
SUSTAINABLE DEVELOPMENT REPORT

Aksa Akrilik Kimya
Sanayi A.S.

2009



AKSA

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Prepared according to the GRI Level C Report Template.

This report has been prepared according to the Global Reporting Initiative (GRI) Level C Report Template and has received certification from the GRI that it fulfills the requirements of the C-level application.

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SECTION 1

Corporate Information

Profile

1. *Strategy and Analysis (GRI G3: p.20)*

Message from the Chairman

AKSA: Pride of a rapidly developing country...



Dear Shareholders, Customers and Stakeholders,

The echoes of the financial crisis that started in the US and quickly took hold of the whole world, particularly in the last quarter of 2008, significantly reverberated in the real sector, becoming strikingly felt in the first quarter of 2009. Following a period of global stagnation, thanks to the expansive measures taken by the governments of developed and developing countries, markets began to exhibit slow moving improvements. This stimulated the hope that the sectors affected by the crisis would be able to survive with a minimum of damage.

In light of the developments that allowed a more optimistic perspective on the future, it is believed that once the global recession is overcome, the developing countries will be an important element in the steady and gradual growth period ahead. Accordingly, it is expected that the shrinking of the global economy, which was 1.1% at the end of 2009, will turn into a 3% growth in 2010.

With the rapid increase in the volume of foreign trade, since 2000, Turkey has almost doubled its share in world trade. Today, Turkey is the eighth biggest economy in Europe and the 17th largest in the world. Although shrinking by 6% at the end of 2009 in response to the constriction in the global economy, the Turkish economy's performance in crisis management was nonetheless more successful than expected, an impressive outcome that called attention to the country in this period.

In 2009, when economies started to show signs of recovery, both on a global scale and in terms of individual countries, the textiles sector, as in 2008, was unable to find the support it needed. The performance and competitive power of the Turkish textiles sector was significantly affected by the structural changes that came about. Because the sector was unable to take the right strategic steps and complementary sectors could not be created.

Turkey's share in the world textiles and clothing sector did not reach its potential level of 10% in 2009 either. Although in the last period of 2009, oil prices remained stationary at the level of USD 70-80, the prices of

acrylonitrile, the oil-based main raw material of acrylic fiber, exhibited waves of unexpected and uncontrollable fluctuations.

This fluctuation is predicted to continue in the coming period, but as of February 2009, there has been an increase in demand for acrylic fiber, especially in the Far and Middle East markets. The rise in demand is reported to have been stimulated by the decrease in the semi-finished goods and raw material stocks accumulated in previous years and the halt in the fall of raw material prices that began in 2008. Accordingly, capacity rates of global acrylic fiber manufacturers reached their customary levels in July and August.

Despite all the economic turmoil and the structural and strategic shortcomings of the past year, AKSA continued to maintain its position in the sector as the leading exporter of acrylic fiber-based products. The Company takes pride in its significant contribution to the 250,000 jobs created in the acrylic fiber sector. As the world's biggest acrylic fiber manufacturer organized under a single roof, AKSA maintained its market share in 2009, working with the highest capacity utilization ratio. AKSA is Turkey's sole domestic manufacturer of acrylic fiber; its general capacity utilization rate was recorded as 85%.

In 2009, the Company executed 86 projects in designated strategic areas with a total investment amounting to USD 97,938,818. In its expansion into new fields, in 2009, AKSA prioritized on the manufacture of carbon fibers. A material lighter and more durable than steel, carbon fiber addresses a wide range of sectors. AKSA achieved a competitive edge in the manufacture of carbon fiber because of its capability of producing its own raw material. AKSA continues to strive for its target of capturing a 10% market share in carbon fibers and also

aims to create new business opportunities with the investment in polymer science that it is planning for the long-term.

Progressing through a fundamental structural transformation today, in the coming period AKSA will be accelerating its investments in areas such as power production, new products in technical textiles, capacity increases in carbon fiber and production-based operational perfection projects.

AKSA maintained its leadership in the industry in 2009 and behind each achievement stands the dedicated AKSA Staff, each member of which is a valued part of the AKSA Family. In closing, I would like to express my gratitude first of all to all the AKSA employees who continue to carry AKSA into the future with their unbounded sense of teamwork. I also extend my thanks to our business partners, customers and all of the Company's social and economic stakeholders.

Ömer Dinçkök

Chairman

Message from the General Manager



A world giant in the acrylic fiber sector...

Dear Stakeholders,

The recession that stemmed from the global financial crisis prevailed over the Turkish economy in the first half of 2009, but later gave way to a slow but steady recovery process. Although the force of the crisis diminished somewhat, the risks that posed a threat for the world economy have not completely disappeared and the acrylic fiber sector was not able to overcome its difficulties, mostly due to its dependence on petroleum products for raw materials. In such a period of uncertainty and muddy waters, AKSA takes pride in acknowledging that it made its mark on 2009 through its leadership in introducing innovations into the acrylic fiber sector.

As a company that focused on energy and carbon fiber production investments in 2009, AKSA continued to occupy a leadership position in the sector, particularly due to its concentrated efforts since 2008 in the area of carbon fiber, thus adding a new element to its already powerful competitive edge. AKSA's involvement with carbon fiber production proved to change the entire perception of the sector regarding this area. Having inaugurated its 1,500 ton/year-capacity carbon fiber production plant in the second

half of 2009, AKSA is now targeting a 10% market share with its new product, which is marketed under the brand name AKSACA.

The Company also engaged in some new investments in power production, a key factor in sustaining high operational performance. In 2008, AKSA had been looking into alternative power production methods to reduce energy costs and increase its competitive power. This came to fruition in the second quarter of 2009 when the Company took over a 70.04 MWe capacity power production plant from Akenerji. AKSA ventured out in the last quarter of the year with a new investment in this area, obtaining a license for a 100 MWe-capacity production facility and increasing its total energy production capacity to 170 MWe. The improved power plant is expected to be commissioned in 2010.

Another important project completed in 2009 was the establishment of a Research and Development Center that would bring together all of AKSA's R&D activities in different units under one roof. The Center, which is geared to coordinate research and development efforts and render them more effective, will speed up its work in the next period, seeking new markets in line with Company strategies and creating new products to reduce costs and increase productivity and efficiency.

AKSA also worked nonstop on its technology and modernization investments in 2009. Despite the intensity of crisis conditions in 2009, total product capacity of the Company's facilities was 308,000 ton/year capacity utilization rate 85%. Besides its new products, it was also AKSA's meticulously adopted concept of service that allowed the Company to avoid suffering the adverse effects of fluctuations in financial markets that were prevalent over the year. AKSA was thus able to preserve its 12.5% share in the world acrylic fiber market. The Company was awarded a prize by Capital magazine in the category of "Companies in Turkey that increased their Profits the Most."

Acting as an integrated unit with its customers, employees and suppliers, the AKSA Family will continue to strengthen its position as "reliable supplier" in the eyes of both domestic and international stakeholders as it resumes its journey into excellence. With the giant step it took in 2009 into the carbon fiber market, AKSA is determined to increase the share of special products in its portfolio to 11% by 2012. AKSA's targets encompass increasing profitability through the attainment of these strategic goals and, in doing so, to increase the value of its shares on the ISE as well as enhance the dividends distributed per share. I would like to thank all members of the AKSA Family who have stood by AKSA on its journey and continue to share with the Company the responsibility of creating added value.

Mustafa Yilmaz

General Manager

In the second half of 2009, AKSA successfully commissioned its 1,500 ton/year capacity carbon fiber production plant. With the inauguration of this new plant, AKSA is readying itself to take on a 10% share of the market under the AKSACA brand.

2 – Organizational Profile

2.1 Name of the organization (GRI G3: p.21)

Aksa Akrilik Kimya Sanayi A.S.

2.2 Primary brands, products, and/or services (GRI G3: p.21)

AKSA, an affiliate of the AKKÖK group companies, produces:

- Acrylic Fiber
- Technical Textile Fiber
- Carbon Fiber
- Energy

Since 1968, Aksa Akrilik Kimya Sanayi A.S. (AKSA) has been a world giant in acrylic fiber production. As of 2009, AKSA services to over 300 domestic and foreign industrial enterprises, in over 50 countries on five continents, include Turkey.

In terms of energy production, in May 2009 AKSA has taken over a natural gas energy production facility from Akenerji A.S., a sister company. The facility produces the factory's electricity and steam needs as well as addressing the needs of other sister companies in Yalova. The surplus electricity is sold to the Turkish Electricity Transmission Company (TEİAS).

AKSA, with an awareness of its leadership position in the industry, follows innovations carefully and implements them swiftly.

This strategy of innovation and investments on products with added-value is reflected in the mission and vision statements of the company that were revised in 2007.

MISSION (PRIMARY GOAL):

To be the first choice of the world acrylic-based textiles and technical fiber industry, the manufacturer that works productively and in harmony with the environment, always operating with an innovative, customer-focused approach.

VISION (INTERMEDIARY GOAL):

To invest in technology that will carry added value at its utmost level for the Company and for the customer and to create new and profitable areas of utilization for acrylic fiber.

In accordance with this mission and vision, AKSA has also started to produce technical fibers in addition to textile fibers and aims to create two new products annually. “Pillout” and “A-care” are among the new products produced in this perspective.

In 2008, as part of an innovative and added-value product investment strategy, AKSA initiated the pilot production of carbon fiber, a material with a wide usage area because of its specific features. The positive results of these endeavors led to production of carbon fiber in 2009, enabling AKSA to realize another first in Turkey.

AKSA has reached an 85% capacity utilization rate at the end of 2009, despite starting the year with only a 50% rate due to global market conditions. AKSA has various products in its product range such as tow, staple fiber, tops and micro fiber.

Products and Capacity

AKSA has a wide range of products and has increased its production capacity to 308.000 tons/year with the investments made in 2007. The capacity utilization rate of AKSA was approximately 80% in 2008 and the expected rate for 2009 in light of the effects of the global economic crisis and the market conditions is approximately 70%.

Tow

Tow is a band of parallel and crimped fibers with a thickness between 250.000 and 450.000 staples. The unit of measurement for tow is ktex, which corresponds to the weight of one-meter-long tow in grams. AKSA’s product range includes tow between ktex measurements of 78 gr/m to 147 gr/m. The thickness unit of synthetic fibers is dtex, defined as the weight of a single fiber having a length of 10.000 meters. Fiber thickness of our products varies between 0.8 dtex (micro) and 17.0 dtex, which can be produced tailor-made according to customer demands. The use of acrylic fiber in reference to dtex units is exemplified as the following:

<u>Dtex</u>	<u>End Uses</u>
0.8 dtex (micro)-2.2 dtex	Machine knitting, socks, cotton blends
3.3 dtex	Machine knitting, velvet, blankets, hand knitting
3.3 dtex-5.6 dtex	Blanket, hand knitting plush
6.6 dtex-17 dtex	Carpet

Our tow product is the major input for yarn mills with worsted and semi-worsted yarn systems. In order to make tow suitable for yarn manufacturing, tow should be converted to fibers. Staple fiber is produced by cutting tow with knives and tops is produced by the stretch break system. Fibers produced with this method are heavily consumed in knitting, upholstery and fancy fabrics. Acrylic can either be used 100% or by mixing with other fiber raw materials (melange).

Staple fiber obtained from ring and open-end systems of tow cut in specific lengths as well as tops/bumps, used in ring systems, obtained by breaking off tow are alternative products of AKSA to tow. Acrylic fiber is obtained from polymers generated from the reactions of acrylonitrile and comonomer and is produced with dry and wet spinning methods. Since the AKSA tow is treated in gel paint, pigment painting, continuous tow paint and boiler paint systems, it is presented in a wide range of colors as well as ecru. Again, thanks to the same systems, it can be manufactured on demand as matte (M), semi-matte (YM), quarter matte (CM), slightly matte (HM) and glossy (P).

According to the fiber spinning system used by the customers and their demands, the appropriate softener and lubricant (finish) material blend is applied (ring finish, open-end finish, repco finish) to the products. Taking into consideration all this versatility, tailor made manufacturing for customers demands can be fulfilled quite easily.

Staple Fiber

Staple fiber is the fiber obtained by cutting the tow to a specific length. The length of the fiber can be between 22-150 mm, according to area of use.

The areas of use for staple fiber according to cut lengths are:

<u>Cut Length</u>	<u>Area of Use</u>
22 mm-32 mm	Plush
60 mm	Knitwear
38 mm-40 mm	Open-end spinning and Cotton knitting
50 mm-60 mm	Blankets, knitting, upholstery
80 mm-120 mm	Wool mixtures
120 mm-150 mm	Carpet

Depending on the thickness of the fiber, AKSA acrylic fibers are used in worsted ring and open-ended yarn spinning machines in domestic and foreign markets either directly (100% AKSA fiber) or mixed with other types of fiber. The most common areas of use for AKSA acrylic are chenille

yarns, upholstery yarns, fantasy yarns, carpet and blanket yarns, socks yarns and also in the manufacturing process of plush fabric.

Tops

Tops is tow band, pulled and separated in convertor machines and wrapped in specified forms. Depending on the thickness of the yarn, it is used heavily in machine knitting yarns, upholstery yarns, fantasy yarns, carpet yarns and blanket yarns.

Micro Fiber

“Micro fiber” is fiber with a thickness of one dtex short of tow, top for staple fiber. Micro fiber produced by AKSA is 0.9 dtex thick. Our micro fiber can be used in worsted and OE systems either directly (100%) or mixed with cotton or wool products in the manufacturing of products such as chenille yarns. According to the end use, different finishes are applied. Micro fiber is available in ecru or dyed tow, tops and staple form. Chenille yarns are obtained from AKSA micro fibers in tops or staple fiber form, when being used in ground yarn and pile threads. Chenille yarns are used in knitwear and upholstery and create a good effect for palpation and shine.

New Products

AKSA YC: Fiber manufactured by wet spinning method, with trilobal cross-section, with high resilience and friction resistance. It is used in high pile products such as artificial fur, velvet and carpets. Tow and staple fiber are between 2.75 dtex-7.7 dtex and can be manufactured as ecru or dyed according to the customer’s wishes.

AKSA RC: Staple fiber with rectangular cross sectional dimensions with the width/length of 1:10, manufactured by wet spinning method. It is designed to imitate natural animal fur so the most common areas of use are high pile products like synthetic fur and blankets. Tow and staple fiber are between 5.6 dtex to 22 dtex and can be manufactured as ecru or dyed according to the customer’s order.

AKSA XS: Manufactured with the wet spinning method, this fiber has a very high shrinkage ratio of 32%. It is especially used together with softened standard or rectangular cross sectional fibers to imitate natural animal fur so the most common areas of use are high pile products like synthetic fur and blankets. Staple fibers are between 2.2 dtex to 3.3 dtex and can be manufactured as ecru or dyed and with thicker fibers according to customer’s order.

AKSA HS: Manufactured by the wet spinning method, it has high shrinkage fiber that allows 28% shrinkage for yarns. Suitable for high pile products and HB yarns, its main areas of use are pile products such as blankets, knitted fabrics and socks.

AKSA OD: Manufactured with the wet spinning method, this fiber has air sensitivity, high abrasion resistance, low sagging. It is suitable for outdoor use such as tents, awnings, garden furniture, boat covers and sun roofs. Although it is produced from 2.2 dtex staple fiber, it can be produced at different deniers.

AKSA HP: Manufactured with the wet spinning method, this fiber product has high abrasion resistance and air sensitivity as well as “hot-wet” characteristic. It is suitable for outdoor use such as tents and boat covers. Produced from 2.2 dtex staple fiber, it can be produced at different deniers.

AKSA FT: Manufactured by wet spinning method, this product is fiber dry or wet non-crimped tow suitable for short stable. It is used in technical applications and produced from tow between 1.7 – 60 dtex thicknesses.

AKSA WR: Manufactured by wet spinning method, this fiber with superior weather fastness and water repellency features are mostly used to produce nonwoven for the construction industry. It is produced from 2.2 dtex staple fiber.



In 2006, AKSA initiated production of carbon fiber, which has applications in the aviation and aerospace industry materials, industrial and sports materials. As a result of research and development (R&D) activities that continued throughout 2008 at the pilot plant, carbon fiber was produced at the desired specifications. A pilot carbon fiber production plant with a capacity of 34 tons/year was put into operation in the second half of 2008.

After the research and development (R & D) operations conducted in the pilot facility, sample products were sent to customers and the feedback was positive. In accordance with customer demands, the sample production was increased by October, 2008. The majority of 2009 operations were focused on development of specific carbon fibers. In 2009, two new products, A-35 and A-42, used in knitting and pultruded materials were introduced. The R&D on the A-48 product, which is used in pressured vessels is expected to be finalized in the first quarter of 2010.

Following the success of the 34 tons/year production pilot, the 1,500 tons/year capacity pilot carbon fiber production plant went into operation as anticipated in the last quarter of 2009.

Carbon fiber is produced by oxidation and carbonization of special acrylic fibers. Fiber staples are heated in a non-flammable environment up to 1500°C and charred to over 95% carbon. Carbon fiber has high durability, low corrosion and lightness giving it a wide range of use. It is widely used in the airspace, aviation and defense industries, land and sea transport, industrial materials, building and infrastructure reinforcement, wind turbines and sporting goods.

Annual global consumption of carbon fiber is approximately 40,000 tons and national demand is around 80 tons. Besides carbon fiber exporting, AKSA strives to create strategic application sectors to increase domestic market carbon fiber demand. AKSA carbon fiber is determined to establish its position in the market with its competitive cost structure, dependable supply process and quality under the AKSACA brand. The share of special products within AKSA sales is increasing with the new carbon fiber products.

AKSA aims to achieve a 10% world market share in the carbon fiber industry, similar to its current acrylic fiber market share. To reach this target, AKSA follows the developments of the carbon fiber industry closely and shapes its future investment plans accordingly. Another target of AKSA for the upcoming years is to increase profitability in special products through new product development flexibility and added value through capacity utilization for specialized products.



2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures (GRI G3: p.21)

AKSA is an enterprise operating in the chemical industry under the Akkök Group Companies and is the only acrylic fiber production facility in Turkey producing 308.000 tons/year under one roof in Yalova, Turkey.



The main departments of the company are listed below:

- Sales & Marketing
- New Business Development & Purchasing
- Financial Affairs
- Research & Product Development
- Production
 - Raw Material Warehousing and Port Facilities
 - Polymerization
 - Fiber Production
 - Solvent Recycling
 - Cutting & Packaging
 - Dying
- Maintenance and Secondary Operations
 - Machinery Maintenance
 - Automation Maintenance
 - Nitrogen & DIS & Treatment

- Human Resources and Management Systems
- Investment & Projects
- Technology
- Energy

Shareholding Structure

Capital and Shareholding Structure

AKSA operates under a registered capital system according to the provisions of the Turkish Law No. 2499 and uses this system with the authorization of the Securities and Exchange Commission, Rule 90 (dated February 20, 1992). The registered capital of the company has increased from 40,000,000 Turkish Lira (TL) to 425,000,000 TL as per the 908th ruling of the Securities and Exchange Commission dated January 16, 2007. The paid-in capital is 185,000,000 TL. The stocks representing 100% are in the Istanbul Stock Exchange Board.

