sevgi Evleri (Children's Orphanage) and Girls Orphanage on April 23, and the annual blood drive. Furthermore, Aldo Otomotiv regularly grants scholarships to 15 university students.

Aldo Enerji, an Aldo Group company, carried out an awareness raising activity on renewable energy on June 5 Earth Day aimed at elementary school students.

Within the scope of November 10 Atatürk Commemoration Week, Aldo Group sponsored the sailing cup organized by Mersin Sailing and Yachting Sports Club.

ALTUR

Employees: 238

İstanbul

 <http://www.alturoto.com>

Altur utilizes smart building systems to ensure energy efficiency. The building where the company operates features lighting fixtures that change intensity depending on changing daylight, and motion sensors to conserve electricity. Altur delivers 2 tons of waste paper on average annually for recycling.

Altur regularly conducts employee satisfaction surveys every year, and implements enhancement plans based on survey results, which are shared with the employees. The company also has a performance management system in place, and manages its human resources activities through D-İnsan (Doğuş Otomotiv Human Resources Management System). The technical and non-technical trainings provided for Altur employees in 2016 amounted to 1,450 hours.

AVEK OTOMOTİV

Employees: 387

İstanbul, Çanakkale

 <https://www.avek.com.tr/tr>

Avek Otomotiv offers employees the opportunity to submit their suggestions via the intranet system to contribute to work processes, and implements the viable suggestions. Furthermore, the employees who do not yet have Professional Qualifications Certificates are supported to earn their certifications.

As part of its community engagement activities, Avek Otomotiv sponsored the Çanakkale Women's Volleyball Team with a donation of TL 150,000 in 2016. Avek Otomotiv donates nearly TL 5,000 to TEMA Foundation by way of procuring tree saplings every year, and presents

approximately 1,250 tree planting certificates issued in collaboration with TEMA Foundation to customers that purchase vehicles. Avek Otomotiv also donates TL 10,000 to the Turkish Education Foundation through wreath donations. The company has also donated TL 10,000 to Koruncuk Foundation in 2016.

The employees have led a volunteering program to collect blue caps of plastic bottles to support the donation of wheelchairs for people with disabilities. The employees also hold regular blood drives to donate to Kızılay.

Every year, Avek Otomotiv regularly offers internship programs for students of Şişli, Bağcılar and İkitelli Industrial Vocational High Schools to help prepare them for the profession.

AYKAN OTOMOTİV

Employees: 398

Adana, Osmaniye, Kayseri

 <http://aykan.vw.com.tr>

Aykan Otomotiv currently works on a project to obtain the power required for its operations through solar panels. On the other hand, employees are informed by email in certain periods to raise their environmental awareness.

Aykan Otomotiv has started to cooperate with Doğu Otomotiv DIM in 2016 for the purpose of managing customer relations.

Employees communicate their suggestions to the management using a form on the company's intranet

system. The suggestions are evaluated at regular intervals by the Suggestion Committee, and those deemed viable are rewarded.

At Aykan Otomotiv, Code of Ethics has been defined and implemented within the framework of Disciplinary Regulation. Each new recruit is informed about Code of Ethics, and signs the relevant document. Planned and unplanned internal audits are conducted to ensure the implementation of the Code of Ethics.

Osman İsoç Vocational and Technical Anatolian High School has been built in Besni, Adıyaman by Aykan Otomotiv while equipment, education and laboratory support continues. In 2016, the seniors of the school completed their all expenses paid, one-month internships in the company.

BAŞARAN OTOMOTİV

(ALVIN OTOMOTİV)

Employees: 354

Antalya, Alanya, Isparta, Fethiye

 <http://basaran.vw.com.tr>

 <http://alvinoto.com.tr>

Başaran Otomotiv, which uses energy efficiency improving solutions such as timers and energy saving lighting fixtures, also has in place a water treatment system that filters and purifies the wastewater. The facility also features exhaust gas absorption systems to protect the workshop employees' health and to prevent harmful gases from being released to the environment.

Başaran Otomotiv evaluates the employees' opinions and suggestions to increase motivation and productivity. The ideas and suggestions communicated to the e-mail

account birfikirimvar@basaranoto.com.tr are evaluated and viable ones are implemented. Furthermore, department managers regularly come together with employees to address their requests and expectations in one-to-one meetings. Having conducted an employee satisfaction survey in 2016 within the scope of the DRIVE program, the Company plans to continue this survey on a regular basis every year.

The performance appraisals of employees at Başaran Otomotiv are reported via the automation system with a focus on efficiency and productivity, and feedback is provided according to report results.

Başaran Otomotiv employees and executives participate in RUNATOLIA, the annual international marathon of volunteers.

DEMOTO

Employees: 67

Afyon, Kütahya, Manisa

 <http://demoto.vw.com.tr>

Demoto regularly conducts an employee satisfaction

survey every year, and makes necessary adjustments based on survey results.

In 2016, Demoto donated TL 50,000 to the Erkmen Municipality, and TL 18,000 to the Afyon Education Foundation.

EREL OTOMOTİV

Employees: 276

İstanbul (Kadıköy, Maltepe)

 <http://www.ereלותomotiv.com.tr>

At Erel Otomotiv, respecting human rights and employee rights is taken into account as an important factor in choosing suppliers. Contracts with the suppliers are also reviewed and approved by the Company's Occupational Health and Safety Supervisor.

Erel Otomotiv has conducted several studies in 2016 to reduce power consumption. Building systems that plan lighting according to daylight are used in the company's facilities. All electricity consumption is regularly monitored through a consulting company. In 2016, awareness-raising activities were carried out within the scope of Green IT efforts to reduce energy consumed by printers while the number of printers and settings were adjusted. The number of print outs from the printers within the company is reported every month. In 2016, the number of servers has been decreased to one by moving three servers to virtual environment.