The capital distribution of the company shareholders holding 5% or more capital share are as follows:

Shareholder	Share (%)	Value (TL)
Akkök Sanayi ve Yatırım Gelistirme A.S.	39.58	73,223,000
Emniyet Ticaret A.S.	18.72	34,632,000
Other	41,70	77,145,000
TOTAL	100,00	185,000,000

Participation

Participation Title	Field Of Activity	Participation Amount	Participation (%)	2007	Financial Profit 2008	2009
Akpa Tekstil Pazarlama A.Ş.	Foreign Trade	2.226.133	13,47	400.457	265.869	177.775
Subsidiaries Title	Field Of Activity	Participation Amount	Participation (%)	2007	Financial Profit 2008	2009
Fitco B.V.	Foreign Investment	7.754.136	100,00	-	-	-
Aktops Tekstil Pazarlama A.Ş.	Custom Manufacturing	15.450.000	60,00	335.695	2.005.515	2.014.690
Ak Girişim Kimya San. A.Ş.	Investment	58.000	58,00	-	-	-

2.4 Location of organization's headquarters (GRI G3: p.21)

The headquarters of the organization is located in the Ak-Han building in Gumussuyu, Istanbul, Turkey. The directorates of financial affairs, new business development, purchasing, marketing and sales are located in the headquarters building.

2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report (GRI G3: p21)

The Factory



AKSA carries out its production activities in the largest facility of its kind in capacity under one roof. The production facility is located on the 13th km of Yalova-Karamursel highway in a total of 430,000 m² lot with 17,000 m² open-space, 85,000 m² closed space used in manufacturing. The Facility is within the borders of the Taskopru Township, Denizcali Village. In the Yalova City Environmental Management Plan, 1/25000 scale Zoning Plan and the 1/5000 and 1/1000 scale Zoning Implementation Plans, the facility lot is identified as an industrial area.

Our production facilities have a very convenient location having a port facility in the North expanding to the Marmara Sea and access to a public highway on the south for main raw material entrance and product shipments; making the facility among the few prominent factories in the world not only for its location but also its sensitivity to landscape and environment, state-of-the-art technology and strict implementation of occupational health and safety practices.

AKSA carries out all of its production at the Yalova facility and does not have a manufacturing facility elsewhere. AKSA was established in 1968 in Yalova with 100% Turkish capital and

operates under the “artificial and synthetic fiber production facility category” within the petrochemical branch, as per the classification of the State Planning Organization of Turkey. A member of the Akkök Group Companies, AKSA is the biggest acrylic fiber producer under one roof in the world and currently is the only local producer in Turkey and the second largest acrylic market holder in the world after China. AKSA maintains a leadership position in Turkey and world markets with its capacity, pre and post-sales service quality, product range and flexibility.

2.6 Nature of ownership and legal form (GRI G3: p.21)

The legal form of the company is as a joint stock corporation and is formally stated as “A joint stock corporation formed in accordance with Turkish Trade Law and the statutes of this master agreement whereby the names, surnames, nationalities and the legal domiciles of the written partners are stated.” The structure of ownership for the company as well as company partnerships and the shares in the capital are detailed in Section 2.3.

2.7. Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries) (GRI G3: p.21)

What are the different uses of acrylic fiber?

Acrylic fiber has a wide end use area in the market. It can be used in machine knitting, hand knitting, carpets, blankets, velvet and socks.

Apparel: Suede, socks, wool apparel, round knitting, hand knitting, fabrics, sportswear, children’s apparel

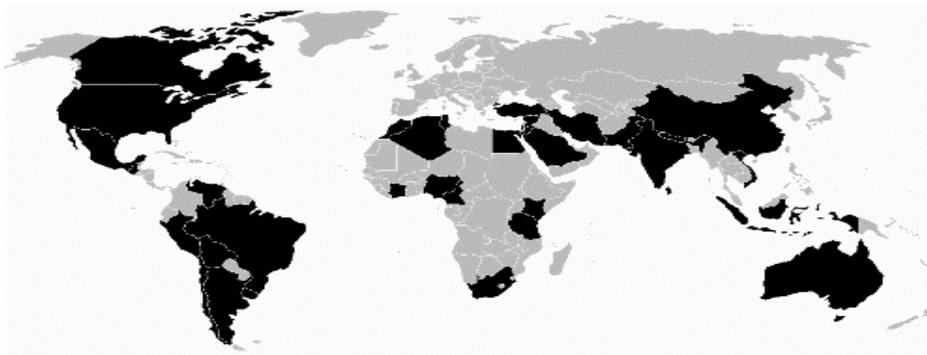
Home Textiles: Blankets, rugs, upholstery, carpets, rain-proof materials, outdoor use.

Other: Fantasy threads, canvas, cleaning goods.

Industrial Use: As asbestos replacement in concrete and filling strengthener, brake shoes, dust filters.



Our Customers



Primarily for textiles, we have over 300 customers in over 50 countries on 5 continents.

In recent years, we began manufacturing special fibers that can be used in non-textile applications and their share in our production spectrum has increased; now we have a good portfolio of customers from sectors other than textile.

Orders, complaints and customer feedback on our products and services are followed up by all available means of communication and customer visits, as well as periodical customer satisfaction surveys carried out by an independent and professional research organization.

AKSA exports its products to over 50 countries around the world, to name a few:

AFRICA	Morocco, Egypt, Kenya, Algeria, Ivory Coast, Nigeria, Cameroon, South Africa, Tanzania, Tunisia
MIDDLE EAST	Syria, Iran, Jordan, Israel, Saudi Arabia
AMERICA	USA, Argentina, Brazil, Chile, Venezuela, Bolivia, Mexico, Guatemala, Peru, Uruguay, Canada
ASIA	China, Pakistan, India, Indonesia, Nepal, Vietnam, Sri Lanka
AUSTRALIA	Australia

As a global company, exports play a major role in AKSA's macro business perspectives in the global markets. Manufacturing for exporting has allowed AKSA to implement steady growth and well balanced capacity utilization.

Marketing and Sales

AKSA, serving manufacturers of over 50 countries on five continents, aims to increase the number of new and special products on a yearly basis in accordance with its marketing strategy. AKSA has widened its customer portfolio for special products and has focused on carbon fiber among new business areas in 2009 as well as working on investments in the value-added polymer sciences in the long run.

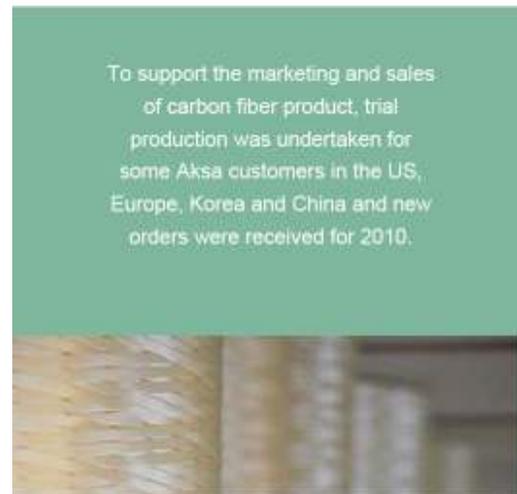
Restructurings were made within the company and sales & after-sales service representatives were appointed to support the marketing and sales of carbon fiber products. The in-house organization for this product has been completed and sales representatives have been appointed for USA, Europe, Korea, China and Taiwan. Trial productions were set-up for a group of customers in these regions, except for Taiwan, and orders were placed for 2010.

AKSA also supports development of the composite industry in Turkey, technically and commercially, by sample carbon fiber distribution to numerous manufacturers.

In 2009, AKSA participated in international trade to promote the new carbon fiber products.

The largest composite trade show in Europe JEC Paris, The China International Composites Industrial Expo and the JEC Asia organized in Singapore as well as the Composites World Trade Show in Chicago, USA are among the few events attended by AKSA. The company has received close attention from the industry in these trade shows and widened its potential customer base. The trial productions sent to follow the trade shows received much positive feedback about the quality and performance of the carbon fiber. The 2009 marketing strategy of AKSA was shaped by the risks that the economic uncertainty created. This anticipated approach helped AKSA to sustain its customer base in 2009. Additionally, meeting all the demands of the knitted fabric, hand knitting yarn and carpet weaving industries has brought in new customers. By the year's end, AKSA has achieved the targeted financial results and has performed a sales performance higher than the expected sales rates within the projected budget.

60% of the sales were domestic and 40% were international. Since AKSA holds customer satisfaction among its priorities, work on accurate product selection projections and timely delivery is continuing. With seven new types of carbon fibers provided to the market in 2010, the sales target for the year ahead is 780 tons.



AKSA and the Acrylic Fiber Industry at a Glance

AKSA, the leader in the Turkish and global acrylic fiber market, and again in 2009...

The global raw material demand diminished in the first three quarters of 2008 in the acrylic fiber industry and the demand for acrylic fiber decreased 20% from the previous year. Compared to other fibers, acrylic fiber raw material prices had a smaller decline with the global economic crisis that emerged in the last quarter of 2008. However, the demand for acrylic fiber increased from February 2009, starting in the Far Eastern and Middle Eastern markets. The reasons for this increase are the inventory decline of semi-finished and raw materials from the previous years, diminishing of the raw material price decreases that initiated in 2008, the narrowing of polyester-acrylic fiber price margin and the increase in cotton fiber supplies as well as the increase of acrylic use in plush and carpet industry.

The capacity utilization rates of global fiber producers increased 5-10% monthly and reached a normal level in July-August. The global acrylic fiber demand increased by 6% in 2009 compared to 2008 and reached 2 million tons annually.

The annual acrylic fiber demand is projected to remain at 2 million tons. AKSA holds a leadership position in Turkey and in the world markets with its sound capacity, pre and post-sales quality, range of products and manufacturing flexibilities and sustains its 12.5% market share this year in spite of the global economic crisis that initiated in the last quarter of 2008 and continued its impact in 2009. The capacity utilization ratio of the company was maintained at 85% in the latter part of 2009. Being the only local manufacturer of acrylic fiber in Turkey, AKSA is the largest manufacturer in the world industry operating under one roof.

Global Acrylic Production and Demand (2009) (Tons)			
Region	Production	Consumption	Balance
Europe	400.000	150.000	(250.000)
Middle East	310.000	440.000	130.000
Africa	0	50.000	50.000
America	160.000	230.000	70.000
Asia	1.140.000	1.140.000	0
Total	2.010.000	2.010.000	0

2.8 Scale of the reporting organization including: (GRI G3: p.211)

- Number of employees;
- Net sales (for private sector organizations) or net revenues (for public sector organizations);
- Total capitalization broken down in terms of debt and equity (for private sector organizations)
- Quantity of products or services provided.

A professional team to protect the corporate reputation and support the continuity principle - Human Resources

The primary objective of the Human Resources in AKSA is to support the strategic goals of “reputation” and “continuity”. Human Resources strategies are determined by the total quality management board with the attendance of top management and the divisional representatives within the context of the mission, vision, corporate values, corporate culture, strategy and fundamental competencies and are reviewed bi-annually. The basis of AKSA’s human resources policy is to foster the creation of responsible, creative, participatory and self-confident people who continuously develop their skills and abilities in order to carry AKSA to its corporate goals.

All AKSA employees are sensitive and respectful toward other human beings, the environment, quality, the customer and costs. Another cornerstone of the company’s human resources policy is team spirit. Employees envision themselves as a member of the AKSA family and remain dedicated. A professional environment is created for all employees to support their personal and technical growth.

With the 226 new additions to the AKSA family in 2009, the number of employees reached 793 by the end of the year. 86% of our employees are men and 14% women. The average professional experience is 8.2 years and the average employee age is 34.

AKSA places great importance on in-house training in order to develop the employee’s on-the-job competencies, increase their professional skills and match these to the corporate goals. Several levels of training programs designated for different objectives are offered to employees.

THE PROFILE OF AKSA EMPLOYEES:

Our employee distribution is:

8% management

12% specialist engineer

80% field and office personnel.

The educational profile of our employees:

5% Ph.D. or Master's Degree

17% Undergraduate Degree

26% Associate Degree

45% High School

7% Primary School



The types and quantities of the products and services provided are presented in detail in sections 2.3, 2.6 and 2.7.

Primary Financial Indicators

AKSA is the largest acrylic fiber producer in the world under one roof with a production capacity of 308,000 tons/year reached at the end of 2007. Serving the other manufacturing industries in over 50 countries on five continents, AKSA increased its global market share from 8.25% in 2003 to 11% in 2007. The 12.5% market share reached in 2008 was also preserved in 2009.

STAND ALONE BALANCE SHEET

U.S. Dollar	31.12.2007*	31.12.2008**	31.12.2009**
Assets	748.069.541	723.569.279	828.405.319
Current Assets	423.002.372	383.400.399	401.125.882
Liquid Assets	42.097.275	39.846.007	70.579.486
Trade Receivables	235.965.992	251.120.874	211.674.596
Inventories	114.514.101	63.737.622	73.591.934
Other Current Assets	30.425.004	28.695.896	45.279.866
Fixed Assets	325.067.169	340.168.880	427.279.437
Trade Receivables	8.034	8.374.931	7.791.927
Participations/Subsidiaries	23.334.970	17.945.031	18.023.690
Material/Unmaterial Fixed Assets	301.723.466	290.580.414	367.340.831
Other Fixed Assets	699	23.268.504	34.122.989
Obligations	748.069.541	723.569.278	828.405.320
Short Term Obligations	170.915.214	165.349.548	219.273.399
Financial Liabilities (Net)	56.150.882	66.719.223	87.856.246
Commercial Liabilities	104.650.684	75.028.919	109.854.229
Other Short Term Obligations	10.113.648	23.601.406	21.562.924
Long Term Obligations	41.097.617	96.441.783	111.080.588
Financial Liabilities(Net)	18.588.950	80.070.000	91.253.333
Trade Obligations	-	-	1.697.212
Debt Provisions	8.733.328	4.923.202	6.306.406
Deferred Taxes Obligations	13.775.339	11.448.581	11.823.637
Equity Capital	536.056.710	461.777.947	498.051.333

SOLO INCOME STATEMENT SUMMARY

Net Sales	669.506.931	684.847.738	585.855.845
Operating Profit	18.555.040	36.778.846	49.843.580
EBITDA	43.285.720	63.609.612	69.290.369
Net Profit	19.458.393	57.236.868	33.332.744

FINANCIAL RATIOS			
Current Rate	2,47	2,32	1,83
Liquidity Ratio	1,80	1,93	1,49
EBITDA Margin Of Profit (%)	6,47	9,29	11,83
Net Margin Of Profit (%)	2,91	8,36	5,69
Return On Assets (ROA) (%)	2,60	7,91	4,02
Return On Capital (ROC) (%)	3,63	12,39	6,69

*Regulated as per Serial No.XI/25 comminiqué provisions.

***Regulated as per Serial No.XI/29 comminiqué provisions.

EBITDA

(U.S Dollar)

Aksa. has had a succesfull year by increasing its EBITDA 8,93% during economical crisis period which emerged in 2008 and continued during 2009.

69.290.369

09	69.290.369
08	63.609.612
07	43.295.720

Total Assets

(U.S Dollar)

Aksa. has increased its total assets 14,49% compared to 2008 by continuing to invest on strategically important sources which are carbon fiber and energy during and although the economical crisis period.

828.405.319

09	828.405.319
08	723.569.279
07	748.069.541

AKSA has carried out its strategically important investments in carbon fibers and energy despite the global economic crisis started in 2008 and continued in 2009. The EBITDA of the company increased from 8.93% in 2008 to 14.49%.

Capital and Shareholder Structure

Aksa, accepted the registered capital system outlined in the provisions of Law No. 2499 and adopted this system on the basis of Permission No. 90 granted by the Capital Markets Board on February 20, 1992. The Company's registered capital was raised from TL 40,000,000 to TL 425,000,000 by Permission No. 908 granted by the Capital Markets Board on January 16, 2007. Paid-in capital stands at TL 185,000,000. One hundred percent of Aksa stock is traded on the Istanbul Stock Exchange.

The Company's issued capital increased from TL 110,000,000 up to TL 185,000,000 by adding TL 60,000,000 as capital inflation adjustment and TL 15,000,000 as dividend to be distributed as bonus share from the 2008 year profit.

The shareholders with capital shares of 5% or more are as follows:

Shareholder	Share (%)	Value (TL)
Akkök Sanayi ve Yatırım Geliştirme A.Ş.	39,58	73.223.000
Emniyet Ticaret A.Ş.	18,72	34.632.000
Other	41,70	77.145.000
Total	100,00	185.000.000

2.9 Significant changes during the reporting period regarding size, structure, or ownership including:

- The location of, or changes in operations, including facility openings, closings, and expansions; and
- Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations). (GRI G3: p21)

Products and Capacity

AKSA increased its production capacity to 308,000 tons/year in 2007 through major investments creating a wide product range. In 2008, a capacity utilization ratio of 80% was achieved. In 2009, AKSA maintained its market share and worked at the highest capacity utilization rate. The only local manufacturer in Turkey, AKSA maintains a general capacity utilization of 85%. As a part of the organizational restructure; AKSA applies the Strategic Organizational Model in order to implement organizational process changes. 2009 has been an important year in restructuring AKSA processes and organization. Throughout the year, steps were taken to update the process structure. As the strategic business model was restructured, the Akenerji Yalova Station was taken over and carbon fiber manufacturing began. Additionally, Akpa Textiles Marketing Company that conducts the foreign trade and sales operations of the company was merged with the AKSA marketing and sales department. The R&D Center opened and the power plant taken over from Akenerji and its personnel was included in the organization through the Energy Department.

Investments

Always one step ahead with new investments...

Despite the global crisis that held sway over the Turkish economy in the past year, AKSA uninterruptedly pursued its investments in 2009. *The company expanded the size of its investments with an increase from USD 87,771,445 to USD 97,938,818 in 2009.*

Throughout the year, AKSA continued to work on 86 projects in line with its strategic targets, out of which carbon fiber production and the new energy production plants had the biggest shares. Many projects were conducted, most of which were cost-reduction projects as well as environmental and community projects. Summarized distribution of these projects is as follows:

- Cost-Cutting Projects (31 projects)
- New products production and profitability projects (14 projects)

- New technology and process projects (11 projects)
- Customer satisfaction enhancement projects (6 projects)
- Environmental and community projects (24 projects)

With the 70.04 MWe-capacity power production facility it acquired from Akenerji on April 30, 2009 and the 100 MWe-capacity facility for which it obtained a license on December 3, 2009, AKSA is now a license-holder for the production of 170 MWe energy. With the new energy investments, AKSA aims to strengthen its reputation among the competition and plans to complete the 100 MWe capacity energy production plant Project by the end of 2010. The budget for this investment is 135 USD.

The new power plant project is financed with a credit / owner's equity ratio of 70% to 30%. A credit contract was made for 100 million USD with no payment down for two years and financed until 2014. The carbon fiber project was financed with a 50 million USD credit with no payment down for three years and financed until 2014.