Erel Otomotiv carries out activities to reduce water consumption during car washing while all processes

related to waste management are managed in cooperation with disposal companies. Solvent residues are recycled by a treatment device located within the company. The amount of waste paper collected and recycled in 2016 was recorded as 2,160 kgs.

Erel Otomotiv employees were provided 224 hours of occupational health and safety training in 2016, and one incident of work-related injury has occurred during the year. After the accident, related processes were reviewed and accident prevention activities were carried out.

The employee performance management system at Erel Otomotiv was established and launched in 2016. Quarterly target cards were prepared and employees were informed. The Internal Audit Department established in 2015 within the scope of anti-bribery and anti-corruption, and work ethics practices continues to work.

As part of its community engagement practices, Erel Otomotiv grants scholarships to 6 university students, donates equipment to Küçükyalı Vocational Technical Anatolian High School. The company is in constant dialogue with the local community, and carries out activities by considering possible requests.

GENERAL OTO

Employees: 161

İstanbul

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

At General Oto, contracts that highlighted occupational health and safety were signed with suppliers in 2016. Furthermore, a supplier assessment system has been introduced to monitor construction works.

In 2016, the website was redesigned and launched to improve customer satisfaction and increase the efficiency of business processes. Within the scope of activities aiming to ensure long-lasting customer loyalty, plaques were presented to 5, 10 and 15-year old customers in 2016.

"Winter Driving Guide" has been published and shared on social media to inform our customers about safe driving in the winter season. Furthermore, safe driving trainings were offered to commercial vehicle customers in cooperation

with Doğuş Otomotiv, and participants were presented certificates.

General Oto has delivered 102,641 kgs of waste to authorized companies for disposal in accordance with the waste management activities carried out in 2016. Throughout the year, 3,000 kgs of paper waste was collected and delivered for recycling. In 2016, General Oto has recycled approximately 95% of its total paper consumption. The company cooperates with a consulting company on environmental improvement issues. In 2016, TL 88,128 was paid within the scope of waste management and environmental improvements.

General Oto has donated TL 36,000 to five amateur sports clubs in its region, and contributed with TL 5,000 to an event organized for the benefit of the hearing impaired children.

LENA OTOMOTİV

Employees: 163

Aydın, Muğla

 <http://lena.vw.com.tr>

Lena Otomotiv built new facilities in 2016 for the storage of hazardous wastes, invested nearly TL 10,000 in these facilities and paid about TL 20,000 to the authorized companies for recycling and disposal of hazardous wastes.

Lena Otomotiv aims to offer employees equal rights under all circumstances, and to create a transparent and fair working environment. The company shares its Code of Ethics with all employees on various platforms. The company also conducts employee satisfaction surveys, and makes improvements according to survey results. The employees' suggestions received through the suggestion system are assessed, and viable suggestions are implemented in planned order. The viable suggestions that cannot be implemented for various reasons go through a project phase and are kept on the agenda.

Training needs are analyzed within the scope of training management, and various trainings including orientation trainings, professional trainings, and OHS trainings as well as trainings contributing to personal development are provided for employees. In addition, employees benefit from safe driving trainings organized by Doğuş Otomotiv. There is also a performance management system in place within the organization.

Lena Otomotiv regularly contributes in cash and in kind to Hacı Celal OTO and Hacı Leman OTO elementary schools built in the name of the company's elders. Furthermore, the Company offers support to the Social Services and Child Protection Agency, and the Aydın Youth and Sports Club. Aydın Mimar Sinan Industrial Vocational High School and the Apprenticeship Training Center are supported with parts and training tools for educational purposes with the approval of Doğuş Otomotiv.

The company employees voluntarily donate blood to Kızılay each quarter.

MERCAN OTOMOTİV

Employees: 76

Edirne (Merkez, Keşan)

 <http://mercan.vw.com.tr>

Mercan Otomotiv, having made new investments in 2016 for the use of Green Technology, renovated its IT room, and switched to using energy saving servers. Mercan Otomotiv, which achieves significant water savings by using treated water in garden irrigation, has a waste management system

in place in compliance with the regulations.

Mercan Otomotiv measures employee satisfaction at six-month intervals. Necessary actions are taken and planned according to the results of these surveys.

Mercan Otomotiv provides equipment support to the Edirne Industrial Vocational High School, and cash support to the Kosovo Students Association.

OPAT OTOMOTİV

Employees: 158

Mersin (Mezitü, Tarsus)

 <http://opat.vw.com.tr>

Opat Otomotiv is among our Authorized Dealers and After-sales Service Centers that issued an "Ethics Principles Procedure" within the company in 2016. The company takes into account Doğuş Otomotiv standards in supplier selection, and also declares that it considers the suppliers' organizational structures and practices on environment, human rights and employee rights.

Opat Otomotiv provides Doğuş Otomotiv-approved trainings on safe driving and fuel economy for its commercial vehicle customers, who are engaged in transportation, and offers certificates to participants.

Opat Otomotiv aims to generate 265 kWh of energy per year using solar energy panels placed on the roofs of the company

facilities in 2016 as part of its energy efficiency activities. Opat Otomotiv launched an employee suggestion system on its intranet in 2016 to systematically assess the suggestions of the employees.

Performance management at Opat Otomotiv is carried out at the sales and after-sales service managers level, while the performance of sales and after-sales service consultants are monitored with target cards.

The company supports corporate volunteering programs, and organizes events such as visits to nursing homes, orphanages, and hospitals for children with leukemia children on a voluntary basis during working hours.

Opat Otomotiv regularly donates to Lösev and Kızılay every year. The contributions to the community amounted to TL 10,000 in 2016. The company also grants scholarships to 15 university students.