The biggest share in the projects executed in 2009 was allocated to carbon fiber. The 1,500 ton/year capacity production facility began operating in the last quarter of the year.



Besides the 34 tons/year pilot carbon fiber manufacturing facility in 2008, AKSA commissioned a 1500 tons/year manufacturing facility in 2009. The company manufactured trial production for important customers and received positive feedback from them.

Customers have started to open space in their purchasing quotas for the new product of carbon fiber under the brand name of "AKSACA". In 2009, the special fiber production operations were in order and fiber with higher physical and chemical tolerance manufacturing operations were completed. As a result of the research and development works to bring this product to the desired technical attributes, the physically and chemically tolerant product was

released to the market. AKSA aims to work on vinyl-based polymers and its derivatives following its strategy to produce new products and new markets. In 2009, research and development operations were conducted to create different polymers and the infrastructure was developed to serve this goal. AKSA targets to continue energy and carbon fiber production in 2010 according to its strategic plans.

Participation						
Participation Title	Field Of Activity	Participation Amount	Participation (%)	2007	Financial Profit 2008	2009
Akpa Tekstil Pazarlama A.Ş.	Foreign Trade	2.228.133	13,47	400.457	265.869	177.775
Subsidiaries Title	Field Of Activity	Participation Amount	Participation (%)	2007	Financial Profit 2008	2009
Fitco B.V.	Foreign Investment	7.754.138	100,00	-	-	-
Aktops Tekstil Pazarlama A.Ş.	Custom Manufacturing	15.450.000	60,00	335.695	2.005.515	2.014.690
Ak Girişim Kimya San. A.Ş.	Investment	58.000	58,00	-	-	-

2.10 Awards received in the reporting period (GRI G3: p.21)

Trade Shows and Awards

International Activities for Acrylic Fiber in 2009:

- International Trade Fair for Roller Shutters, Doors / Gates and Sun Protection 2010 / Germany
- Nanofibers for the 3rd Millennium- Nano for Life (TM) Conference / Czech Republic
- Achema 2009 / Germany
- Techtextil International Textile Expo / Germany
- Dornbirn Man-Made Fibers Congress / Austria
- The Future of Pigments 2009 Congress/ Germany
- SpinExpo Trade Show / China
- SpinExpo Trade Show / USA

Domestic operations for acrylic fiber in 2009:

- Autex 2009 World Textile Conference / Izmir, Turkey

International operations for carbon fiber in 2009:

- JEC Paris Expo / France
- The China International Composites Industrial Expo / China
- JEC Asia Expo / Singapore
- Composites World Expo / Chicago, IL USA
- Carbon Fiber 2009 Conference / San Diego, CA USA

A Journey to Excellence

After winning the prominent KalDer (Turkish Quality Association) National Quality Award in 2008, AKSA focused on improving its system and process in 2009. Performing self-assessment based on the EFQM Excellency Model every two years since 1988, the company performed its eighth self-assessment in 2009. The assessment took place with experienced employees that were involved in the KalDer National Quality Award process as well as the management team. Improvement activities have begun for 2010 with help from the feedback report from the national quality award process and the self-assessment report.

National Quality Congress

For the past ten years, AKSA has been supporting the National Quality Congress as a main and official sponsor. In 2009, we took on the main sponsorship role of the 18th National Quality Congress organized by KalDer once again and participated in the Quality and Management Systems trade show that took place simultaneously. AKSA shared with trade show participant's model applications in various areas with an emphasis on quality, environment and human resources. The main products of the company, acrylic fiber and carbon fiber were also promoted. AKSA took part in many domestic and international trade shows over the year to promote the carbon fiber product.

Profitable Corporation

In a research conducted by Capital magazine on Turkey's 500 Largest Private Corporations, in the category of the most profit-increasing corporations, AKSA was ranked third.



*Bringing our Responsible Care
approach to Turkey...*

Responsible Care - The CEFIC Award

As one of the first corporations in Turkey to implement the Responsible Care, the chemical industry's global voluntary initiative, AKSA was awarded many times for its work in this area in the annual Environmental awards of the Istanbul Chamber of Industry and the Turkish Chemical Manufacturers Association.

AKSA prepared a document summarizing its work in one of the six headings of Responsible Care Practices, namely, "Creating Community Awareness – Communications - Transparency and submitted this to the competition of all Responsible Care implementers in Europe held by the CEFIC in 2009 (CEFIC Responsible Care Award 2009). By the decision of an independent jury selected by CEFIC, AKSA was awarded with a commendation.

CEFIC promotes AKSA's project on its own website.

The following projects of AKSA can be followed at AKSA website:

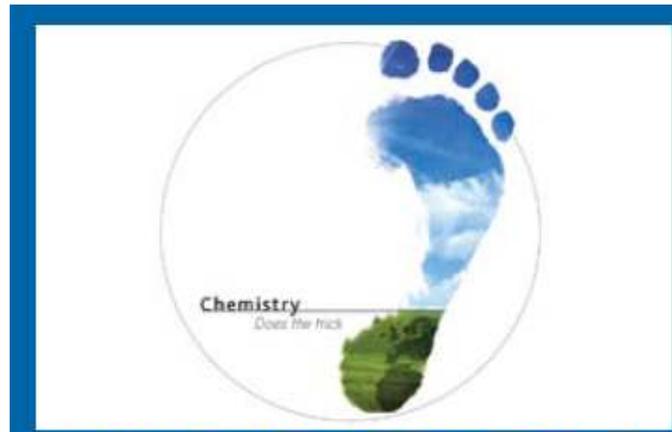
- ✓ **Open Door,**
- ✓ **Public Access Day,**
- ✓ **AKSA Summer Sports School,**
- ✓ **Interscholastic Art and Essay Contest on Environment,**
- ✓ **Public School,**
- ✓ **Community Advisory Panel,**
- ✓ **Waste Management System setup in schools,**
- ✓ **Global Compact operations,**
- ✓ **Survey on Social Impact and**
- ✓ **Sustainable Development Reporting on corporate website (Since 2004)**

The relations of AKSA with public and private organizations about its operations are quite positive. The company received numerous commendations, plaques and prizes from these organizations. Since 1980, the company received 55 awards from the Istanbul Chamber of Industry, ITHIB (Istanbul Textile and Raw Material Exporters' Association), Ministry of Environment and Forestry and many more. Of these awards, 25 of them were given in corporate taxation and 17 in the success in exporting categories.

The History of Responsible Care

The “Responsible Care” initiative was first an agenda issue in Canada in 1984 and implemented in 1985 and spread to the world starting in America first in 1988, then European countries in 1989 and in Turkey in 1993 under the coordination of the Turkish Chemical Manufacturers’ Association. It is currently implemented in 52 countries.

The Responsible Care is coordinated internationally by ICCA (International Council of Chemical Associations / Brussels), by CEFIC (European Chemical Industry Council / Brussels) in Europe and TKSD (Turkish Chemical Manufacturers’ Association) in Turkey.



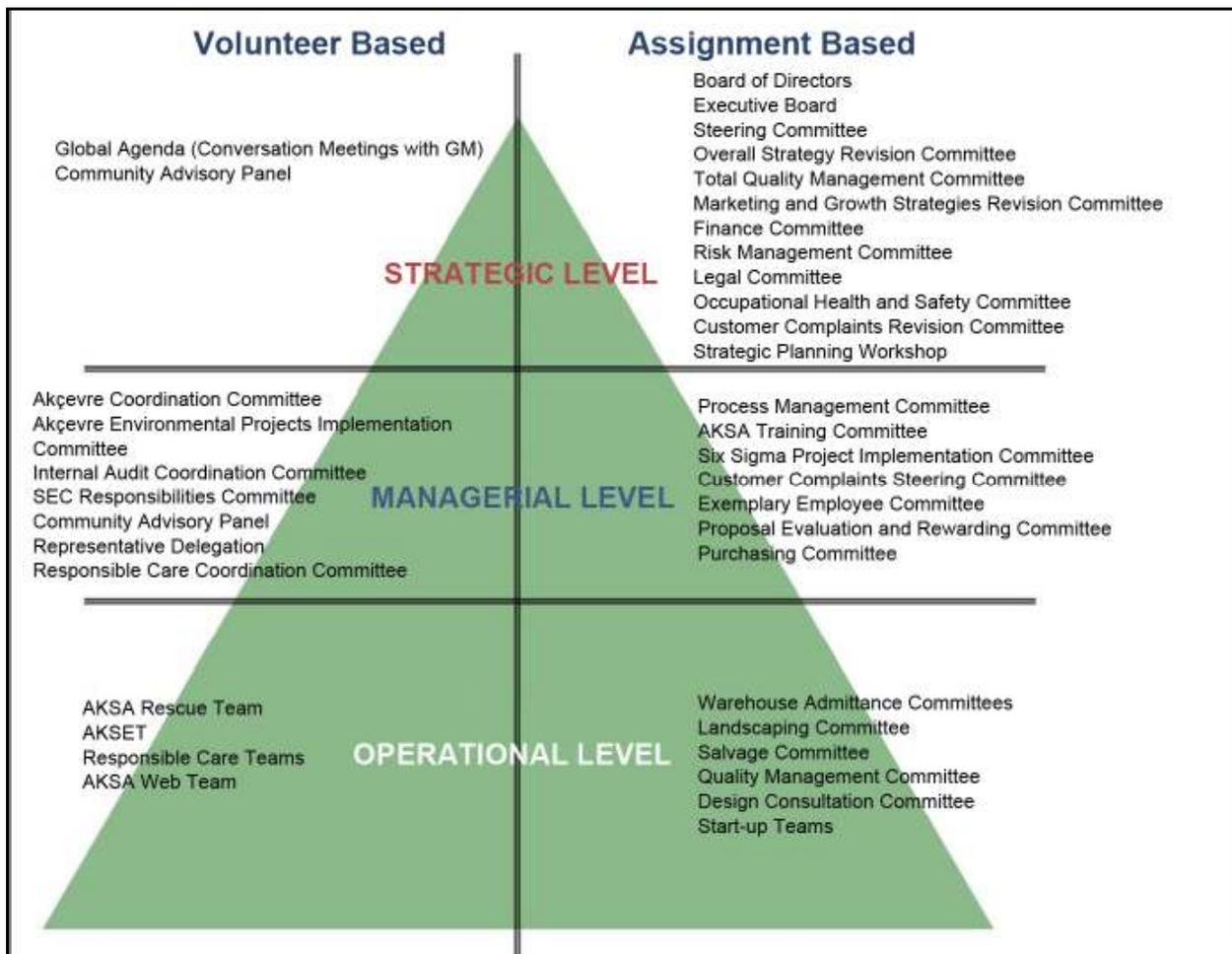
EUROPEAN
RESPONSIBLE CARE®
AWARDS 2009



4 - Governance, Commitments and Participation

4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight (GRI G3: p.22)

The AKSA organizational structure is comprised of volunteer or task-based teams and committees on diverse strategic, administrative and operational levels. AKSA leaders participate in these teams and committees to be actively involved in the distribution of strategies through processes and participate directly in the process and system development missions. The Process Management System has evolved from its beginning to this day through the personal participation of leaders both in the design of the processes as well as improvements.



As part of our human resources policy and values, constant improvement of our employees on personal and team levels are supported. This is realized by providing the necessary environment and resources to the team committee members, enabling participants to freely express their views in meetings, providing budgets for the volunteer teams as well as reward systems for successful operations.

Our participatory operations are comprised of a matrix involving volunteer and task-based personal and group participation. The Project management approach enables our employees to be involved in process improvements through implementing AKSA strategies. The approved projects and teams are announced within the company. Participatory groups include Akset, In-house auditors, the Representative Delegation, Responsible Care Team, SEC (Safety – Health-Environment) Responsibles, Self-Assessment team, 6 Sigma team etc.

4.2 Indicate whether the Chair of the highest governance body is also an executive officer (GRI G3: p.22)

The highest governance body of AKSA is the “Board of Directors” and the President of the Board does not have executive function. The General Manager of AKSA has executive function in the Board of Directors and there is also an Executive Board between the Board of Directors and the General Manager.



AKSA's Commitments to the Global Compact

4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members (GRI G3: p.22)

The Structure and Composition of the Board of Directors and Independent Members

The Board of Directors is made up of seven members comprised of the Chairman, the Vice-Chairman, one member (General Manager), two members (responsible for independent auditing) and one additional member. Five members of the board are executive members. The division of tasks is determined among the members of the Board. No rules have been established about members of the Board assuming or accepting positions outside of the company.

Members of the Board

Full Name	Title
Ömer DİNÇKÖK	Chairman of the Board
Ali R. DİNÇKÖK	Vice Chairman of the Board
Erol LODRİK	Member of the Board
Nevzat AYZ	Member of the Board
Hasan DENİZKURDU	Member of the Board
Ayça DİNÇKÖK	Member of the Board
Mustafa YILMAZ	Member of the Board and General Manager

Powers and Responsibilities of the Members of the Board and Executives

The duties of the company's executives have been drawn up within a written framework that is constantly updated in accordance with changes made in the scope of duties. The powers of the Board of Directors have been set forth in the Articles of Association. The list of authorized signatures is updated bi-annually.

Working Principles of the Board of Directors

The company has a Secretariat that is responsible for providing the members of the Board with information and notification. The draft for the agenda of the board meetings is prepared by the General Manager, finalizing after recommendations from the Chairman and members of the board. The Board of Directors engages in activities within the framework of authority set forth by the Company Articles of Association. All resolutions so far have been taken by a unanimous vote. The members of the Board have no weighted vote and although they have the right to contest votes, this right has never been exercised to this day.

Number, Structure and Independence of the Committees formed by the Board of Directors

The company's Board of Directors comprises of seven persons in total, of which five are executive members and two are responsible for the independent auditing. In accordance with the principle of independence, financial statements to be disclosed to the public are presented first to the Board of

Directors after committee approval and resolution. In addition, we have begun work to form an Independent Corporate Governance Committee and an Executive Committee.

Financial Compensation for the Board of Directors

Financial compensation provided to the company's Board of Directors is specified in the Company Articles of Association. In addition to the monthly salaries established by the General Assembly in accordance with Article 7 of the Articles of Association, Article 25/3 of the Articles of Association states that 2% of net profit is set aside from profit distributed according to the Capital Markets Board of Turkey. The members of the Board of Directors shall not be provided with any other financial compensation.

4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body. Include reference to processes regarding: (GRI G3: p.23)

- The use of shareholder resolutions or other mechanisms for enabling minority shareholders to express opinions to the highest governance body; and
- Informing and consulting employees about the working relationships with formal representation bodies such as organization level 'work councils', and representation of employees in the highest governance body.

Identification of topics related to economic, environmental, and social performance raised through these mechanisms during the reporting period.

Voting and Minority Rights

The company's Articles of Association make no stipulation for preferential rights. Each share has one right of vote. A minority vote is not represented in management nor is the method of cumulative vote used. The company's shares are bearer's shares and there is no restrictive provision in the Articles of Association regarding the transfer of shares. All company shares are quoted on the Istanbul Stock Exchange (ISE) and their transfer is undertaken in accordance with the provisions of the Turkish Commercial Code and Capital Markets Law.

Disclosure Policy

It is the basic principle of the company to provide all shareholders and all persons and organizations who will benefit from the information with equally disseminated, accurate, complete, intelligible, interpretable, low-cost and accessible knowledge, save for that information that is of the character of a trade secret and, outside of what is specified by law, which has not been disclosed to the public. AKSA abides by the management principles of Turkish Trade Law, Capital Markets Board's legislation, Public Disclosure Platform and the Istanbul Stock Exchange. The AKSA disclosure policy is set forth by the Board of Directors, informed in the General Assembly to the shareholders and published on the corporate website to be declared to the public. Any amendments in the AKSA disclosure policy shall be approved by the Board of Directors, informed to the General Assembly and published in the corporate website. The Financial Affairs Director is commissioned to follow the implementations of the AKSA disclosure policy and monitor all matters regarding public disclosure.

Public Announcement Tools and Methods

Information about AKSA, are announced to the public in the following methods and communication tools as well as the legal regulatory requirements.

- Corporate web site,
- Annual report,
- Meetings with shareholders and potential investors,*
- Meetings with banks, finance institutions and intermediary firms,*
- Announcements and programs via media organizations,
- Electronic data distribution channels,
- Fax and electronic mails,
- Mobile telephone communication (Wap and similar technologies).

*Meetings can occur face-to-face as well as via telephone or tele-conference.

Scope of Disclosure Policy

Providing they do not involve trade secrets or inhibit the competitive power of the company, questions posed by shareholders and stakeholders are answered within a maximum of five business days. Only those financial or legal occurrences that eventuate or seem likely to

eventuate that might affect 5% of assets are disclosed to the public. Public disclosures are made by submitting a special circumstance disclosure form to the Istanbul Stock Exchange through the mediation of the Public Disclosure Platform (KAP) and publishing the disclosure on the corporate website.

Corporate Website

The corporate website of AKSA is “www.aksa.com”. AKSA uses its website efficiently for public disclosure and transparency. Publicly-disclosed information can be accessed via the internet and the website is structured and classified accordingly. Information requested by the Capital Markets Board is found on the website. The site is updated and improved regularly and security precautions are taken to prevent any information from being altered. Disclosures made on the corporate website are not a substitute for the notifications and special circumstance announcements that are required by the provisions of the Capital Market Legislature.

Shareholder Relations Department

The Shareholder Relations Department Manager is the Financial Affairs Coordinator, Betül Sadıkoğlu. An electronic mail address (yatirimciiliskileri@aksa.com) has been designated for communications with shareholders. Questions addressed to AKSA through this e-mail address, by telephone via +90212 251 4500 or by fax via +90 212 251 4507 or other means are answered by the Finance Director or her appointed representative(s) in writing or verbally within a maximum of five business days

AKSA AKRİLİK KİMYA SANAYİ A.Ş. (2009)	
Market Value	481 million TL
Free Float Rate	41.70%
Rate traded at Istanbul Stock Exchange	37.92%
Foreign Investors' Share	25.48%

AKSA's relative performance according to the Istanbul Stock Exchange 100 Index was 38.1%. AKSA's relative performance on the chemical index was 40%.

Public Disclosure of Financial Statements

After being submitted to the Istanbul Stock Exchange through the mediation of the Public Disclosure Platform, as attachments to the documents required by law, periodic financial statements of the company are published on the corporate website within two business days. In addition, annual financial statements are also submitted to shareholders in the annual report.

Public Disclosure of the Annual Report

The annual report, prepared in accordance with the Turkish Commercial Code, Capital Market Legislature and Capital Market Corporate Governance Principles is published on the corporate website within a maximum of 15 days prior to the date of the Ordinary Meeting of Shareholders. In addition, shareholders and stakeholders who wish to do so may request a printed annual report by telephone from the Office of Financial Affairs Director or by contacting AKSA via yatirimciiliskileri@aksa.com.

Public Disclosure of Special Circumstance Disclosure Forms

In cases where the circumstances specified in the Capital Market Board's published "Communiqué on the Principles of Public Disclosure of Special Circumstances" have taken place, these disclosures are first submitted to the Istanbul Stock Exchange through the mediation of the Public Disclosure Platform and then published on the corporate website within the two following days.