ŞENYILDIZ OTOMOTİV

Employees: 148

İstanbul (Yenikapı, Nişantaşı, Topkapı)

 <http://www.audisenyildiz.com>

Şenyıldız Otomotiv conducted its first ever employee satisfaction survey in 2016, becoming one of our key stakeholders that systematically measure employee satisfaction. Şenyıldız has also participated in the DRIVE platform, launched by Doğuş Otomotiv to support its Authorized Dealers and After-sales Services in Human Resources Management.

Of the total 315 suppliers that Şenyıldız works with, 309 are local businesses.

The company carries out several activities to improve energy efficiency and reduce water consumption, with heat curtains used in the buildings, and collecting and reusing rainwater as important examples. The company has invested TL 1,000,000 in the treatment and smart building systems installed in the new facility. In 2016, the company consumed 1,250 kgs of paper, and 350 kgs of paper waste was recycled.

In cooperation with the Tema Foundation, 1,000 trees were planted in İzmir Urla Kadiovacık Memorial Forest in 2016.

Şenyıldız collaborates with Doğuş Otomotiv Value and Care Center (DIM) for Customer Complaints and Satisfaction Management.

A health newsletter is published twice a year to improve the general health condition of Şenyıldız Otomotiv employees and to raise awareness of this topic. The content of these newsletters is determined according to current health issues.

In 2016, trainings were provided on six topics with content provided from different sources, and totaled 1,602 hours. Employee satisfaction surveys are conducted every other year at Şenyıldız Otomotiv. According to the results of the survey conducted with the support of the Doğuş Otomotiv Human Resources General Directorate in 2016, the satisfaction rate of white-collar employees was determined

as 84% and that of blue-collar employees as 60%. Following the survey, the company management has determined action plans and announced to the entire organization. Şenyıldız has a suggestion-comment box where employees can place their suggestions. The implemented suggestions among the submissions are announced to the employees. Annual employee performance appraisals are regularly conducted within the company. For the blue-collar and white-collar employees, an appraisal system of measurable targets and behavioral competencies is applied. The plan for 2017 is to provide trainings within the company by establishing a Code of Ethics Procedure. Human rights trainings have been added to the 2017 training plan.

In 2016, Şenyıldız Otomotiv contributed with TL 50,000 to the road works within the scope of Yenikapı Eurasia Tunnel access roads in front of the company facilities. To support the "There is a Child Inside" project aimed at the children growing up in the women's ward at Bakırköy Prison, Şenyıldız Otomotiv donated TL 5,000, and promoted the project to the customer with special labels. A donation of 2,000 TL was made on behalf of employees to UNICEF Turkey for the purpose of contributing to education, and employees were presented certificates bearing their names. Şenyıldız Otomotiv also grants scholarships to 6 students. The company has cooperated with Tema Foundation to plant 1,000 trees in Urla, Izmir on behalf of the customers with a budget of TL 5,000, and certificates were delivered to the customers. Moreover, Şenyıldız has planted 100 trees in its vicinity, spending TL 5,000. The investment in social engagement activities totaled TL 67,000 in 2016 while TL 431,800 has been donated to social charity campaigns.

Within the scope of the corporate volunteering program organized in 2016, a book drive was organized for a school in Mardin and employees volunteered to participate in this program.

Providing employment for people with disabilities and interns, affirmative action for hiring women, and training interns with disabilities to involve them in the community are among the company's priorities.

TAMAŞ

Employees: 192

İstanbul (Topkapı, Bakırköy)

 <http://tamas.vw.com.tr>

Tamaş has collaborated with BASF to increase the work quality in the paint and bodywork workshop, completed the Glasurit Bodyshop Audit Pro quality activity conducted by the

automotive paint brand Glasurit, and has been duly certified. With this certification, Tamaş has become the only authorized dealer to be certified for its quality for all brands in Turkey. Aiming to improve the quality standards and efficiency at Tamaş, Savings, Social Responsibility and Ethics, Training, Marketing and Efficiency working groups were formed in 2016, and action plans created in line with the projects developed by these groups.

In order to improve energy efficiency after the renovations in the building where Tamaş has been operating, DALI, which increases daylight use in lighting has been installed, while the company has switched to Creston automation for its music system. With the upgraded IT infrastructure and by moving to virtual servers, efficiency activities have been accelerated in the technological infrastructure as well.

The trainings on occupational health and safety, and hygienic conditions in the workplace provided to employees at Tamaş in 2016 totaled 232 hours. The intranet system was launched in 2016 to enhance internal communication and improve efficiency, making it possible for the employees to directly access various organizational data including performance management and product information. According to the results of the annual employee satisfaction survey conducted in 2016, satisfaction rate of white-collar employees was 79%, and that of blue-collar employees 45%. Action plans were drawn up according to survey results, with further plans to introduce new practices in 2017 to improve these rates.

The company regularly receives employee suggestions on various platforms, implements and rewards viable suggestions. Tamaş has a performance and incentive management system in place.

Tamaş determines and manages the Code of Ethics and related procedures as part of its internal systems, and includes principles related to human rights in these procedures. Furthermore, members of the Ethics and Social Responsibility Working Group established within the Company have also been trained on human rights. The company has an internal audit system in place to prevent corruption.

Tamaş partnered with Halkalı Doğa Koleji in 2016 to organize a Volkswagen-themed painting contest among 1., 2. and 3. graders of the elementary school, and the works of the successful students were presented in an exhibition.

Tamas also continues to provide support in kind to the Hacıahmetli Muazzez-İsmail Çam Middle School in Arsuz, Hatay.

UZAY OTO A.Ş.

Employees: 158

İstanbul

 <http://uzay.vw.com.tr>

Uzay Oto completed its process improvement activities in 2016, and all processes in the two main value stream activities were defined.

The company uses pulverization-based systems that slow water flow to reduce water consumption in car washes, and delivers 4,000-5,000 kgs of paper waste per year on average to the Beyoğlu Municipality for recycling purposes.

Uzay Oto, aiming to improve employee satisfaction, provides supplementary private health insurance to its employees and their families, taking seniority years into consideration. Furthermore, private pension system is

available in the Company, which contributes to private pension premiums of employees who wish to join the system. Uzay Oto also provides educational support to the children of employees during the academic year.

The company has conducted an employee satisfaction survey in 2016, and also provides a platform for employees to communicate their opinions and requests to the management any time. Uzay Oto is managed with an approach focused on 'equal rights for equal work' for all employees from diverse cultures and faiths, and operates as a company respecting human rights.

In 2016, employees were trained on various technical and non-technical topics. There is an employee performance system in place at Uzay Oto where appraisals are conducted once a year.

VOSMER OTOMOTİV

Employees: 379

İzmir (Alsancak, Gaziemir)

 <http://vosmer.vw.com.tr>

Vosmer has a water treatment system to reduce water consumption and decrease the environmental impact of wastewater. Vosmer has moved all of its servers to the virtual medium with technological infrastructure

investments, and applies waste management procedures in compliance with the regulations.

Vosmer regularly conducts employee satisfaction surveys every year, and implements improvement plans for the problematic aspects identified in survey results. A substructure of Doğu Otomotiv's Performance System was established at Vosmer in 2016 to measure employee performance, with plans to launch in 2017.

DOĞUŞ OTOMOTİV 2016 SUSTAINABILITY PERFORMANCE IN NUMBERS

ECONOMY G4-EC1

Economic Performance

ECONOMIC PERFORMANCE	2015	2016
Sales (Units Retail)	203,082	208,956
DOAŞ Market Share (%) (Retail)	20.6	21.0
Used Car Sales Units (DOD)	23,125	22,534
Net Sales (TL M)	10,889	11,925
(EBIT) Operating Profit (TL M)	447	426
Net Profit for Fiscal Period (TL M)	302	238

(TL Million)	Doğuş Otomotiv 2015	Doğuş Otomotiv 2016
Paid to Shareholders ³⁴	150	300
Corporate Income Tax	61,976	40,594
Community Investments	3,581	14,372
Paid to Suppliers ³⁵	965	921.6

Operational Indicators

	Doğuş Otomotiv 2015	Doğuş Oto 2015	Doğuş Otomotiv 2016	Doğuş Oto 2016
Sales Units	203,082	59,949	208,956	62,394
Entries to After-sales Service Centers	-	240,201	-	251,595
Number of Employees ³⁶	830	1,664	903	1,805

³⁴This is the gross amount paid from the annual profit.

³⁵Excluding vehicle imports and Doğuş Group Companies, including Doğuş Otomotiv Group companies' local procurement.

³⁶Number of employees as declared in the Annual Report. Number of employees may be slightly different than the figures stated in the HR section. Calculation methods have been explained in detail underneath each table.

ENVIRONMENT

Energy Consumption³⁷ G4-EN3, G4-EN4

	2015		2016	
	Doğuş Otomotiv	Doğuş Oto	Doğuş Otomotiv	Doğuş Oto
Natural Gas (m ³ /GJ)	456,721 17,506	1,461,005 56,001	445,079 17,060	1,779,901 68,224
Fuel (lt/GJ)	496,985 17,616	568,676 20,157	486,160 17,232	610,759 21,649
Electricity (kWh/GJ)	4,784,127 17,223	11,781,250 42,413	5,427,821 19,540	12,448,342 44,814
Total (GJ)	52,345	118,571	53,832	134,687

EMISSIONS

CO₂ Emissions³⁸ G4-EN15, G4-EN16, G4-EN17

CO ₂ (Tons)	2015	2016
Natural Gas Consumption	4,124	4,784
Company Vehicles	2,677	2,764
Personnel Shuttles	431	532

CO₂ emissions caused by electricity purchased³⁹ for Doğuş Otomotiv in 2016 were 5,211 tons and 11,950 tons for Doğuş Oto.

CO₂ Amount per Person G4-EN5, G4-EN6

Type ⁴⁰	Consumption 2015	CO ₂ (tons) person 2015	Consumption 2016	Kişi başına CO ₂ (ton) 2016
Natural Gas - m ³	456,721	1.28	445,079	1.06
Electricity - kWh	4,784,127	6.13	5,427,821	5.77
Liquid Fuel - Lt	496,985	1.63	486,160	1.37
Total	-	9.04	-	8.20

Environment Friendly Vehicles⁴² G4-EN15

	Sales Amounts (Retail)		Average Emission per Vehicle CO ₂ Compound (g/km) ⁴³	
	2015	2016	2015	2016
Volkswagen Passenger Cars Vehicles	107,401	101,749	115	110
Volkswagen Commercial Vehicles	31,641	32,766	182	168
Audi	20,277	22,005	115	115
Porsche	861	827	175	173
Bentley	19	14	277 ⁴⁴	276*
Lamborghini	6	21	290*	291*
SEAT	16,911	19,983	115	109
Total Sales/All Brands Average	177,116	177,365	127	121

³⁷ Calculation Method:

Natural Gas GJ: 1m³*kcal(9155)*joule(4,186.8)/109

Gasoline GJ: 1lt*kcal(0.83)*ton(1000)*kcal(10,200,000)*joule(4,186.3)/109

Electricity GJ: (1kwh*0.0036)

³⁸ DOAS and Doğuş Oto consolidated figures.

³⁹ CO₂ emission resulting from electricity consumption in 2016 is the value provided by the supplier.

⁴⁰ Doğuş values only.