28 "Special Circumstance Disclosures" were made in 2009, in accordance with the public disclosure and transparency policies, to inform, firstly our shareholders, all our stakeholders and other interested parties. All disclosure demands were successfully managed by special circumstance disclosures. All "Special Circumstance Disclosures" were handled in a timely fashion and according to the Capital Market Legislature. No additional disclosure was demanded from either the Capital Markets Board or the Istanbul Stock Exchange.

Public Disclosure of General Assembly Meetings

In addition to those announcements foreseen by legal regulations, the date, time, agenda and sample of a letter of Proxy are published on the corporate website at latest fifteen days before the date of the General Assembly. Minutes of the meeting and list of participants are available for the shareholders if requested. The stock exchange, intermediary firms and press representatives are participants in the General Assembly. Meeting papers are delivered to the Capital Markets Board and the Istanbul Stock Exchange.

The stated information has been published on the corporate website since 2004. The quorum of the 2009 General Assembly, dated April 27, 2009, was maintained at 63.40%. The questions raised by the General Assembly participants, were answered by the managers. Recommendations by shareholders were voted in the General Assembly and accepted by large majority. The power to make decisions on the purchase, sale and rental of property holdings are given to the Board of Directors according to Article 9 of the Company Articles of Association, therefore these issues are not discussed in the General Assembly.

Meetings with Shareholders and Potential Investors

Requests received from shareholders and potential investors are answered periodically on a quarterly basis or when requests come in during interim periods, at a special meeting and/or by electronic mail. Additionally, the company may conduct a Road Show at least once a year to promote the company to foreign investors abroad and provide information about the company's strategic and financial status. This information however may not be different than what has been previously disclosed to the public. In other words, the information must be that which has already been released to the public.

Meetings with Banks, Financial Enterprises and Brokerage Firms

Written or oral requests received from banks and financial enterprises or brokerage firms are answered on a quarterly basis or when requests come in at interim periods, at a meeting and/or by electronic mail. An effort is made to keep stakeholders and potential investors informed about the Company's financial status and its strategic and financial goals through brokerage firms. This information however may not be different than what has been previously disclosed to the public. In other words, the information must be that which has already been released to the public.

Announcements, Interviews, etc. conducted through the Media

An effort is made to keep stakeholders and potential investors informed about the company's financial status and its strategic and financial goals through the various channels of the media. Communications with the media are handled with the approval of the General Manger. Media requests for interviews are answered by the General Manager or by the person delegated to do so by the General Manager. The information provided in the interview however may not be different than what has been previously disclosed to the public. In other words, the information must be that which has already been released to the public.

Code of Ethics

The Company Code of Ethics is disclosed to the public through publication on the corporate website within two business days of its approval by the AKSA Board of Directors. In the event that any changes are made to the Code of Ethics, these changes are also published on the corporate website and on Community Advisory Panel subsequent to the Board's approval.

Code of Ethics

Transparency: In-house processes and financial information is announced efficiently and on time.

Honesty: Performing the current job is an indispensable value.

Responsibility: To create a dignity among employees, shareholders, customers and the society in accordance with the current laws and regulations is the company's understanding of responsibility.

Accountability: The Company, including all its departments, holds the responsibility to be held accountable in any area. There is no business conducted that cannot be accounted for.

Conflict of Interest: In the event of a conflict of interest, the company's policy is, in order of priority, the customer, the company, the employee and the society.

Following AKSA Rules of Conduct: We obey AKSA's written and non-written (cultural) rules of conduct sincerely.

Incentives and Gifts: Reasonable incentives and gifts can be accepted from persons or judicial corporate bodies whom the company has established commercial bonds with.

Product Quality: The principle is to inform the customer of the quality in production and give complete information about product quality.

Fair Management: Employee selection, dismissal, promotions and placements are based on objective criteria. Employees are treated in fairness and with discipline in the distribution of work.

Discrimination: There is to be no discrimination for race, color, belief, sex, age, ethnicity, nationality, sexual preference or physical disabilities.

Accuracy in company records: All books, records and expenses are kept in accordance with regional, national and international requirements, in order to supply correct information to the management, shareholders, credit institutions, public organizations, other organizations, customers, suppliers and employees. There is no excuse or remission on wrongful or incomplete company records.

Respect in the Workplace: All employees must respect themselves, each other and all stakeholders and base behavior on this principle.

Corruption: No action is taken that we do not take pride of.

Wage and Shift Applications: Wage and performance assessments are applied to recruit and employ qualified employees. All procedures are implemented according to the law.

Protection of Company Reputation: The protection of company reputation is reflected on all important decisions and actions.

Protection of the Environment: The protection of environment is a company priority as part of the sustainable development policy.

Employee Confidentiality: Personal information of employees is respected and considered confidential only disclosed when legally required.

Supplier and Customer Confidentiality: Confidentiality is an indispensable provision in all transactions with suppliers and customers.

Insider Trading

In order to prevent insider trading, that is, the use of information not as yet made public, the names of management, employees and other persons/organizations that are in a position to be privy to such information that may affect the value of capital market instruments are listed by the finance director and published on the corporate website and on the Public Disclosure Platform.

Disclosures of Future Activities

Within the scope of its disclosure policy, AKSA may disclose its future expectations to the public, if deemed necessary. Disclosure of future activities is subject to the approval of the Board of Directors and is carried out only by those persons authorized to make public disclosures. Future expectations that are disclosed to the public are announced together with the grounds and reasons for these expectations with accompanying statistical data. This information may not contain exaggerations, may not be misleading and under all circumstances, must be associated with the company's financial standing and operational results. The disclosure to the public of the results of audits conducted by independent auditors and disclosure of information on future activities are consistent with international standards. If any disclosed projections in the future are not later realized, the revised data, tables and reports, along with the grounds on which they are based are then announced to the public.

Other Disclosures

In the event that sale/purchase transactions conducted in the last one year or net positions in derivative products based on AKSA shares owned by members of the Board, executives or shareholders, who possess 5% of the company's capital either directly or indirectly, exceed 1% of their direct or indirect holdings in the company, this information is published on the website.

The company reserves the right not to make disclosures to the public about rumors in the press or unfounded news stories based on unfounded information. Persons authorized to make disclosures to the public may speak on behalf of AKSA at conferences, panels, sessions, interviews and the

like. The information imparted in such talks however may not be different than what has been previously disclosed to the public. In other words, the information must be that which has already been released to the public.

The Public Disclosure Platform (KAP), which was formed under the joint efforts of the SPK-İMKB-TUBITAK Information Technology and the Electronic Research Institute (BILTEN), allows the electronic submission of the financial tables, special circumstance disclosures and other notifications that used to be sent to the ISE by mail or fax up until 2009. All notifications disclosed to the public by the company may be accessed on the KAP website. (<http://kap.gov.tr>) Such documents and information are sent after being signed electronically by the authorized persons concerned.

Written statements, disclosures and similar announcements submitted by authorized persons are valid only if they bear two signatures under the company seal.

Persons Authorized to Make Disclosures

The following persons are entitled to respond to any questions and disclosure requests concerning AKSA management, activities, financial data or the industry:

- Chairman and Members of the Board,
- General Manager,
- Finance Director,
- Accounting Manager,
- Assistant Accounting Manager.

Unless a special appointment is made, no employees other than those listed above are authorized to respond to questions.

Dividend Distribution Policy

The profit distribution policy developed by the AKSA Board of Directors is presented to the General Assembly and included in the annual report. It is subsequently published on the corporate website within two business days following the General Assembly. In the event that any changes are made in the Dividend Distribution Policy, those changes are presented to the General Assembly after approval by the Board and are subsequently published on the corporate website and Public Disclosure Platform.

Aksa Akrilik Kimya Sanayi A.S. always distributes dividends in compliance with the Capital Markets Board legislation on the basis of the company's financial performance, the status of the industry and the economic climate of Turkey. Profit shares are paid out to shareholders in cash or with bonus shares.

The Dividend Distribution Policy of Aksa Akrilik Kimya Sanayi A.S. foresees that stakeholders receive stock yields as well as regular income earnings from their shares. In order to reach the goals set down in the company's mission and vision and in the light of the future investment expenditures and other funds needed until 2010, the decision to disperse at least 20-50% of distributable profit in cash or bonus shared, provided there is no conflict with current Capital Markets Board regulations, has been implemented yearly since 2006.

The Board of Directors of Aksa Akrilik Kimya Sanayi A.S. may review the Dividend Distribution Policy annually to ensure more profitable financial performance and sustainability in the light of planned investment projects and conditions in both the industry and the economy.

Corporate Policy on Stakeholders

Stakeholders of AKSA have been defined as Shareholders, Employees, Customers, Suppliers and Civil and State Organizations. AKSA formulates its main and interim goals, its policies and strategies as well as the company targets in consideration of stakeholders' present and future expectations. The Exchange of information is carried out with stakeholders in various ways during the formulation process.

In order to determine, develop and reciprocally support the basic areas of competence of our suppliers and to evaluate their annual performance, the company makes use of a Supplier Performance System. As part of this system of evaluation, information about the system, notes regarding performance as well as information about areas to be improved, if any, are shared with the suppliers at regular intervals. Contained in the information that is shared with suppliers are the company policy, specifications and agreements.

Customers are regularly provided with shipping, deadline and price information concerning their orders. In addition, the customer is immediately notified of any changes made in sales terms or in the technical features of the product. AKSA also provides its customers with written product specifications. Analyses requested by the customer or results of technical studies conducted upon a customer's complaint are shared with the customer. Our "Product Responsibility and Product

Safety Guide”, or USUKEK, is a statement endorsing the ecological safety of our products and is sent to all customers in English/Turkish for their information.

AKSA Management joins the people of the region in many different activities, among which are Open-Door Days, the Community Advisory Panels, student field trips and the Akçevre Art and Composition Contest. During these activities, AKSA organizes presentations and distributes booklets to provide visitors with information on the company’s total quality activities as well as its environmental activities and policies.

The understanding that AKSA has open and honest communications with its employees is the backbone of the company’s human resources management policy. The main examples of vertical and horizontal communication channels in the company are the Employee Evaluation Survey, Internet Databases, Higher Management Information Meetings, Representative Delegation and Performance Assessment Meetings. These tools of communication are used by the company to inform employees of corporate policies and strategies, targets and activities geared to improve the work environment. Employees are encouraged to express their views.

Stakeholder Participation in Management

Since 1996, eighteen people elected by AKSA employees through a receipt-free secret ballot election serve as the Representative Delegation (RD). Made up of representatives from each shift, 13 from the Yalova Factory and 5 members from Istanbul Headquarters, the RD meets once a month to determine what problems the employees have and to look for solutions, simultaneously notifying Higher Management of employee expectations.

The RD also participates in the reviewing processes whereby the company formulates its primary and interim goals, its corporate culture, policies and strategies. RD members are also members of the Total Quality Management Council (TKYK) and take active roles in drafting AKSA’s main and interim target announcements. The Human Resources Policy and strategies drawn up as main and interim goals are determined by the TKYK, of which RD members are a part; these strategies are reviewed every two years.

Independent Audit

BDO Denet Independent Audit and Certified Public Accountancy Corporation
Avni Dilligil Sokak No:6 Mecidiyekoy 34394 İstanbul, Turkey

Audit Committee Meeting Minutes



2009 Audit Committee Decision Documents

All decisions taken by the commission responsible for auditing is published on the AKSA corporate website.

Board of Director Meeting Minutes



2009 Board of Directors Meetings Decision Documents

Decision Document 15
 Decision Document 16
 Decision Document 17
 Decision Document 18
 Decision Document 19
 Decision Document 20
 Decision Document 21
 Decision Document 22
 Decision Document 23
 Decision Document 24
 Decision Document 25
 Decision Document 26
 Decision Document 27
 Decision Document 28



2008 Board of Directors Meetings Decision Documents

Decision Document 1
 Decision Document 2
 Decision Document 3
 Decision Document 4
 Decision Document 5
 Decision Document 6
 Decision Document 7
 Decision Document 8
 Decision Document 9
 Decision Document 10
 Decision Document 11
 Decision Document 12
 Decision Document 13
 Decision Document 14

The decision documents of the Management Board are published in the AKSA corporate web site.

Identify topics related to economic, environmental and social performance raised through these mechanisms during the reporting period.

The following decisions were taken in the Board of Directors Meetings and published in the corporate website:

Decided to initiate investments in January 2009, finish these investments by the end of 2009 and to finance this investment 100% with owners equity for the manufacturing of SAP (Super Absorbent Polymer) widely used in health and personal care products, diapers, wire insulation applications, food packaging, pharmaceuticals and in the agricultural industry as liquid seed in

order to manufacture polymers in addition to fiber as our product and to use our infrastructure more efficiently and to increase the share of products with added-value,

In order to add energy production to our company's operation fields, it is decided to receive authorization from the Energy Market Regulatory Authority, Securities and Exchange Commission and the Ministry of Commerce in accordance with the Electricity Market Law and the Electricity Market Licensing Regulations and public disclosure of this decision.

To ensure our strategic plans are implemented with appropriate human resources, it is decided to make the stated reappointments and change of titles effective 08.01.2009.

SECTION 2

About Our Report

3. Report Parameters

Report Profile

3.1. Reporting Period (e.g. Fiscal/calendar year) for information provided. (GRI G3: p.21)

This report comprises the period between 01.01.2009 – 12.31.2009.

3.2 Date of most recent previous report (if any) (GRI G3: p.21)

The previous report comprises the period between 01.01.2008 – 12.31.2008.

3.3 Reporting cycle (annual, bi-annually, etc.) (GRI G3: p.21)

The Sustainable Development Reports have been prepared annually according to the Global Reporting Initiative (GRI) format since 2004. The reports are published in the AKSA corporate website (www.aksa.com) since 2004 and the Global Compact website since 2006.

AKSA reports published on the AKSA corporate website:

- Quarterly and Annual Reports
- Quarterly Financial Tables
- Investor informative meeting presentations
- Board of Directors' Decisions
- Independent Audit Reports
- Akkök Group Companies Global Principles Contract Progress Report 2008-2009

3.4 Contact point for questions regarding the report or its contents (GRI G3: p.21)

Persons of Interest:

Sibel BEKLER– AKSA Human Resources and Management Systems Director

Birgul ARAS – Expert Environmental Engineer

E-mail: sbekler@aksa.com, baras@aksa.com

Address: Yalova Karamursel Yolu 13. Taskopru, YALOVA

Telephone: 90 262 353 25 45

Reporting Boundaries and Range

3.6 Boundary of the report (e.g. Countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers) (GRI G3: p.22)

The report includes the acrylic fiber, carbon fiber and energy production operations of Aksa Akrilik Kimya Sanayi A.S. in Yalova, Turkey.

The largest acrylic fiber producer in the world under one roof, Aksa Akrilik Kimya Sanayi A.S. performs its production under one manufacturing factory in Yalova established on 70.000 m² open space, 85,000 closed space area, on a total of 430,000 m² land.

3.7 State specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope) (GRI G3: p.22)

There are no restrictions on the boundaries and range of this report. The report encompasses all production processes of AKSA.

3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations (GRI G3: p.22)

AKSA has received the National Quality Award and has proven that the company's operations fulfill the criteria in the EFQM Excellency Model. Furthermore, the company has received a commendation for the Responsible Care Award from CEFIC.

3.10 Explanation of the effect of any re-statements of information provided in earlier reports and the reasons for such re-statement (e.g. Mergers/acquisitions, change of base years/periods, nature of business, measurement methods) (GRI G3: p.22)

The previous report consisted of acrylic fiber production and pilot scale production for carbon fiber. This report covers carbon fiber production and energy production as well as acrylic fiber production.

3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report (GRI G3: p.22)

The previous reports were written in the GRI G2 format and information was given on the selected indicators. All information and indicators were provided in the report without using any reporting format (GRI levels A, B or C). No results were shared on economic indicators. This report is prepared using the GRI G3 format and the "Level C Report Template" using economic indicators.

SECTION 3

About our Stakeholders

4. Governance, Commitment and Participation

Participation of Stakeholders

The paragraphs below describe the general stakeholder participation during the reporting period. These descriptions are not limited to the stakeholder participation applications needed to prepare for a sustainability report.

4.14 List of stakeholder groups engaged by the organization (GRI G3: p.24)

The stakeholders of AKSA are defined as:

- Shareholders
- Employees
- Customers
- Suppliers
- Society, and
- Public organizations

AKSA determines its mission, vision, politics, strategy and company goals according to its stakeholders' present and future expectations. Throughout this period, information is shared with stakeholders through various means.

A Supplier Performance System is implemented to determine the basic competency areas, develop these areas, support mutual development and assess the yearly performances of suppliers. Within this system, the assessed suppliers are shared information about the system and also notes received on their transactions as well as areas of improvement. Furthermore, company policy, specifications and contracts are also considered information shared with the suppliers.

Our customers receive regular information about the delivery procurement, due dates and price information on their orders. Any changes in the sales conditions and technical aspects of the

products are also immediately shared with the customers. AKSA also provides its customers with product specs. Any analysis requested by the customer or complaints received is followed by technical review and the results are shared with the customer. All customers are provided with Turkish/English manuals, USUKEK, "Product Responsibility and Product Handling Safety Guide" and GBF-MSDS, "Safety Information Forms".

AKSA Management practices good communication with the regional community with events such as Open Door Days, Community Advisory Panel, school trips and Akçevre Art and Composition Competition and informs the visitors on these events about AKSA's total quality operations, environmental operations and company policies via presentations and handbooks.

AKSA envisions an open and honest communication approach as the foundation of its Human Resource Management policy. Some examples to our top to bottom, bottom to top and horizontal communication channels are Work Life Evaluation Survey, Intranet Database, Top Management Informative Meetings, The Representative Delegation and Performance Assessment Meetings. By using these communication tools, the company communicates its policies, strategies, goals and improvements on the workplace environment to its employees and receives feedback from them.

4.15 Basis for identification and selection of stakeholders with whom to engage (GRI G3: p.24)

Participation of Stakeholders in Management

Aksa follows a participatory process to identify its stakeholders. Aksa enables local communities to engage in the stakeholder dialogue by participating in the Aksa community open-door days (see CSR projects section). Regarding employees there is a Representative Delegation that is made up of 18 employees elected by secret ballot voting by all company personnel since 1996. Thirteen members of the delegation are from the Yalova factory and five members are from the Istanbul head office and representatives from all shifts are included. The delegation meets monthly and conveys all problems relating to employees to the top management and conducts operations on resolving these problems.

AKSA has been using the EFQM Excellency model since 1998. According to this model, groups that are affected by the products, services, operations and business results are defined as stakeholders. The planning, implementation and control of the EFQM Excellence model is carried

out by the Total Quality Management Team. Within this perspective AKSA's stakeholders are defined as; the society, employees, clients, investors, suppliers and official bodies. The basis for the identification of these stakeholders with whom to engage is made by the Total Quality Management Team. Corporate social responsibility principles and its management principles are defined with the corporate management principles.