⁴¹ CO₂ emission resulting from electricity consumption in 2016 is the value provided by the supplier.

⁴² CO₂ values for Scania are not available.

⁴³ CO₂ data have shown 3.9% year on year improvement in 2016.

⁴⁴ Does not change since wholesale sales amount = retail.

Doğuş Otomotiv 2016 Sustainability Performance in numbers **Water Consumption**

m ³	2015	2016
Per Vehicle Sold	0.69	0.48

Waste  G4-EN23

Type of Waste (kg)	2015			2016		
	Doğuş Otomotiv	Doğuş Oto	Other Authorized After-sales Service Centers	Doğuş Otomotiv	Doğuş Oto	Other Authorized After-sales Service Centers
Lubricant and Oil Filter	5,267	8,374	164,596	8,080	32,598	154,871
Contaminated Waste	6,827	10,058	24,143	8,680	29,290	44,604
Contaminated Packaging	6,342	2,995	29,007	4,592	13,827	37,982
Anti-freeze Liquid Waste	0	167	654	0	3,625	1,264
Brake Fluid	0	55	696	0	4,175	1,158

Recovered Packaging Waste⁴⁵  G4-EN23, G4-EN28

Packaging Type	2015 (kg)	2016 (kg)	2016 Recovery Ratio (%)
Packaged Materials Released to the Market and Later Recovered			
Paper/Cardboard Packaging	431,485	465,527	54
Plastic Packaging	2,794	4,351	54
Wooden Packaging	2,497	3,347	9
TOTAL	436,776	473,225	
Packaging Waste Amount Created in the Şekerpınar Facilities			
Paper-Cardboard Packaging	335,410	374,120	100
Wooden Packaging	272,840	275,700	100

Logistic Cage Exports  G4-EN16, G4-EN17, G4-EN30

Year	Volkswagen Annual Number of Trailer Trucks	Improvement per Trailer Truck	Fuel Saved (lt)	CO ₂ Emission (tons)
2015	600	66	52,800	122
2016	648	60	48,000	110

Vehicle Distribution

Year	Fuel Consumption	Number of Vehicles Shipped	Fuel Consumption per Vehicle (lt)
2015	~ 8,000 tons	201,748	40
2016	~ 10,000 tons	211,172	47

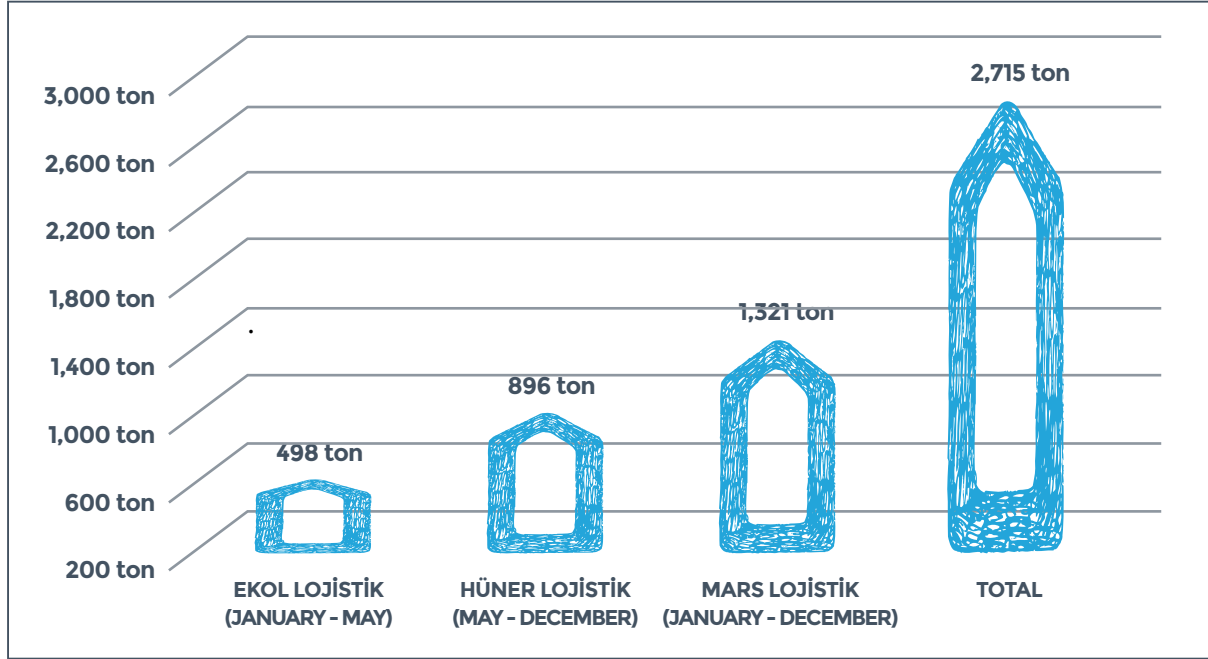
Spare Parts Distribution

Diesel Consumed (lt)		
Year	Cargo	Dedicated
2015	163,258	428,945
2016	170,019	446,709

⁴⁵As required of a provider, we have an agreement with ÇEVKO. The amounts collected by them on our behalf are indicated in the table.