The Representative Delegation also participates in determining and analyzing the company's main and intermediary goals, the corporate culture and policies and strategies. The delegation members are also members of the Total Quality Management Committee and actively participate in determining AKSA's main and intermediary goal declarations. The human resources policies and strategies created among these goals are also specified in the Total Quality Management Committee, which the Representative Delegation is a member of and is reviewed bi-annually.

Our Employees:

Our employees are managed with international standards of human resources operation models and integrated systems. There have been no complaints of discrimination among employees. Differences may arise between employees on job description, performance differences or technical/behavioral competency differences. Employee expectations and demands are received by Employee Satisfaction Survey, Representative Delegation, individual performance assessment meetings, division dinners, social events and face to face meetings.

Information about Customers and Suppliers

With customers in 50 countries on five continents, AKSA supplies 12.5% of world acrylic fiber consumption. The domestic sales of AKSA products are carried out by the Marketing and Sales Directorate and international marketing is carried out by the Marketing and Sales Directorate with the intermediacy of the sales team of group company AKPA Tekstil Pazarlama A.S. Marketing operations are maintained in four main regions and there is a sales office in Gaziantep.

The customer expectations and requirements of AKSA are collected by customer visits, post-sales services, customer dinners, attendance to trade shows, Customer Satisfaction Survey, special customer demand feasibility information and Learning with the Customer Center. Stakeholder needs and expectations are collected by the Strategic Planning Workshop, trade shows, regular meetings, supplier performance assessment system as well as meetings with the suppliers, Community Advisory Panel, Impact on Society Survey, daily press monitoring, Open Door Events, feedback received on social events, relations with non-profit and public organizations. Shareholder

expectations and requirements are received by the General Assembly, Board of Directors, Executive Board, quarterly national information meetings and semi-annual international information meetings and these findings are used in strategically planning operations.

Internal Auditing

Having a corporate governance management approach and implementing the corporate management principles are vitally important for organizations to continue their organizational entity and reputation. Akkök has implemented a Corporate Law in April 2007, an important step in the transition to corporate governance.

The existence of internal audit implementations in international standards is important to develop corporate governance. Internal audit provides an independent and impartial security and consultancy by analyzing the efficiency of risk management, controls and corporate governance processes to improve the organization's operations and help reach its targets.

The duties and responsibilities of the Akkök Internal Audit Division established in October, 2009 are as follows:

- The auditing of risk management policies and processes.
- The auditing of internal control systems and processes.
- The completeness, correctness and reliableness of all information produced.
- The efficiency and productivity of company operations.
- Compliance to laws and legislation in operations.
- The protection of company assets.
- The audit of information systems.
- The audit of management processes.

We are ready for the future...



3. Report parameters

Report Scope and Boundary

3.5 Process for defining report content, including: (GRI G3: p.21)

- Determining materiality;
- Prioritizing topics within the report; and
- Identifying stakeholders the organization expects to use the report.

Indicators under the headings of "Labour Practices and Decent Work" and "Environment " have been identified as the priority.

We intend that our reports be reviewed and used by our employees, customers, suppliers, and the community.



SECTION 5

Performance Indicators

Indicator 1: Economic Indicators

Aspect	Core/Additional	G3 Code	Description
Economic Performance	Core	EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.



Aksa, has completed the year successfully by continuing to invest on strategically important carbon fiber and energy inspite of the global economical crisis emerging in 2008 and through 2009. Company's EBITDA has increased 8,93% while total assets has increased 14,49 % compared to 2008.

STAND-ALONE BALANCE SHEET SUMMARY

USD	31.12.2007*	31.12.2008**
Assets	748,069,541	723,569,279
Current Assets	423,002,372	383,400,399
Liquid Assets	42,097,275	39,846,007
Trade Receivables	235,965,992	251,120,874
Inventories	114,514,101	63,737,622
Other Current Assets	30,425,004	28,695,896
Fixed Assets	325,067,169	340,168,880
Trade Receivables	8,034	8,374,931
Subsidiaries/Affiliates	23,334,970	17,945,031
Tangible/Intangible F.A.	301,723,466	290,580,414
Other Fixed Assets	699	23,268,504
Liabilities	748,069,541	723,569,278
Short-term Liabilities	170,915,214	165,349,548
Financial Liabilities (Net)	56,150,882	66,719,223
Trade Liabilities	104,650,684	75,028,919
Other Short-term Liabilities	10,113,648	23,601,406
Long-term Liabilities	41,097,617	96,441,783
Financial Liabilities (Net)	18,588,950	80,070,000
Financial Liabilities	-	-
Provisions	8,733,328	4,923,202
Deferred Tax Liabilities	13,775,339	11,448,581
Shareholders' Equity	536,056,710	461,777,947

STAND-ALONE INCOME STATEMENT

Net Sales	669,506,931	684,847,738
Operating Profit	16,555,040	36,778,846
EBITDA	43,285,720	63,609,612

Corporate Social Responsibility

Corporate Governance Principles and Compliance Report

Having at all times chosen as its target to be a world leader in the sector, we are aware that in this period of accelerating global competition and change, corporate governance practices are as important as financial performance. In light of this, AKSA strives to create sustainable value for its stakeholders. The Company is determined to maintain the character it has always upheld as a reputable, hardworking, creative and innovative company, first before its shareholders and investors and then in the eyes of customers, employees and the community.

The Corporate Governance Principles formulated by the Capital Markets Board (SPK) in parallel with the best practices around the world are based on the objective of strengthening and increasing the confidence of existing and potential partners, employees, customers, regulatory authorities as well as the domestic and international community. In this regard, Akxa Akrilik Kimya Sanayi A.S. declares that it has committed itself to the application of the Principles of Corporate Governance and that it will adopt the practices foreseen by these principles within the framework of our current practice.

OUR CSR APPROACH

Our foundational approach provided to all employees, particularly our leaders:

Keeping the interests of the community ahead of individual interests,

Avoiding relations that may lead to financial dependence on others,

Impartiality,

Accessibility,

Accountability,

Transparency,

Openness and honesty.

Being an exemplary leader in the practice of these principles.

Our CSR Principles

AKSA's Corporate Social Responsibility principles were identified, codified and published in 2005. These principles are;

1. **Economic Principle:** To be productive and profitable while being compatible with sustainable development while trying to minimize the possible risks to the environment. Our company

seeks to provide economic benefit to the fullest extent to our country and to the local community while conducting our activities. To meet the expectations of our all stakeholders (employees, customers, suppliers, shareholders, investors, public sector and local and national economy), our core approach is attaining the highest possible level of productivity, effectiveness and efficiency in all our activities and minimizing the possible negative effects on global resources.

2. **Legal Principle:** In all our activities, our company complies with the law, existing regulations, and international standards and with international agreements. Embraces the rule of law. Our company will seek solutions to the possible disputes with our stakeholders within the legal framework. Our company, will respect all the decisions of the legal authorities on the company and implement them.
3. **Ethic Principle:** While conducting all our operations including commercial operations, we act in full compliance with the social norms and expectations, moral standards, human rights, corporate values and ethical guidelines that are beyond the law. Our company will avoid all sorts of activities that do not comply with business ethics.
4. **Social Principle:** We are fully aware that our activities, not only affect our company, but also the nearby market, supply markets, local neighborhood (small industrial sites, e.) non-governmental organizations and public institutions. We are conscious that we need to work in cooperation with all stakeholders. We will voluntarily contribute to the projects primarily in the area of education and culture, arts, sports and to the projects that will create new jobs.

Donations and Social Assistance:

AKSA has the responsibility of raising its standards in every area within the framework of the principles of Corporate Social Responsibility, sensitive to the needs of society and of future generations. In addition to its economic contributions, the Company has also made it its duty to contribute to the educational, cultural, artistic and sportive activities of the community. In this context, AKSA provided 228,254 TL in donations and social assistance in 2009.

DONATIONS AND SOCIAL ASSISTANCE	TL
Foundations, Associations and No's	185,284
Education	31,47
Sports Organizations	11,5
Total	228,254

CSR Projects

AKSA's corporate social responsibility philosophy has been formulated on the basis of "voluntarily contributing to achieve a better community and environment". In this context and in order to achieve sustainable economic development, AKSA complies with the law, the Company's Articles of Association and internal regulations (code of ethics, corporate values, etc).



The fundamental tenets to which the Company adheres in the context of social responsibility are: Keeping the interests of the community ahead of individual interests, avoiding relations that may lead to financial dependence on others, impartiality, accessibility, accountability, transparency, openness and honesty. AKSA has adopted the mission of being an exemplary leader in the practice of these principles.

In upholding the principle of acting as a productive and environmentally-conscious manufacturer, AKSA supports this with its "corporate reputation." The Company sets strategic targets to sustain development, realizing its goals with annual projects. As in previous years, many more social responsibility projects were implemented in 2009 with the support of volunteers from the ranks of AKSA employees. The AKSA Community School, environmental awareness-raising activities, the Community Open-Door Day and the forestation projects are only a few. In addition, since 2004, all social and environmental activities are reported and published in the format of the internationally accepted Global Reporting Initiative (GRI).

Selected CSR Projects from 2009:

AKSA Community School:

This project, which was initiated in parallel with other public awareness efforts, involves the visits of a team of AKSA managers, volunteer employees and specialists to nearby villages. Included in the team are specialists such as doctors, nurses, agricultural engineers, as well as environmental and occupational health and safety experts. The team offers trainings to the village community in the areas of nutrition, protection from ticks, prevention of accidents at home, mother and child health, daily measures that can be taken to protect the environment, social rights of the retirees and other similar topics. AKSA also gives out seedlings grown in its own greenhouses to support the forestation activity initiated by the Ministry of Environment and Forestry.

Upon the requests from the village leader, the 2010 AKSA Community School implementation is planned to be held in the Kulich village.



Raising Environmental Awareness and Developing Waste Management Systems in the Schools Project:

This project was first implemented in 2006 and 2007 and re-implemented at the Altoona Bulent Ozyurek Multi-program High School in 2008-2009. Primarily, a team consisting of AKSA Responsible Care volunteers and environmental specialists determine the sources of waste at the school. Afterwards appropriate waste collection and recycling baskets were placed at the sources to create waste stations. To ensure the correct use of these waste stations, a seminar is offered to the students in the school's environment club. These students are also provided with a booklet on "Waste Management" to use as a regular reference. In addition, 120 seedlings were distributed for the forestation of the school grounds.

Community Open-Door Day

AKSA codified the Open-Door policy, to enable employees to communicate with the company management and for customers, community, business partners and shareholders to communicate with the relevant company authorities on any subject easily and without reservations.



Open-Door days were first conducted for the press members with the participation of the Responsible Care team members. AKSA welcomes and hosts the citizens of Yalova and the neighboring residential areas in its facilities. Guests received information about the business processes, environmental management systems and the contributions of AKSA to the city.

In 2009 under the Community Open-Door Day policy, a focus group of village leaders from the Altinova and Ciftlikkoy districts were invited to AKSA for a visit.

31 village elders came to AKSA on 20.10.2009. AKSA provided them with information about the new products, carbon fiber, AKSA's environmental practices and energy investments followed by a field trip.

A second focus group of 65 people from the "Potted Ornamental Plants Producers Association", received information about AKSA on 21.10.2009.

Open Door Facilities:

Within the scope of the Open Door policy, Yalova University, Sabanci University, visitors from education institutes of Yalova and neighboring provincial governates, all village leaders from Yalova and members of "Potted Ornamental Plants Producers Association" visited AKSA.



In addition to domestic visitors, foreigners also visited AKSA. AKSA hosted students from 24 different countries on 01.07.2009. The summit of Graduate students, mainly composed of chemical science students gathers in a different country every year. This year the summit was held in Turkey by Koc University. 84 Students met under the leadership of the Koc University and they preferred to visit AKSA for their only field trip.

Within the scope of the trip that was organized by a delegation composed of officials from AKSA, after an introductory presentation, students took a field trip to the Material Storage Area – GOZ unit - Fibers Production area in two groups and they received extensive information about all products, processes and applications of AKSA. The trip was finalized with a dinner at the AKSA cafeteria and Koc University Professor Can Erkey's sentence in our Guestbook "very happy to show one of the perfectly functioning production plant in Turkey to the students from all around Europe".



Sustainable Development Reports: Since 2004, social, environmental and economic activities of the Company have been reported and published in the format of the internationally accepted Global Reporting Initiative (GRI) guidelines. The Sustainable Development Reports for 2004, 2005, 2006, 2007, 2008 and 2009 are published on AKSA's corporate website and made accessible to public under the heading "Corporate Social Responsibility".

The Role of AKSA in Advancing Global Compact in Turkey: During the World Economic Forum, held on 31 January 1999, the former United Nations (UN) Secretary-General Kofi Annan, in line with the "Millennium Development Goals", called upon business leaders, the UN, labor unions, and civil society organizations to join efforts under the Global Compact which is an international initiative that invites companies to support universal environmental and social principles, together.

Within the project, 10 basic principles were set under human rights, labour standards, environment and anti-corruption areas. On 26 June 2000 the Global Compact project was initiated at the United Nations Headquarters in New York. Today, thousands of companies, trade unions and civil society organizations, around the world participate in the Global Compact by declaring that they will make these universal principles, part of their business strategies, operations and culture.

Aksa Akrylic Kimya Sanayi A.S. signed the UN Global Compact in 2006 and since then has voluntarily contributed to several activities to promote and to support the Global Compact in Turkey.

In 2009, the Global Compact Turkey Network's National Steering Committee was established to strengthen the Global Compact in Turkey and to represent the Local Network at the global level. Members of this steering committee were selected among the representatives of organizations that have put emphasis on the Global Compact principles and held outreach and community activities.

AKSA has been invited to the National Steering Committee and since 2009 has been working as an active member of the Global Compact Local Network Turkey.



In 2009, AKSA actively participated in the identification of the main objectives of the Network in Turkey which were decided upon unanimously by the National Steering Committee. Aksa also participated in the preparations of the planned 2010 sectoral approach of the Local Network Turkey.

The UN Global Compact Principles



Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

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

Afforestation Activities:

To balance the greenhouse gases in the atmosphere our main target is to increase the forest areas which are important sequestration zones. Forestation should be increased, the degraded forest lands should be rehabilitated, and preventing erosion of soil into lakes, dams and seas, should be combated as soon as possible. For this purpose, AKSA has been distributing seedlings grown at the AKSA greenhouses free of charge throughout the country in order to contribute to the “2008-2012 Afforestation and Erosion Control Mobilization Action Plan” of the Ministry of Environment and Forestry.

Other Selected Activities

Green Europe Project:

AKSA also provided support to the students of 18 Mart University's Discovery and Adventure Group, who prepared a project called “Green Europe” within the scope of the activities organized under the auspices of the European Union. The objective of this project was to create “green awareness” among young people of the local community, as well as in Europe, by introducing them to nature and the environment. The project encourages European youths to share the knowledge they gained with their own local communities, thus providing a platform for the exchange of knowledge and culture. Following the EU approval of the project, a series of seminars were held for students in the 18-24 age groups from Romania, Bulgaria, Greece and Portugal. The students were offered an entertaining program of nature trips and sports activities. The European students who participated in the forestation event in Cınarcık-Yalova, the representatives of the Discovery and Adventure Group as well as AKSA employees planted seedlings raised in the AKSA greenhouse together to contribute in making Yalova a greener place.

Kabaklı Village Tree Plantation Campaign

The Kabaklı Village Administration organized a tree plantation campaign in partnership with AKSA, the Yalova Forest Management Department, the Taskopru Municipality, and another private company 500 seedlings of pine, 50 seedlings of cedar pine, chestnut and other trees were planted on a three kilometers stretch along Cumhuriyet Boulevard. The area is plastic protected and drip irrigated. AKSA provided 100 tree seedlings with drip irrigation systems and AKSA representatives participated in the tree plantation campaign.



On the other hand, plants and tree seedlings grown in greenhouse AKSA, as in the previous years were distributed free of charge to the participants of the Community School and the Community Advisory Panel and Community Open-Door Day. Between 2003 - 2007 a total of 105,600 units in tree seedlings were distributed free of charge throughout the country, and the AKSA Employees Memorial Forest was established in 2009. For the birthdays of the AKSA employees and children of employees, the seedlings grown by AKSA in its greenhouse are planted at the AKSA Forest.

The seedlings grown by AKSA at its greenhouse are on one hand used to create a green environment for the factory, and on the other, are sent out to different non- AKSA events around the country. Of the total of 15,000 seedlings planted in 2009, 14,744 were donated to participants of various events.

The Community Advisory Panel:

In keeping with its emphasis on “Creating Social Awareness-Communication-Transparency,” as one of the principles of AKSA’s 1993 commitment to Responsible Care, the Community Advisory Panel, a first of its kind in Turkey, has been active since 2001. The panel involves the periodic gathering of AKSA Akrilik Kimya Sanayi A.S. factory representatives together with the representatives of different segments of the community. The panel takes place in a free and amicable environment which is not only conducive to communication but also to an open and systematic exchange of ideas between the industry and the general public.

The number of panelists, which was 30 in 2007, enjoyed the participation of new members and grew to 45 in 2008. Thus, the panel members find the opportunity to express their selves in front of a larger segment of the population.

In Yalova Community Advisory Panel meetings, participants from a wide range of local representatives, elementary students, teachers, clergy, village leaders, municipalities, NGOs and government representatives receive information about AKSA’s production, environmental performance and activities as well as sharing their critiques, opinions and suggestions in a direct participation model. In the panel, open and systematic exchange of information between industry and society is held in a free and comfortable environment has been created. With questionnaires that are distributed at the end, the panel receives information about their satisfactions and requests. In addition to these, surveys also cover the areas that panelists want to get information in the next panel. By this way, the next panel's agenda items are determined.

Environment and Quality

AKSA made the transition from its system of quality control to a quality management system at the beginning of the 1990's. Establishing its ISO 9001 Quality Management System, the Company successfully completed its ISO 9001 certification work. By adopting Total Quality Management (TQM) as a management model in 1996, AKSA achieved a significant milestone in its journey toward quality excellence. The Company's management concept went through a radical change in 1997.

The TQM environment foresees that responsibility for the achievement of quality is passed on to all employees, that all intellectual barriers are lifted and that all employees participate in establishing an atmosphere of industrial democracy.

Formation of the Total Quality Management Board, establishment of the first performance management system, quality circles, initiation of self-assessment studies, membership in the European Foundation for Quality Management (EFQM) and the first steps taken in establishing a process management system have all been important aspects in this context.

The journey into excellence that AKSA started with these different activities has continued over the years with the adoption of many more principles and approaches conducive to development and improvement. 2009 was an important year in terms of AKSA restructuring its organization and its processes. AKSA reviewed its processes over the year and worked to update its main process structure. While reorganizing its fundamental formation of strategic business units (SBUs), the Company also acquired the Akenerji Yalova power plant and started its production of carbon fiber. Also continuing with its international marketing and sales activities, the Company merged its own marketing and sales units with those of Akpa Tekstil Pazarlama A.S. AKSA reorganized the structure of its processes in 2009 within the framework of its new products and in line with customer needs. Using QPR as a Corporate Performance and Process Management Portal since 2007, AKSA's applications in this context were selected by QPR among "best practices." An article on the Company's corporate performance and process management experience was published on the QPR official website.

In 2009, AKSA cooperated with a university to determine the corporation's sigma level in all of its main processes. A plan is formulated to reach Sigma 5.5 within three years.

AKSA is also involved in Six-Sigma applications for its quality and manufacturing processes. AKSA's self-assessment studies are carried out on the basis of the EFQM Excellence Model. The Company completed its eighth self-assessment project in 2009 with the participation of its experienced staff and management who are also effective in the KalDer National Quality Award

process. The feedback report from the National Quality Award and the self-assessment report were both used to form the basis of improvement efforts planned for 2010.

In addition to the above mentioned activities, AKSA has shared its experience gained through the journey into excellence that it maintains since 1993 with its stakeholders at various occasions. 2009 meetings within this context are given below:

Year	Subject	Venue
2009	Competition Model : Utilizing TQM Experience in Carbon Fiber Project	Bursa Quality and Success Symposium
2009	Our Journey to Excellence	Sakarya University – 2. University / Industry Cooperation Symposium
2009	NQGP Process Experience Sharing	TOSB
2009	NQGP Process Experience Sharing	KalDer Auditor Training
2009	National Quality Grand Prize Local Presentation	Yalova
2009	NQGP Process Experience Sharing	KalDer Prize Presentation Meeting
2009	Our Journey to Excellence	Igdas Quality Seminar
2009	Opportunity Windows for Yalova	Yalova University

AKSA defines yearly environmental and productivity goals in order to make more effective use of natural resources and raw materials. Corporate goals are transformed into personal goals which are transferred to yearly action plans that guarantee their achievement.

In 2009, one of the significant projects of AKSA was the inclusion of its new product, carbon fiber, into existing management systems. As a result of AKSA's various development and improvement efforts, AKSA carbon fiber is incorporated into the scope of the ISO 9001 Quality Management System, the ISO 14001 Environment Management System and the TS 18001 Occupational Health and Safety Management System.

As a holder of the ISO 9001 Quality Management System and ISO 14001 Environment Management System certifications, AKSA also maintained its long record of "zero nonconformities" in 2009, as indicated by the external audits of TSE and DQS, renewing its ISO 9001 certification

AKSA's zero nonconformity success was reconfirmed by external audits of the ISO 14001 and TS 18001, with the Company thus completing its eighth consecutive year of ISO 14001 inspections with a designation of zero nonconformity.

AKSA achieved TS-18001 OH&S management system in 2007. In 2008, during the external audits of TSE, AKSA recorded "zero nonconformity". In 2009 AKSA's new production of carbon fiber was also incorporated into the scope of the certification and the certification renewed with zero nonconformity.



Messages of Appreciation

The written appreciation letters that are received from various contributions of AKSA after the activities are available through the intranet databases for employees' access. Sample appreciation messages from 2009 are below:

- For your contribution to targeted information sharing by participating and presenting at the "Effective CSR Reporting During the Crisis" event that was organized by KalDer
- For your participation to the "Corporate Social Responsibility Rating and Communication" conference as a presenter that was organized by the CSR Turkey Association and CSR Europe
- For your participation to the "Strategies on Human" panel as a panelist that was organized by KalDer for the 2750 oak seedlings produced in the AKSA greenhouse for the Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats (TEMA)
 - 1000 seedlings for the Kocaeli Governorship Directorate of Culture and Tourism,
 - 500 seedlings within the scope of "Community Service" course,
 - 500 seedlings for "The Gulf's Responsibility for the World Environment Day",
 - 500 seedlings for "The Cengiz Topel Navy Aviation Base Command centre"
 - 250 oak seedlings will be planted in Golcuk province
- The Safran Village leader thanked AKSA for its help and support

Indicator 2: Environmental Indicators

Aspect	Core/Additional	G3 Code	Description
Water	Core Indicator	EN8	Total water withdrawal by source.

Water Sources and Consumption

In 2009, the AKSA manufacturing process consumed 7.99 m³/tons of raw water and 120 m³/person year domestic water. The vast majority of this water is obtained from the dam and surface water source (from two streams) and during the summer period when the water level in dams and surface water resources are very low, back-up water can be obtained from the licensed wells of our plant.

AKSA, well aware of the basic principle of sustainable development is the efficient use of resources, implements conservation projects for natural resources as well as the water supply. With implemented on-site conservation projects, water consumption has declined year by year according to annual efficiency targets that have been reviewed every year.

YEAR	CONSUMPTION(m ³ raw water/ ton.tow)
2002	11,46
2003	10,40
2004	8,8
2005	8,9
2006	8,43
2007	8,37
2008	8,18
2009	7,99

Water obtained from the dams is also used as drinking water for our staff after processing it through a water treatment unit. To preserve the natural balance, AKSA, well aware of the importance of water resources as well as efficient use of water, aims to minimize the utilization of and to increase the protection of groundwater resources. This can be seen clearly as we look at the percentages of water withdrawal by source.

YEAR	GROUND WATER USE (%)	SURFACE WATER (STREAM + DAM) (%)
2003	27	73
2004	7	93
2005	4	96
2006	4	96
2007	5	95
2008	5	95
2009	5	95

Indicator 3: Environmental Indicators

Aspect	Core/Additional	G3 Code	Description
Emissions, Effluents, and Waste	Core Indicator	EN22	Total weight of waste by type and disposal method.

For AKSA waste is defined as; substances that are generated directly or indirectly as a result of the facility's activities, that could cause negative impacts on air, water or soil, and their re-use or recovery or their disposal is mandatory according to the relevant legislation.



The basic steps in the AKSA Waste Management System are:

- Determination of the waste source points and waste mapping,
- Monitoring of quantity and changes,
- Reducing the waste amounts, pollution prevention,
- Recovery, re-use or disposal alternatives,
- Cost reducing, revenue-enhancing arrangements,
- Separation at the source, planning of collection, interim storage and transportation processes,
- Appropriate waste containers, collection vehicle/equipment and the arrangement of interim storage sites,

- The documentation of arrangements and established systems
- Registration and reporting of the data related to established systems,
- System improvements

Separation at the Source

The wastes resulting from the activities of AKSA are classified according to the methodology in the ISO 14001 Environmental Management System. Similar wastes arising from different activities are assembled and categorized. As a result of the categorization, 3 different types of waste are generated, namely,

1. *Domestic Wastes*
2. *Utilizable Wastes (Reusable and Recyclable wastes)*
3. *Hazardous Waste*

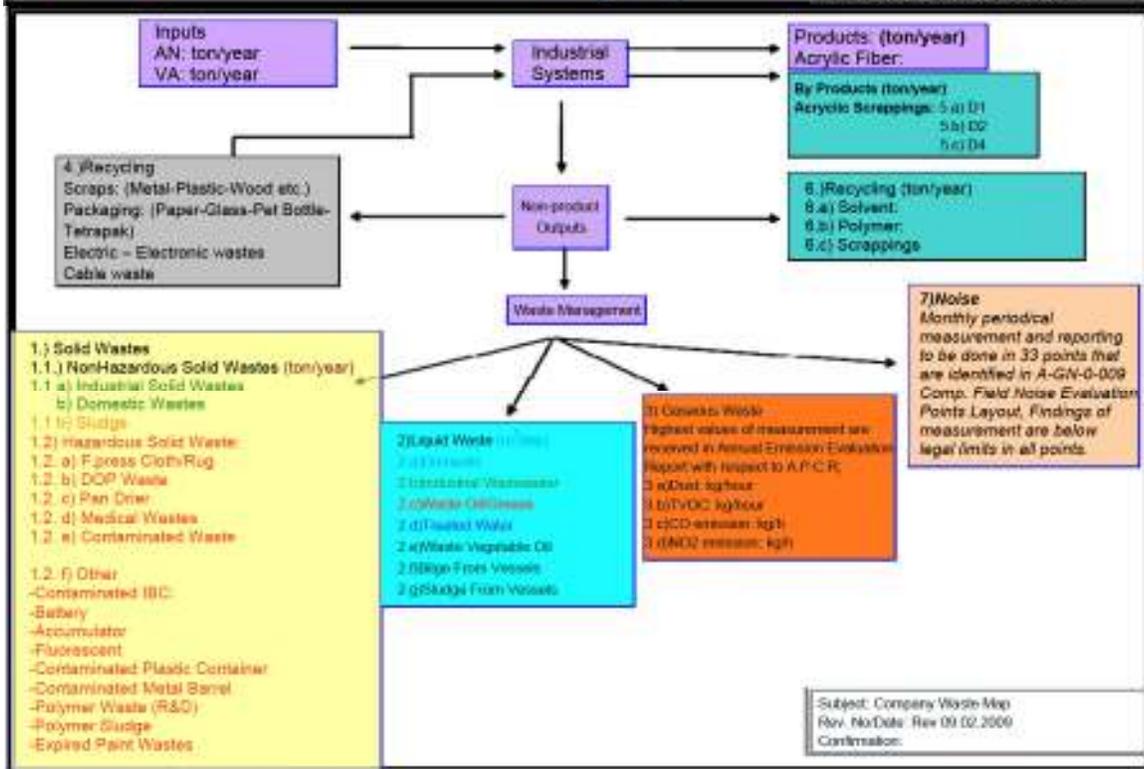
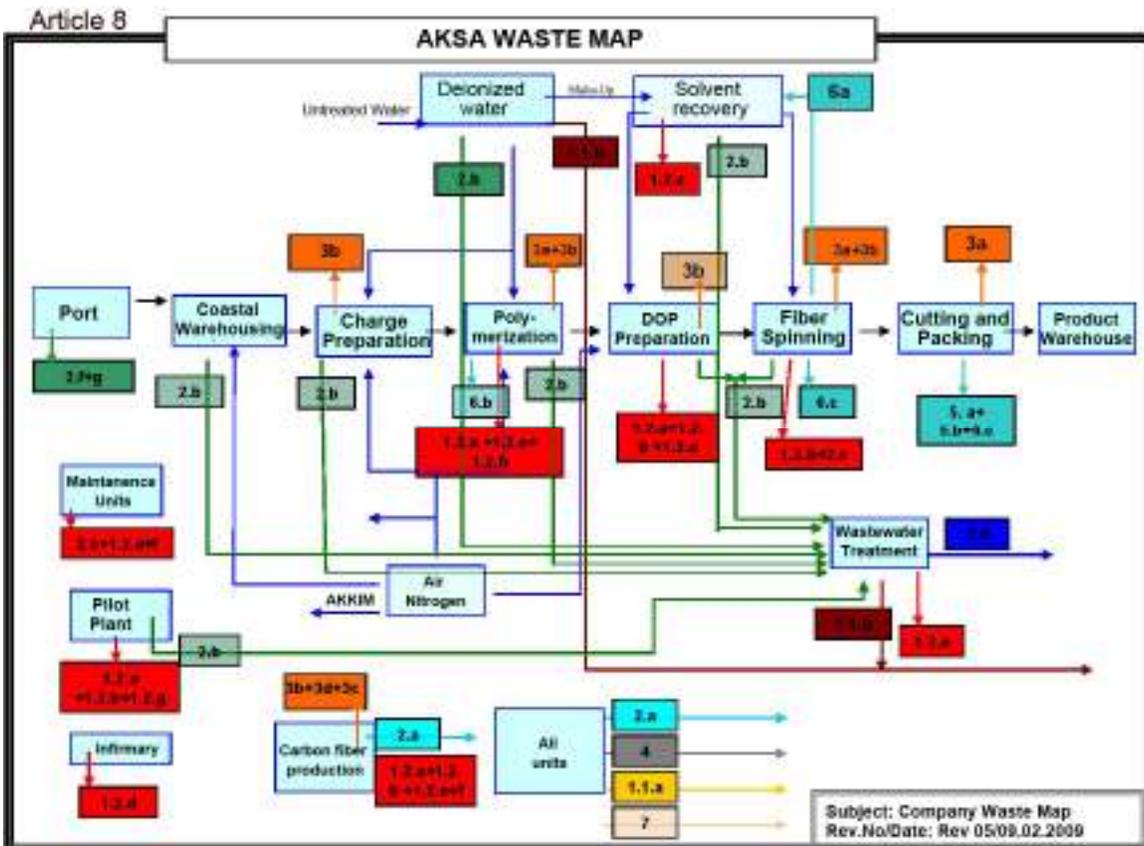
Three categories of waste, as defined in the Recyclable Waste Recycling and Hazardous Waste Control Procedure, are collected separately at the waste source points in different boxes, containers, and bunkers that are appropriate for the waste type, quantity and content, and marked with different labels and colors. For all wastes defined under the waste management system, labels have been prepared in accordance with the properties and the methods of disposal. These labels are applied to recovery points, interim storage areas, hazardous waste containers and all waste boxes. Additionally, distinctive labels for recoverable or hazardous waste have been prepared for the top lids of the waste boxes / containers.

Waste collection procedure:

- separated according to the characteristics and collected in appropriate containers at the source
- waste-producing units make request for the waste collection on the electronic system
- collected from the stations within a program by the personnel in charge as instructed
- delivered properly to dedicated special places in designated areas.

The waste arising from the AKSA processes and collected separately according to categories and the amount of waste are shown on Waste Maps that are prepared annually (below). On these maps, which waste is originating from which activities and the amount of waste at the end of each year that arise as a result of the activities are shown. Additionally, the amount of waste and waste disposal methods are declared to the Ministry of Environment and Forest with the Waste Declaration Forms.

AKSA Waste Map



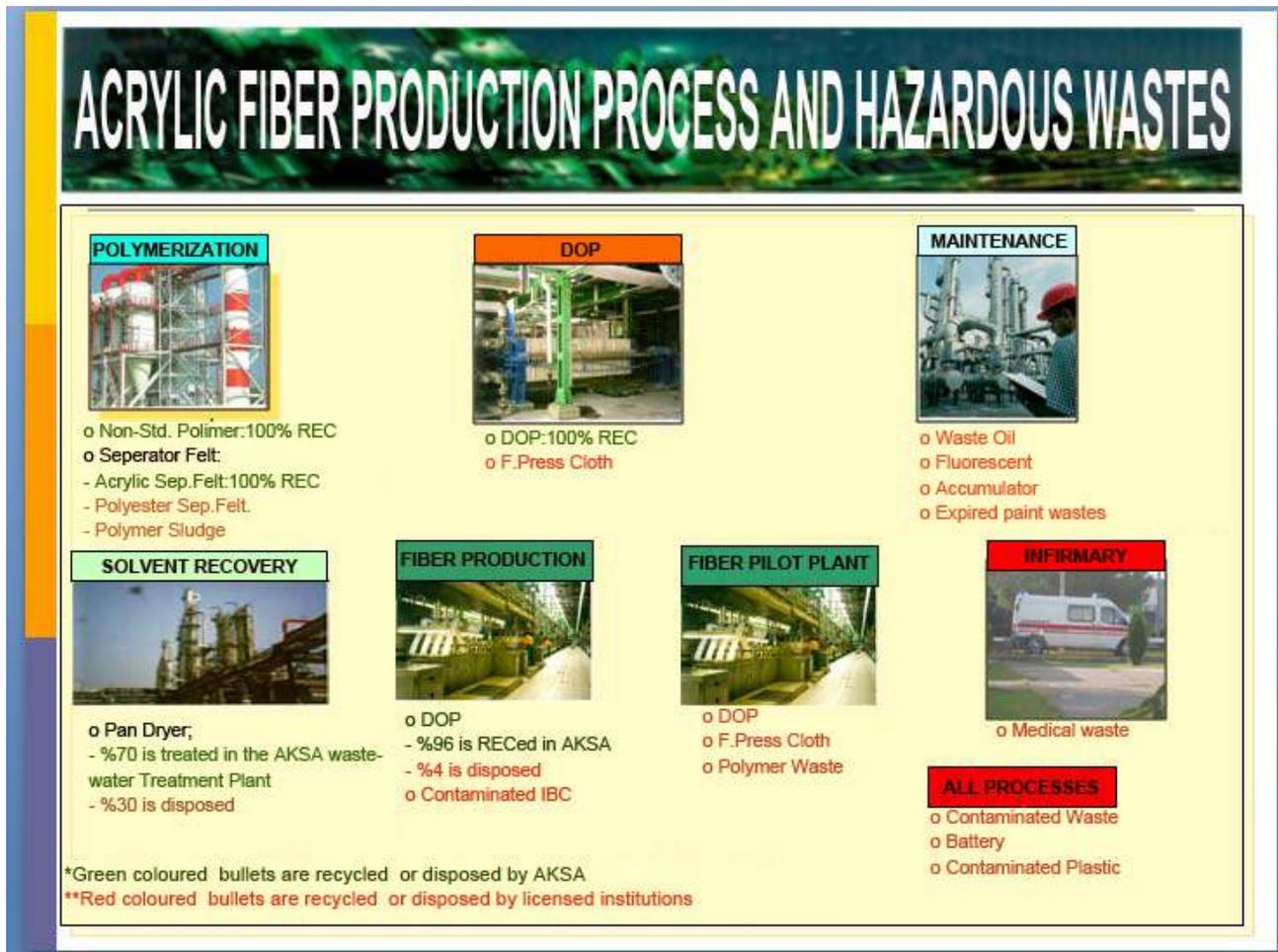
Hazardous Waste

Waste that arise as a result of our activities and is classified as hazardous waste according to the of Hazardous Waste Control Regulation, in line with our waste management philosophy, is first evaluated for recoverability and recycling to the extent possible in our plant into raw materials or intermediate products (for example, the DOP waste and acrylic separator felts are melted again and converted into raw materials and so on). Hazardous waste that cannot be recovered or utilized is temporarily stored on site within the factory in an area where all the criteria specified in the 2007 regulations of the Hazardous Waste Control are met, before being sent to licensed disposal or recycling facilities. Sides and the bottom of the on-site temporary storage area are surrounded by concrete and covered, separated with wire mesh, and all applicable environmental and safety-related measures are taken against all potential risks. Wastes are transferred to licensed waste disposal facilities by licensed vehicles accompanied with National Waste Transfer Form. A copy of the National Waste Transfer forms is sent to the Provincial Governate at the end of each month.



No hazardous waste resulting from the activities of AKSA is exported.

To improve the monitoring performance of the Waste Management system, a software package has been developed in cooperation with AKTEK Technology Engineering. The system has been operational and exit and entries through gates are controlled within the facility tracking system.



In 2009, the total production capacity of the Company's facilities was 308,000 ton/year and capacity utilization rate was 85%. Akxa tracked the waste that arose from its production as an index to its total production. Indexing enables AKSA to track how efficient the waste reduction system is by enabling a year to year comparison. Indexing also prevents misinterpretations in cases such as decreased waste amount in kg due to decreased production.

In 2009, the ratios of the:

- hazardous waste generated on-site and sent to hazardous waste disposal, compared to the total acrylic fiber production is 0.33% by weight.

-the re-usable and recoverable packing waste generated on-site and sent to recycling, compared to the total acrylic fiber production is 0.26% by weight.