Intermodal Transport and Saving Rates

CO₂ Savings from Intermodal Routes



CO₂ Savings from Intermodal Routes

EKOL 2016 annual amount CO₂ saved = 498 tons

Hüner 2016 annual amount CO₂ saved = 896 tons

MARS 2016 annual amount CO₂ saved = 1,321 tons

TOTAL = 2,715 tons

Battery Waste (Doğuş Otomotiv-AKÜDER Partnership)⁴⁶

Battery Waste Amount (Kg)	2015	2016
	208,759	269,008

Lubricant Waste (Doğuş Otomotiv - PETDER Partnership)⁴⁷

Lubricant Waste (Kg)	2015	2016
	1,976,265	2,297,559

Lubricant Waste	2015	Contribution	2016	Contribution
Sent to Regeneration Plants	138.6 tons	101,704 lt oil base	103.9 tons	76,197 lt oil base
Sent to Cement and Lime Factories	585.5 tons	Emission of 2,703 tons CO ₂ prevented.	411.8 ton	Emission of 1,901 tons CO ₂ prevented
Disposal of Hazardous Lubricant Waste Unable to be Recovered	0.5 tons	Disposed of without harming the environment.	0	0

⁴⁶ Pursuant to APAK Regulation, Doğuş Otomotiv is required to recover 90% of the batteries released to the market, and collaborates with AKÜDER to fulfill this obligation. Waste batteries are collected in accordance with AKÜDER's "Waste Management Plan".

⁴⁷ Pursuant to legislation, Doğuş Otomotiv delivers lubricant waste from Authorized After-sales Service Centers to PETDER, the only organization authorized by the Ministry. The "Protocol on Participation in Management of Lubricant Waste" we have signed with PETDER in this respect, is renewed every year. PETDER is responsible for collecting lubricant waste from our authorized after-sales service centers across Turkey. Delivering lubricant waste to any other legal entity or real person is prohibited by law.

EMPLOYEES**Employees**

	2015	2016
Employees ⁴⁸		
Total Number of Employees	2,553	2,488
Employment Ratio (%)	24	23 ⁴⁹
Number of Work-related Injuries	99	97

Employees	2015		2016	
	Doğuş Otomotiv	Doğuş Oto	Doğuş Otomotiv	Doğuş Oto
Full-time Employees	811	1,739	784	1,704
Part-time Employees	2	1	-	0
Permanent Employees for Indefinite Period	796	1,730	784	1,704
Seasonal and Temporary Employees	17	10	*14	*11
Total Executives (Manager and Up)	70	25	69	25
Total Number of Promotions	69	9	53	12
Promoted Female Employees	29	4	19	2
Total Employees Recruited	121	262	138	383
Total Women Recruited	60	59	51	71
Ratio of Recruited Women to Total Number of Recruitments (%)	50	23	37	19
<p>* The employee numbers in this table are based on 1 January - 31 December 2016 data.</p> <p>* Number of managers and executives include Board Members and Chief Executive Officer.</p> <p>* Number of recruitments includes employees hired for a limited term and call center employees, and excludes interns.</p> <p>* Number of employees includes permanent employees working for an indefinite period, and excludes those working for a limited period. As of 31 December 2016, there are 14 employees working for a limited time at Doğuş Otomotiv, and 11 at Doğuş Oto, respectively.</p>				
Resignations ⁵⁰	83	216	82	232
Ratio of Resignations to Total Workforce (%)	10.20	12.41	9	12
Male Employees Resigned	46	160	54	181
Ratio of Male Employee Resignations to Total Workforce (%)	5.65	9.19	6	9
Female Employees Resigned	37	56	28	51
Ratio of Female Employee Resignations to Total Workforce (%)	4.55	3.21	3	3
Employee Resignations Under the Age of 30	39	106	37	103
Ratio of Employee Resignations under 30 to Total Workforce (%)	4.79	6.09	4	5
Employee Resignations Between the Ages of 30 and 50	40	101	39	125
Ratio of Employee Resignations between 30 and 50 to Total Workforce (%)	4.92	5.80	4	6
Employee Resignations Over the Age of 50	4	9	6	4
Ratio of Employee Resignations over 50 to Total Workforce (%)	0.49	0.51	1	0.2

⁴⁸ The number of employees declared in this table is based on 31 December 2016 data.

The number of employees includes full-time employees working indefinitely, and excludes employees working for a limited term and interns.

⁴⁹ Doğuş Otomotiv: 35% (271 people) / Doğuş Oto: 17% (296 people)

⁵⁰ Data pertaining to resignations is based on 1 January - 31 December 2016 figures.

Female - Male Employee Distribution by Region

Regions ⁵¹	Female		Male		Female		Male	
	Doğuş Otomotiv 2015	Doğuş Otomotiv 2016	Doğuş Otomotiv 2015	Doğuş Otomotiv 2016	Doğuş Oto 2015	Doğuş Oto 2016	Doğuş Oto 2015	Doğuş Oto 2016
Marmara	286	271	527	513	230	223	1,048	1,055
Aegean	0	0	0	0	0	0	0	0
Mediterranean	0	0	0	0	0	0	0	0
Eastern Anatolia	0	0	0	0	0	0	0	0
Southeastern Anatolia	0	0	0	0	0	0	0	0
Central Anatolia	0	0	0	0	96	73	366	353

Employee Age Breakdown by Position 2016

2016 ⁵²	Female		Male		Under 30		30-50		Over 50	
	Doğuş Otomotiv	Doğuş Oto	Doğuş Otomotiv	Doğuş Oto	Doğuş Otomotiv	Doğuş Oto	Doğuş Otomotiv	Doğuş Oto	Doğuş Otomotiv	Doğuş Oto
Board of Directors & Executive Board	2	-	10	1	-	-	1	-	11	1
Senior Level Executives	2	2	8	7	-	-	6	7	4	2
Mid-level Executives	10	4	36	11	-	-	39	13	7	2
Executives	51	-	133	-	2	-	172	-	10	-
Officers - Asst. Officers Specialists - Asst. Specialists	119	131	173	395	120	187	169	333	3	6
Call Center Employees	59	-	22	-	76	-	5	-	-	-
Staff	10	153	25	199	8	183	16	164	11	5
Blue-collar	4	1	104	790	22	330	76	451	10	10
Others	14	5	2	5	2	2	11	5	3	3

Benefits and Salaries Paid to Employees G4-LA2

Scope (TL Million) ⁵³	Doğuş Otomotiv		Doğuş Oto	
	2015	2016	2015	2016
Gross Salary Payments	73.62	87.04	65.20	77.86
Meals	1.8	1.9	4.9	6.29
Transportation Service	3.4	3.8	5.4	6.4
Bonuses	49.8	68.95	33.4	35.46
Health and Life Insurance	1.2	1.8	2.3	3.00

⁵¹ The figures in this table are based on 31 December 2016 data.