-the total sludge classified as domestic waste arising from our activities and sent to licensed cement plants, compared to the total acrylic fiber production is 0.31% by weight.

Waste reduction and evaluation projects have an important share in the 5-year strategic plans. Waste that was all sent to disposal up until two years ago, is now 65 % recycled and became re-usable in production following the investments and implementation of waste awareness programs.

Indicator 4: Environmental Indicators

Aspect	Core/Additional	G3 Code	Description
Emissions, Effluents, and Waste	Core Indicators	EN21	Total water discharge by quality and destination.

Wastewater Management

Wastewater transmission lines surround AKSA's entire production area. Industrial wastewater derived from production processes and domestic wastewater emanating from unit areas, offices, dining halls and other social facilities are channeled to AKSA's Wastewater Treatment Plant. Loads of wastewater from production processes are kept under continuous control through the automation-backed operation, and a high level of education and an awareness of workers and proactive surveillance.

Wastewater containing oil is pre-treated before entering our wastewater treatment plant by oil separators. AKSA's wastewater treatment plant was established in 1983. It was modernized in 1991 in a project in which AKSA cooperated with TÜBİTAK, the Turkish Scientific Technology Research Organization.

The last modernization in 2000 of the wastewater treatment plant provides complete automatic treatment of all domestic and industrial wastewater according to regulations. More energy is saved by more efficient use of electric power in our plant which operates with advanced technology. This type of operation prevents odors, foam and noise experienced in other biological treatment processes generally. Our plant is subject to the discharge water criteria on tables of 10.1 and 10.7 of the Wastewater Control Regulation.

Our facility has a daily capacity of 6,500 m³ and can treat the wastewater of a town of 60,000 inhabitants. Nitrogen which affects the natural life in the oceans is turned into nitrogen gas in the air after it is consumed by bacteria. The units in which biological treatment takes place (using bacteria) that are controlled automatically, can store in all the wastewater emanating from our activities for four days (this is equal to the daily wastewater of a city with a population of a quarter of a million).

Equipment in our facility is also backed up by spare parts in case of malfunction. Our electric energy is produced on-site. Therefore the possibility of energy shortages is eliminated. Emergency response and back-up measures have been established and instructions are in place. Also, the levels of consciousness and education of staff are always upgraded.

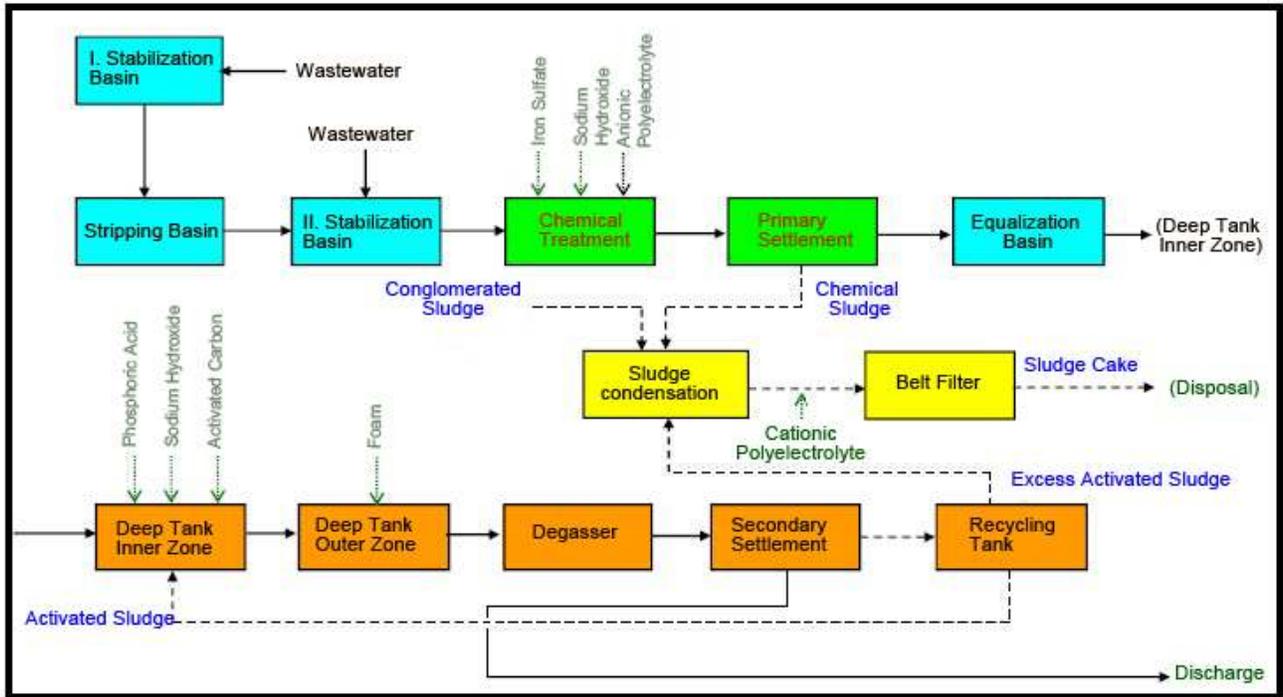
Treatment is carried out in three steps at the facility:

1- Physical processes: Elimination, stabilization, mixing, sedimentation, intensification, condensing and filtering.

2-Chemical processes: Chemical oxidation, neutralization, disinfection, coagulation and flocculation, sludge conditioning, transforming adverse compounds in the wastewater into harmless compounds by using treatment chemicals, or turning into a form which will be treated in the following processes.

3-Biological processes: Bio-flocculation (flocculation in biological processes) and mineralization (disintegration) processes are carried out for the purpose of destroying organic pollutants in nature.

A Simplified flow chart for our wastewater treatment plant is below:



General Description of the AKSA Wastewater Treatment Process

The wastewater treatment at AKSA is based on consecutive application of Physico-chemical and Biological processes.

In the physico-chemical treatment unit, wastewaters from the Polymerization Unit and Solvent Recovery-unit and domestic lines are firstly collected and stabilized in the stabilization basin I, and then this wastewater is transferred to stabilization basin II where further mixing of Fiber Production Unit and Deionized Water Unit wastewaters takes place. Following stabilization of all collected wastewaters in basin II, wastewater is treated with iron sulfate, sodium hydroxide and anionic polyelectrolyte in the flocculation and coagulation basins. Suspended particles in wastewater settle with the help of the flocks generated in an alkaline medium as sludge and removed from the pre-settling basin.

The decanted wastewater is taken into the 10.000 m³ equalization/pre-settling basin to regulate the chemical load in wastewater prior to biologic treatment. The biological treatment unit is comprised of a series of deep tanks, degasser and a final-settling pool.

In the biological treatment unit, the dissolved organic matter and ammonia nitrogen in wastewater are treated by bacterial actions. Deep tank consists of two zones; the inner and the outer zones. In the aerobic outer zone, reduction of organic nitrogen, ammonia nitrogen and COD (Chemical Oxygen Demand) parameters take place. In anaerobic inner ring, nitrate, that is generated as a result of nitrification process at the outer ring is converted again to nitrite and nitrogen gas by bacteria (denitrification) along with additional decrease in COD. Phosphoric acid solution to supply the phosphorus used in the metabolic activities of bacteria, and sodium hydroxide solution for pH adjustment are fed into the deep tank. Defoamer emulsions are used to control the foam level in the deep tank. Powdered activated carbon suspension is introduced to deep tank to control COD and negative effects of toxicity fluctuations on the microbiological activity in the biological treatment unit. Treated wastewater and activated sludge in the deep tank are transferred to the degasser to remove the carbon dioxide and nitrogen gas resulting from the biological processes. Wastewater that has completed the physico-chemical and biological processes is decanted out of the activated sludge suspension at the final-settling basin by gravity. A portion of this settled biological sludge in the tank is recycled back to the deep tank to replenish microorganisms in the system, where the remaining portion is removed from the system. Operating Procedures in the Wastewater Treatment Plant covers all relevant information to address all kinds of process instability issues and required actions for an effective operation.

Discharge Water Quality

To control and to monitor the efficiency of the input parameters of the wastewater treatment plant, the treated wastewater is analyzed for certain operational parameters (as per LP-001 Sample Program Preparation Procedure) and is recorded digitally at AKSA laboratories. Additionally, the effluent is analyzed to record compliance to the Water Pollution Control Regulation as part of the effluent discharge permit.

Based on the continual review of the effluent discharge records, the indicator wastewater quality concentrations in the effluent have been always way below the discharge permit criteria set in the relevant tables of the Water Pollution Control regulations for discharge. Routine analyses are also conducted regularly on the sea water samples and the reports are shared with the authorities.

The results of the treated water analysis on Wastewater Treatment Plant effluent throughout the year and their comparison to previous years are given on the table below:

PARAMETERS (mg/lt)	ANALYSIS COUNT	TABLE 10.1/10.7 LIMITS	2009 AVERAGE RESULTS	2008 AVERAGE VALUES	2007 AVERAGE VALUES	2006 AVERAGE VALUES
CHEMICAL OXYGEN DEMAND (COD)	52	350	193	203	293	282
AMMONIUM NITROGEN (NH ₄ -N)	52	5	0,43	0,2	1,3	1,9
FREE CHLORINE	52	0,3	< 0,018	0,18	0,04	0,02
TOTAL CHROME	52	2	< 0,02	0,05	0,23	0,26
SULFIDE (S-2)	52	0,1	< 0,05	< 0,1	0,02	0,02
SULFIDE	52	1	< 0,01	< 0,1	0,37	0,17
OIL AND GREASE	52	10	4,27	4,83	4,5	5,4
pH	52	6-9	7,18	7,07	7,1	7,1
PHENOL	52	1	< 0,01	< 0,01	0,58	0,75
ZINC (ZN)	52	12	0,12	0,07	0,95	1,04

Starting in July 2007, weekly mandatory analysis of parameters in Table 1.10 and Table 7.10 of the Wastewater Discharge Permission Certificate, are conducted by a third party certified company under a protocol. Results of the analysis are submitted to Ministry of Environment and Forestry on a monthly basis. A sample analysis results for the period October 2009 are given in the table below.

PARAMETERS	SAMPLE COLLECTION DATE					LEGAL LIMITS	
	1 OCT 09	8 OCT 09	15 OCT 09	22 OCT 09	29 OCT 09	WWDPC Table 10.1	WWDPC Table 10.7
Chemical Oxygen Demand (COD)(mg/l)	240	125	186	143	280	350	400
Ammonium Nitrogen (Mg/l)	< 0,1	0,43	0,24	0,25	0,3	5	
Free Chlorine (mg/l)	< 0,018	< 0,018	< 0,018	< 0,018	< 0,018	0,3	
Total Chrome(mg/l)	0,26	< 0,2	< 0,02	0,153	< 0,02	2	
Sulfide(mg/l)	< 0,1	< 0,1	< 0,1	< 0,1	< 0,1	0,1	0,1
Sulfite (mg/l)	< 0,01	< 0,01	< 0,01	< 0,01	< 0,01	1	
Oil-Grease(mg/l)	< 10	< 10	< 10	< 10	<10	10	
pH	6,9	7	7	7	6,9	6-9	6-9
Phenol (mg/l)	< 0,1	< 0,1	< 0,01	< 0,01	<0,01		1
Zinc (mg/l)	0,08	0,15	0,169	0,565	1,181		12

The water treatment plant effluent and compliance to discharge limits are also checked by Yalova Provincial Directorate of Environment and Forestry officials with unannounced inspections at intervals that are determined by the Directorate throughout the year. Sealed effluent samples are taken by the authorities of the Provincial Directorate of Environment and Forestry and analyzed by a certified third party laboratory designated by the directorate.

In 2009, approximately 6,500 m³ water was treated and discharged to the Marmara Sea per day (see Water Discharge Permission Certificate below). Based on the results of 520 units of analysis made in 2009, all of tests results are well below the permit limits, showing full compliance with the effluent discharge permit requirements.

EFFORTS TO IMPROVE THE WASTEWATER TREATMENT EFFICIENCY

- At Wastewater Treatment Plant, by creating the necessary infrastructure, use of treated water in preparation of all chemical substances instead of raw water has been started (a 2 m³/h of water-savings)
- Pilot Plant and Dying Department Wastewater "Pre-Treatment Plant" project was implemented. The project facility has been established, run on a trial basis and the deficiencies have been identified. By putting this pre-treatment unit in service, pollution load of the wastewater going into the main treatment system will be reduced.
- "Online ammonia nitrogen measurement device" was set-up for online monitoring of the Wastewater for increased plant efficiency.
- Alternative chemicals are evaluated in order to reduce our "chemical substance consumption" costs without sacrificing the quality of our treated wastewater

T.C. ÇEVRE VE ORMAN BAKANLIĞI YALOVA İl Çevre ve Orman Müdürlüğü		TARİH:30.04.2007 BELGE NO:44	
DESARJ İZİN BELGESİ			
Kurum ve Kuruluş veya İşletmenin Adı-Adresi	AKSA Akrilik Kimya San. A.Ş. Denizçalı Köyü Karamürsel Yolu 13.km YALOVA		
Tesisin Adı-Adresi	AKSA Akrilik Kimya San. A.Ş. Denizçalı Köyü Karamürsel Yolu 13.km YALOVA		
Müracaat Tarih ve Sayısı	15.11.2006 tarih ve bila sayılı yenileme müracaatı		
Deşarj Yeri	Marmara Denizi		
Su Kirliliği Kontrol Yönetmeliğine Göre Sektörü	Tekstil Sanayi:Açık Elyaf Üretimi- Terbiyesi Tekstil Sanayi: Sentetik Tekstil Terbiyesi ve Benzerleri		
İlgili Sektör için Öngörülen ve Sağlanması Gereken Standart Değerler	Su Kirliliği Kontrol Yönetmeliği Tablo 10.1-10.7		
Ölçüm ve Numune Alma Aralığı ("X" ile işaretlenmiştir)	Debi (m³/gün)	Debi Ölçümü ve Numune Alma Aralığı	Ölçü Aralığı Kategorisi
	< 50	Yılda bir	
	>50-200	3 ayda bir	
	>200-1000	Ayda bir	
	>1000-10000	Haftada bir	X
	>10000	Hergün	
<p>Bu izin belgesi 31.12.2004 tarih ve 25687 sayılı Resmî Gazetede yayımlanan "Su Kirliliği Kontrolü Yönetmeliği'nin 37. Maddesine istinaden verilmiş olup, 30.04.2012 tarihine kadar geçerlidir.</p>			
 YALOVA VALİSİ Doç. Dr. Yusuf ERBAY			

Ministry of Environment and Forestry

Water Discharge Permission Certificate (valid until 30.12.2012)

Indicator 5: Environmental Indicators

Aspect	Core/Additional	G3 Code	Description
Compliance	Core indicator	EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.

Environmental Incidents and Sanctions

The objective of the Environmental Management System is to determine potential environmental impacts of all activities and performing these activities with the necessary measures taken to eliminate or greatly reduce potential adverse effects on the environment.

Appropriate material, and appropriate personnel selection, relevant training, determination of methods for these objectives can be given as good examples of implementation. Despite the measures taken, as a result of unintentional and unforeseen circumstances, situations that may negatively impact the environment are called accidents. Main causes of the environmental accidents could be categorized as "Misapplications", "Insufficient Infrastructure ", "Equipment Failure" and "Insufficient Training ".

"Wastewater", "Noise", "Emission", "Visual", "Solid Waste", and "Odor" are defined as the main "environmental incident/accident" category/media monitored by AKSA. Even aesthetics is considered as a criterion to be monitored at AKSA showing the company's sensitivity to environmental matters. Environmental accidents and complaints are monitored as within the firm's annual targets.

Our goal is achieving zero incidents and zero environmental complaints from our stakeholders.

Within the context of continuous improvement and pollution prevention commitments, the main target is zeroing the annual occurrence of the environmental incidents and complaints through corrective and preventive actions and staff awareness raising activities.

In 2009, AKSA received "0" (zero) complaints from the stakeholders. Measures taken for the realization of the "environmental accidents and complaints" targets and with the awareness-raising

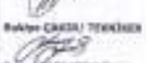
activities (including the contractors, subcontractors, and interns that work in our premises) environmental incidents and complaints are prevented.

In 2009, AKSA has not received any non-compliance warnings, fines or sanctions in any of the scheduled and unannounced controls and investigations by the Authorities.

In 2009, AKSA was audited on several occasions for on-site verification of documentation as well as the regular controls. In all of these audits, complete compliance to rules and regulations were verified. Some of the notable Authority audits are given below;

- On 18.06.2009, a five-person delegation composed of four officials from the Provincial Directorates of Environment and Forestry and one from the Ministry of Environment and Forestry (MoEF), carried out an “*Integrated Environmental Audit*” according to “Environmental Control Regulation” **in order to control compliance with all environmental legislation in force.**
- Field and compliance control within the scope of “Coal-Based Power Plant Project” EIA Monitoring,
- Field and compliance control within the scope of the EIA Monitoring of the Port Expansion Project (19.11.2009)
- A commission of the Yalova Provincial Administration and the Provincial Directorate of Environment and Forestry officials audited the plants
- MoEF General Directorate of Environmental Management officials inspected reception facilities for ship-generated waste (20.08.2009)
- Surveillance visits of the Provincial Directorate of Environment and Forestry officials during the wastewater effluent discharge measurements and sampling

The results of the analysis of the wastewater samples collected by the Provincial Directorate of Environment and Forestry on 03.12.2009 were well below the limits in the Effluent Discharge Permit.

ALKA		Çevre Laboratuvarları		İstanbul Çay, Taze Etme, Soğutma, Tuzlu / 070000 Tel: 0212 349 31 32 - 0212 349 31 33 - Fax: 0212 349 44 10 0212 349 31 34 - 0212 349 31 35 - 0212 349 31 36 - 0212 349 31 37 0212 349 31 38 - 0212 349 31 39 - 0212 349 31 40 - 0212 349 31 41 0212 349 31 42 - 0212 349 31 43 - 0212 349 31 44 - 0212 349 31 45		T.C. ÇEVRE, ŞEHİRCİLİK VE KLİMA BAKANLIĞI MÜHÜR	
Bu raporda verilen sonuçlar laboratuvarımızca yapılan ve 4-467-2009-49 sayılı Bakanlıkça onaylanmış raporun bir parçasıdır. Akşen Çevre Hizmetleri tarafından temsil edilir.							
NUMUNE ANALİZ SONUÇLARI VE SKKY TABLO 10.1 VE 10.7 SINIR DEĞERLERİ							
Parametreler	Analiz Sonuçları mg/l	SKKY 10.1 Kerepeçik Numune 2 saatlik	SKKY 10.7 Kerepeçik Numune 2 saatlik	Analiz Metodu			
Küresel Oksijen İhtiyacı	124,6	350	400	SM 5120 B - 2005			
Amonyum Azotu	0,7	5	-	TS 5990 - 1998			
Yağ-Greş	<3	10	-	SM 5120 B - 2005			
Fenol	0,000	-	1	SM 5130 A, C, D - 2005			
Sulfür	0,00	0,1	0,1	SM 4500 S ² -P - 2005			
Sulfür	0,8	1	-	SM 4500 S ² -B - 2005			
Toplam Kükür	+0,05	2	-	SM 3111 B - 2005			
Çinko	+0,05	-	12	SM 3111 B - 2005			
Serbest Klor	+0,03	0,3	-	SM 4500 Cl ₂ - 2005			
pH	6,37 - 17 °C	6-9	6-9	SM 4500-H ⁺ B - 2005			
Analiz Metodu: SM 5120-B Metodu for Determination of Water and Wastewater 2,2,6,6-Tetramethylpiperidine-1-oxyl (TMO), Dichlorodimethylsulfide (DMSO), Environmental Protection Agency, TS-Türk standard, EN-European Norm							
Not: 1 - Akşen Ç Çevre ve Şehircilik; yerel personel tarafından gerçekleştirilen laboratuvar çalışmalarıdır.							
ANALİZİ YAPANLAR: İbrahim İMAM / SİMYANER  Yavuz ERGİN / ÇEVREYEREN  Bekir ÇEKİR / TEKNİKER  Serdar ÇEKİR / TEKNİKER 		RAPORU HAZIRLAYAN: Mehmet AKERÖZ ÇEVRE MÜHÜRÜMÜSÜ 		ORJİNATÖRÜN KONTROL EDENİ: Hakan ÖZ Laboratuvar Yöneticisi 		MÜHÜR 	

Wastewater Sample Analysis Findings

Indicator 6: Environmental Indicators

Aspect	Core/Additional	G3 Code	Description
Overall	Additional Indicator	EN30	Total environmental protection expenditures and investments by type.