⁵² The figures in this table are based on 31 December 2016 data.

* Board members and Chief Executive Officer are included in the Board group. (For Doğuş Oto, Chairman is included.)

* Brand General Managers and Directors were included in the Senior Management Group. (For Doğuş Oto, General Manager and Directors)

* Managers have been taken into consideration within the Mid-level Executives.

* Department heads and executives have been included in the executives group.

* Including Officers - Asst. Officers, Specialists - Asst. Specialists was deemed necessary since they are the employees who make up the majority of the company. Doğuş Otomotiv does not have Assistant Officer title, which has been included in the table for Doğuş Oto.

* Customer Representatives and Team Leaders are included in the Call Center group.

* Correspondence clerks, archive and billing clerks, operators and administrative staff are included in the Staff.

* Executive assistants, consultants, company physician and nurse are included in the others group.

* Spare parts warehouse staff and technicians working at the Gebze after-sales service center are included in the blue-collar employees. (Technicians, Foremen, and Warehouse Staff for Doğuş Oto.)

⁵³ Gross salaries, Bonuses, Health and Life Insurance figures are based on 1 January - 31 December 2016 data.

* 2016 total meal and shuttle figures have been provided by Administrative Affairs.

* The 2015 Gross Salary figures are exclusive of Social Security premiums whereas 2016 figures are inclusive. This is the reason for the difference in figures between the two years.

Employee Benefits

Fringe Benefits ⁵⁴	Full-time
Cell phone (limited to certain brands)	Included
Private health insurance (company and coverage limits apply)	Included
Life insurance	Included
Company car (with model and fuel consumption limits)	Included
Shuttle service	Included
Fuel/Transportation support ⁵⁵	Included
Contribution to private pension	Not included
Use of daycare	Included
*Private health Insurance – Birth Coverage (additional premium)	Included
*Extra 1 week leave for employees who complete 15 years in the company	Included

* Female employees who give birth are paid an extra TL 1,000 in addition to the health insurance.

* Employees that complete 15 years in Doğuş Otomotiv are allowed extra one week of annual leave whereas those in Doğuş Oto are presented with a check in the amount of TL 1,000.

Education Levels by Gender⁵⁶

Education Level	Female		Male		Female		Male	
	Doğuş Otomotiv 2015	Doğuş Otomotiv 2016	Doğuş Otomotiv 2015	Doğuş Otomotiv 2016	Doğuş Oto 2015	Doğuş Oto 2016	Doğuş Oto 2015	Doğuş Oto 2016
Ph.D.	0	0	1	0	0	0	0	0
Graduate	34	35	101	99	12	12	14	18
Undergraduate	191	182	238	234	216	181	350	379
Junior College	27	22	32	26	65	62	233	210
High School	31	29	126	128	33	41	497	504
Elementary - Middle School	3	3	29	26	0	0	320	297

Trainings⁵⁷  G4-LA9, G4-LA10**2016**

Total Man/Hours	Doğuş Otomotiv	Doğuş Oto
Board of Directors	-	-
Senior Management	352	277
Mid-level	953	416
Executives	8,616	-
Officers – Asst. Officers – Specialists – Asst. Specialists	14,144	25,826
Call Center	1,294	-
Staff	583,5	7,160
Blue-collar	2,585	23,618
Others	205	66
GRAND TOTAL	28,732,5	57,364

⁵⁴ Fringe benefits offered for Doğuş Otomotiv Employees are only applicable for full-time employees.

⁵⁵ Not offered for all employees.

⁵⁶ The figures in this table are based on 31 December 2016 data.

⁵⁷ The data collection system for trainings does not record participants by gender and since the trainings provided for employees are based on equality criteria, training by gender categories were not disclosed for the reporting period.

2016

Total Man/Hours	Doğuş Otomotiv	Doğuş Oto
Board of Directors	-	-
Senior Management	35.20	30.8
Mid-level	20.71	27.7
Executives	46.07	-
Officers – Asst. Officers – Specialists – Asst. Specialists	48.10	50.2
Call Center	15.40	-
Staff	13.57	14.2
Blue-collar	23.50	31.3
Others	14.64	6.6
GRAND TOTAL	35.91	28.4

Discrimination and Equal Opportunities  G4-LA12

Year	Number of Female Employees ⁵⁸					
By Position ⁵⁹	Total Number of Female Employees	Ratio to Total Employees (%)	Doğuş Otomotiv Total Number of Female Employees	Doğuş Otomotiv Ratio to Total Employees (%)	Doğuş Oto Total Number of Female Employees	Doğuş Oto Ratio to Total Employees (%)
Board of Directors	2	15.38	2	16.67	-	-
Senior Executives	4	21.05	2	20	2	22.22
Mid-level Executives	14	22.95	10	21.74	4	26.67
Executives	51	27.72	51	27.72	-	-
Officers – Ass. Officers – Specialists – Asst. Specialists	250	30.56	119	40.75	131	24.90
Call Center Employees	59	72.84	59	72.84	-	-
Staff	163	42.12	10	28.57	153	43.47
Blue-collar	5	0.56	4	3.70	1	0.13
Others	19	73.08	14	87.50	5	50

Salary Ratio of Female and Male Employees⁶⁰  G4-LA13

	2015		2016	
	Doğuş Otomotiv	Doğuş Oto	Doğuş Otomotiv	Doğuş Oto
Ratio of Female Employees' Salaries to Male Employees' Salaries (%)	78	92	99	99

⁵⁸ The figures in this table are based on 31 December 2016 data.

* In this table, the number of female employees at Doğuş Otomotiv and Doğuş Oto has been compared in a ratio to the total number of employees; i.e. Doğuş Otomotiv employs 184 executives, and 51 are women. Accordingly the ratio is calculated as: $51/184 = 27.72\%$

* The Grand Total section to the left of the table shows the ratio of total number of female employees of the two companies combined to the total number of employees of the two companies.

⁵⁹ Percentage represents the ratio of female employees working in this position and location to total number of Company employees working in the same position.

⁶⁰ Since data collection system does not include salary ratios by employee categories, breakdown by employee categories is not provided. The figures in this table are based on 1 January - 31 December 2016 data.

Doğuş Otomotiv 2016 Sustainability Performance in numbers Injury Rates⁶¹  G4-LA6


	Data Measurement Method ⁶²	Doğuş Otomotiv		Doğuş Oto	
		2015	2016	2015	2016
Illness-related Lost Day Rate - Full-time Employees	(AR)	1.12%	1.11%	1.83%	2.40%
Recorded Incident Rate	(IR)	0.73%	0	5.34%	0.2%
Injury-related Lost Day Rate	(LDR)	0.002%	0	0.012%	0.01%
Work-related Fatalities - Full-time Employees	-	0	0	0	0
Occupational Disease -related Lost Day Rate	(ODR)	0	0	0.032%	0

Customer Satisfaction Survey Results (CSS)  G4-PR5

SALES		2015	2016
	Volkswagen Passenger Cars	115.02	115.96
	Volkswagen Commercial Vehicles	114.14	114.88
	Audi	111.45	110.83
	SEAT	108.94	109.32
	Porsche	113.22	108.16
	DOD	98.16	99.34
AFTER -SALES	Volkswagen Passenger Cars	99.38	100.43
	Volkswagen Commercial Vehicles	99.41	102.25
	Audi	100.93	102.25
	SEAT	99.59	101.62
	Porsche	110.02	111.14
	DOD	98.79	104.39

Dealer Satisfaction Survey (DSS) Results - 2016

Volkswagen Passengers Cars	Sales	4.79
	After-sales	4.68
Volkswagen Commercial Vehicles	Sales	4.77
	After-sales	4.68
Audi	Sales	4.74
	After-sales	4.87
Scania	Sales	4.40
	After-sales	4.56
SEAT	Sales	4.65
	After-sales	4.78
Porsche	Sales	4.93
	After-sales	4.90
DOD	Sales	4.20

To access UNGC Principles and GRI G4 Content Index:  <http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/gri-g4-content-index>

⁶¹ The figures in this table are based on 1 January - 31 December 2016 data.

* Sickness-related lost time is 2,173 days in Doğuş Otomotiv, and 10,209 days in Doğuş Oto.

* In the calculation method, sickness-related lost time / (Total number of workdays * total number of workdays in that specific year) formula has been used.

* The number of workdays in 2016 was 250.

* Number of incidents is 2 in Doğuş Otomotiv, and 95 in Doğuş Oto.

⁶² GRI data calculation methods have been used.

DOĞUŞ OTOMOTİV CORPORATE SUSTAINABILITY TEAM

Ahsen Bayraktarođlu
DOD - Marketing

Bahadır Akyol
Administrative Affairs

Bahar Efeođlu
Investor Relations

Bengü Himmetli
Internal Audit

Burak Uyanık
Risk Management

Burcu Bozkurt
ŞKODA - Marketing

Burcu Karaađaç Mutlu
HR - Organizational
Development

Burçin Erdem
Strategic Marketing and
Corporate Communications -
Brand Management

Cem Kaya
Dealer Development

Çađla Gül Şenkardeş
Strategic Marketing and
Corporate Communications -
Brand Management

Demet Dereliođlu Aran
Strategic Marketing and
Corporate Communications -
Corporate Communications

Dilruba Ulaş
vdf - Marketing

Elçin Koçođlu Şirin
Audi - Marketing

Elif Karaođlanođlu
Human Resources - Dođuş Oto

İlhan Bayraktar
Strategic Marketing and
Corporate Communications -
DİM

İlker Adalı
Volkswagen Commercial
Vehicles - Sales

Koray Bebekođlu
Strategic Marketing and
Corporate Communications

Murat Battalođlu
ŞKODA - Marketing

Müge Yücel
Investor Relations

Nermin Taşkın
Budget Planning

Özgecan Üstün
HR - Process Management

Pamir Öktem
Porsche- After-Sales Services

Pınar Tuncer Dođanç
Strategic Marketing and
Corporate Communications -
Brand Management

Pınar Uysal
Dođuş Teknoloji -
Corporate Communication

Sertaç Arda
Logistics - Waste Management

Simge Sertbaş
Scania - Marketing

Sinem Bedir
Law

Suat Aktürk
Volkswagen After - Sales Services

Şeref Kurtarıcı
Volkswagen After - Sales Services

Taha Çıkım
Scania - Marketing

Tuđhan Turna
Dođuş Oto - Marketing


Yiđit Temizel
Risk Management

Zeynep Korku
SEAT - Marketing

Zeynep Mert
Procurement

Zuhal Özkan
Volkswagen Passenger Cars -
Marketing

MASTHEAD

Doğuş Otomotiv Servis ve Ticaret A.Ş.  G4-5

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For feedback, opinions and suggestions  G4-31

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