Financial Aspect of the Environmental Management

AKSA classifies and tracks the financial aspects of the environmental management under the headings of:

- ✓ Expenses
- ✓ Investment and improvements.

Investment and improvements projects (*opportunities identified through suggestion system, legal liabilities, internal and external audits, field checks, HSE managers' SEC Responsibilities etc.*) are designed and related activities are conducted and followed-up within the task of the portfolio-project management system.

Environmental expenditures are budgeted under following headings and expenditures incurred during the year are being monitored in a manner consistent with the budget.

- ✓ *Solid Wastes*
- ✓ *Wastewater*
- ✓ *Emissions to air*
- ✓ *Analysis –measurements*
- ✓ *Certifications*
- ✓ *Other*



In 2009, the amount of the expenditures incurred on budget items mentioned above was 1,750,000 TL. In 2009, 385,000 TL of expenses was recovered (reduced) through recovery/reuse, alternative disposal of and/or sale of waste.

Projects opportunities were identified and designed based on feedbacks received from several sources, and relevant plans were budgeted, implemented and monitored according to project documents and project-portfolio management system.

In 2009 **1,066,687 USD** was spent on **projects below**, carried out under the "Cost Reduction" heading of "**environment and productivity**" (raw material conservation, energy saving, waste recycling and so on subjects)

- ✓ *Energy Savings in Solvent Units*
- ✓ *Stopping Water Cooling in Solvent Units*
- ✓ *Utilization of exhaust steams of autoclaves*
- ✓ *Solvent Production*
- ✓ *Energy Production*
- ✓ *Steam Saving at drying rollers*
- ✓ *RW Feed Vapor Conservation in Machinery*
- ✓ *Steam Power Saving PCs*
- ✓ *Lighting Savings*
- ✓ *Draw Frame Bath Filters of Machines*
- ✓ *Saving Steam Through 186VG Oil*
- ✓ *Regeneration with HCl at Deionized Water Unit*
- ✓ *Prevention of Foaming Induced Losses in Finishing*
- ✓ *Energy Saving Through Using Different Types of steam traps*
- ✓ *Energy Saving at Indoor Lighting*
- ✓ *Reducing Electrical Energy Consumption for Compressed Air*
- ✓ *Reducing the Amount of Color and Mixed Polymer Production of Fiber Pilot Plant*
- ✓ *Reducing the Water Content of Filter Cake*
- ✓ *Reduction of Break-Wind Induced Share of Waste*
- ✓ *Emergency Panel Construction for the Solvent Pumps*
- ✓ *Energy Optimization of Solvent Units*

In 2009 **3,500,000 USD** was spent on the following activities conducted under "**Environment-Care-Conservation-Security**" headings;

- ✓ *Modernization of Fiber Spinning Units*
- ✓ *Energy Saving for 08-208 fans*
- ✓ *Prevention of Steam Loss by Renovation of the Covers of Hot Groups*
- ✓ *Waste recovery with 207 Ecrú Waste Injection System*

- ✓ *Waste injection system recovery patterns with 207 E cru*
- ✓ *Renovation AN and VA Transfer Lines*
- ✓ *07/022 DOP Pump Lines*
- ✓ *Rearrangement of factory for the opening of Carbon fiber plant*
- ✓ *Odor Prevention team activities*
- ✓ *Flue Gas Exchangers Water Flow Measurement System*
- ✓ *Fiber Pilot Plant Tire Rollers Pneumatic System Change*
- ✓ *Storm Water Drainage System Network Expansion*
- ✓ *Increased Waste Recovery by Waste Supply System Capacity Increase*
- ✓ *Water Treatment second Equalization Basin Suction Pump Pumps Filters*
- ✓ *Fiber Pilot Plant Steam-Electricity Consumption Measurement*
- ✓ *Finish Circulation Line Filters*

The environmental protection has always been a priority in AKSA's Mission. In our strategies, environment as well as the corporate social responsibility issues are addressed through projects with set targets.

In our environmental policy, adopted in 1995, another issue that we place emphasis on is "prevention and reduction". In our activities, waste reduction at source, reuse, recovery or appropriate disposal and preference of recycled eco-friendly material usage are some among our basic principles. Several projects on waste reduction, especially the reduction of waste at source, reuse and conversion back to raw materials have been implemented.

In the last 5 years, 3 million dollars has been spent on projects to recover wastes generated during production and the recycling of these wastes back to raw materials. With this method, fewer natural resources are used, contributing to the environment and economy through waste recovery and reuse.

Efficiency Activities and Results:

Among the targets for the efficient use of natural resources and supplementary materials, approximately 1,500,000 USD has been invested in projects on reduction and reuse; to realize the efficient use of compressed air, water and nitrogen targets. In the last 5 years the six sigma approach has been used as a tool to determine the points that will contribute to our production efficiency for the last 7 years.

In regards to energy, 15,000,000 USD in total has been spent on projects on electricity and steam saving between 2005-2009.

As a result of these investments, reductions in global resource consumption are summarized in the table below;

	FROM PAST TO PRESENT
Workforce Efficiency	51 times better than its value in 1972
Electric Efficiency	Decreased to 1/3 of its value in 1972
Vapor Efficiency	Decreased to 1/3 of its value in 1972
Solvent Loss	Decreased to 1/5 of its value in 1972
Used water amount	Decreased to 38% of its value in 1972
Conversion Rate	11% better than its value in 1976
Nitrogen	Decreased to 1/3 of its value in 1989
Monomer Loss	Decreased to 1/7 of its value in 1982

Indicator 7: Labor Practices and Decent Work Indicators

Aspect	(Core/Additional)	G3 Code	Description
Employment	Core Indicator	LA1	Total workforce by employment type, employment contract, and region

	FACTORY		ISTANBUL MAIN OFFICE	
	Male	Female	Male	Female
Indefinite-term employees	576	86	19	19
Fixed-term employees	78	6	3	1
Part-time employees	4	0	0	0
Total	658	92	22	20



Since December 1, 2009, a joint AK-TOPS Human Resources process has been set-up by the AKSA Directorate of Human Resources and Management Systems to create a synergy between group companies, to share the experiences and to use the resources available in the most efficient way.

Indicator 8: Labor Practices & Decent Work Indicators

Aspect	Core/Additional	G3 Code	Description
Employment	Core Indicator	LA2	Total number and rate of employee turnover by age group, gender, and region.

Number of People that Resigned from AKSA in 2009

	COMPANY					ISTANBUL				
Demographics by Age	18-21	22-32	33-43	44-54	55 and Above	18-21	22-32	33-43	44-54	55 and Above
Staff Number	0	5	1	0	0	0	1	1	0	0

	COMPANY		ISTANBUL	
Demographics by Sex	Female	Male	Female	Male
Staff Number	3	3	2	0

The 2009 turnover rate including the retired, discharged and resigned is 8.79%. The 2009 turnover rate calculated only with resigned employees, in accordance with the charts above, is 1.19%.

The Human Resources and Management Systems Directorate conducts an "exit interview" with every departing employee to assess the causes of departure.

Information obtained from the exit interviews with the departing employees is being consolidated and the consolidated information is presented to the Executive Board on a quarterly basis for preventive measures.

As an example of preventive measures, as a result of exit interviews conducted in 2009, "coaching" services from a third party institution for the executives of the two departments that have "high percentage of employee turnover" were held.

Indicator 9: Labor Practices & Decent Work Indicators

Aspect	Core/Additional	G3 Code	Description
Diversity and Equal Opportunity	Core Indicator	LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.

Demographics by Age	18-21	22-32	33-43	44-54	55 and above
Management Level	0	58	52	25	7
Strategic Level		0	1	3	4

Demographics By Sex	Female	Male
Management Level	34	108
Strategic Level	2	6

2009	MAN HOURS	AVERAGE NUMBER OF EMPLOYEES	HOURS OF TRAINING PER EMPLOYEE
GENERAL	4,908,75	705	6,96
DIRECTOR	76,50	4	19,13
MANAGER	268,25	14	19,16
ASSISTANT MANAGER	251,75	26	9,68
OPERATOR	445,00	39	11,41
SPECIALIST	1,319,25	328	4,02

2009		Demographics by Age (Main Office)					
Location	Position	18-21	22-32	33-43	44-54	55 +	Total
İSTANBUL	Director			1	1		2
	Manager		1		1	1	3
	Assistant Manager		1	3	1		5
	Specialist		7	5	2		14
	Operator		2	8	3	2	15
	General		11	17	8	3	39

2009		Demographics by Age (Factory)					
Location	Position	18-21	22-32	33-43	44-54	55 +	Total
YALOVA	CEO					1	1
	Director				2	3	5
	Manager			7	5	1	13
	Advisor				1	3	4
	Assitant Manager		3	12	8		23
	Doctor					1	1
	Specialist		14	17	7	3	41
	Senior Engineer		33	8			41
	Shift Leader			1	3		4
	Operator	2	341	192	78	4	617
	General	2	391	237	104	16	750

AKSA's Human Resources policy is "to invest in people and thus create responsible, creative, highly self-confident, self-developing and happy individuals who will serve the primary objectives of the Company." Thus, the Company employs modern and internally integrated systems in all facets of employment, from recruitment to performance management, from remuneration to severance.

The fundamentals of this policy are: ensuring the recruitment of candidates that incorporate AKSA's Common Behavioral Competencies so as to serve the Company's primary and interim goals; providing employees with training programs that support the Company's targets and enhance technical and behavioral skills and personal development in social and cultural areas;

maintaining open and close communication with employees to create integrated environments; creating working environments where employees will be satisfied, healthy and productive.

With its fair and transparent recruitment process, the Company's prerequisite in human resources recruitment is an individual's display of AKSA's Common Competencies and his/her adaptability to Company culture and values. In other words, the candidates who will ultimately be hired are those that work well in a team, are capable of becoming a member of the AKSA family, carry the traits of modesty and self-confidence and are innovative, energetic and skilled in problem solving. AKSA's Performance Management System aims to achieve organizational development starting with the individual, to reinforce the adoption of a common corporate culture and to integrate corporate targets with individual goals.

The main aim of the Performance Management System is to incorporate AKSA's education planning, remuneration/award and career planning systems into an integrated and transparent system, building a fair corporate structure based on the rewarding of high performance. Moreover, an important result of the Company's Human Resources Policies has been to adopt the tools of the Six-Sigma Model to improve the problem-solving capacity of employees and the company as a whole.

To prevent discrimination among employees and ensure fairness with regard to wages, the HAY Method of Job Evaluation, a system with worldwide validity and reliability, has been adopted as a salary distribution and reward system at AKSA. This system is a salary and benefits model that is easily applicable by the employer. It is established on the principle of equality and fairness that reflects the qualitative, transparent, domestic and international realities of business and is based on payment of salary according to the individual job.

Declaration of Equality of Men and Women in Management

In 2008, the "Declaration of Equality of Men and Women in Management" was prepared by the Turkish Quality Association (KalDer) under the main sponsorship of AKSA. As part of the Global Compact Annual Network Meetings, the declaration was presented for signing with the slogan, "Women, too, have the right to govern." As one of the first four Turkish enterprises to sign this declaration, AKSA thus strengthened its HR policies and approaches, all of which it has fashioned and implemented on the basis of the principle of equal opportunity. The declaration, in its respect for equal opportunity for both men and women, its support of human resources policies that provide jobs for women at every management level and its belief in the need for taking steps to

coordinate business and family life, conforms to the basic philosophy and principles to which AKSA adheres to and regards as the source of its success.



Competency Model

The basic, corporation-specific and managing competencies of employees are measured within the framework of the AKSA Competency Model. These measurements are used to carry out assessments of employees with respect to business analysis/framework, appointments and hiring, training and development, performance management and career management processes.

The analysis/framework of business in the AKSA Competency Model is structured around competency. The AKSA Business Family-Level-Competency Matrix determines the competencies expected for each job on all levels of the business family. Indicators for the dimensions and behavior related to these competencies are set out and included in the business analysis/framework.

Appointments and assignment processes in the AKSA Competency Model are also structured around competency. In accordance with the business analysis/framework related to the individual job, a decision is made about every candidate on the basis of qualification, competence, work experience, technical competence and the candidate's own expectations.

The 360-degree Competence Assessment and Feedback System in the AKSA Competency Model determine the behavioral competencies an employee exhibits that are conducive to strength and development on the job.

Specialists and senior specialists are admitted into the Leadership Development Program in the AKSA Competency Model.

Career Maps

Human resources plans are prepared on the basis of policies that provide the AKSA employee with incentives to work productively at the corporation for long periods of time. Career maps comprise an HR policy that prioritizes the tapping of internal resources to encourage promotion of employees rather than external hire.

The career system is flexible both horizontally and vertically. Technical and behavioral competencies for both horizontal and vertical movement have been defined in career planning and the training programs required for the development of these competencies are organized to facilitate this movement.

Career maps have been made available to all employees through the HR portal since 2008, comprising an HR policy that prioritizes tapping into the internal resources to encourage promotion of employees rather than external hire. Moreover, new principles are formulated, using feedback from employees and administrators, to keep the maps previously drawn up for specialists and higher specialist positions operationally effective. In 2010, the Acrylic Fiber Production Directorate and Maintenance and Support Directorate operational level career maps will be made available to all employees on the HR portal.

As in the previous maps, competencies needed for both horizontal and vertical movements are defined. Training programs are being prepared to ensure that employees develop the needed competencies.



Indicator 10: Labor Practices & Decent Work Indicators

Aspect	Core/Additional	G3 Code	Description
Training and Education	Core Indicator	LA10	Average hours of training per year per employee by employee category

2009	MAN HOURS	AVERAGE NUMBER OF EMPLOYEES	HOURS OF TRAINING PER EMPLOYEE
GENERAL	4.908,75	705	6,96
DIRECTOR	76,30	4	19,13
MANAGER	268,25	14	19,16
ASSISTANT MANAGER	251,75	26	9,68
OPERATOR	445,00	39	11,41
SPECIALIST	1.319,25	328	4,02

Training conducted in 2009 (Man/Hour)

In-house	External	International	E-learning	Total
16.673	9.597	604	190	27.064

Familiarization, OHS, Environment, Energy and Behavioural Competency Training (Man/Hour)

Familiarization	Behavioural Competency	Environment	Energy	OHS
1.405	2.498	1.492	308	4.128

In 2009, a total of 946 training courses with 27,064 man hours of training were conducted. As such, the importance of the trainings and trained employees can be seen once again with the numerical evaluation of the education durations based on categories.

Orientation Training :	389,50 Man x Hours
Familiarization Training :	1.404,05 Man x Hours
On-the-job Training :	5.573,00 Man x Hours
Technical Training :	6.180,50 Man x Hours
Systems Training :	7.524,00 Man x Hours
Health and Safety :	4.127,75 Man x Hours

Environment :	1.491,75 Man x Hours
Quality :	817,50 Man x Hours
Energy :	307,5 Man x Hours
Self-Improvement :	2.497,75 Man x Hours
Seminar, Congress, Trade Show :	1.892,50 Man x Hours

Training Operations conducted by AKSA:

Leadership Development Program (LDP)

The Leadership Development Program determines the leadership qualities essential to the corporation and pinpoints the leaders that exhibit these qualities. These leaders are provided with training opportunities to create professional and personal development. The program was initiated in 2008.

The program comprises a process whereby leaders:

- a. are evaluated on the basis of their current competencies,
- b. receive training and participate in applications that are geared to improve their competencies,
- c. are monitored in terms of their personal development, supported and offered mentoring (coaching) services.

Assessments made in terms of LDP provide AKSA with important information necessary for strategic human resources planning and to create opportunities for personal development, training and vital improvements for their career opportunities.

The tools of LPD have been structured as follows and new training opportunities, applications and activities may be added to the personal development training program to suit employee needs.

- 360 Degree Competency Assessment and Feedback System
- Neo Personality Inventory (Neo PI-R)
- Assessment Center Applications
- Self-Improvement Training

In 2009 the scope of this program was further expanded with the implementation of the [Operational Level Assessment Center](#) . Under the assessment methodology that is based on competence, qualifications and personality characteristics of the operational-level staff, provision of the necessary data for the existing conditions, determination of areas open to development and career potentials are addressed in this manner.

At the operational level, for promotion or assignment to all positions, all candidates are subject to assessment level applications by the Human Resources.

360-degree Competency Assessment and Feedback System:

The 360-degree Competency Assessment and Feedback System is one of the most important resources of management since these elements provide feedback to both the organization and to employees themselves.

The system is a behavioral competency measurement method that is used to formulate career plans for employees and define needed training programs, projects and activities that can be included in the employee development programs.

The system defines expected behavioral indicators within the business family structure at different levels and in light of the position-specific forms that are established. Employees not only assess themselves but are assessed by their manager(s), subordinate(s), peer(s), domestic customer(s) and international customer(s), if any.

The results of these assessments, which are shared by the Human Resources Management Department, define which of the employee's behavioral competencies should be improved and developed. These results are used to assess behavioral competencies in year-end performance discussions and to provide guidance in personal development applications.

All employees at AKSA are sensitive toward other human beings, the environment, quality, the customer and costs. In addition, team spirit is one of the cornerstones of the Company's human resources and therefore, employees see themselves as members of "the big AKSA family" and are dedicated to the well-being of that family. For its part, the Company has created a suitable corporate atmosphere that is conducive to the personal and technical development of all employees.

The basic, corporation-specific and managing competencies of employees are measured within the framework of the AKSA Competency Model. These measurements are used to carry out

assessments of employees with respect to business analysis/framework, appointments and hiring, training and development, performance management and career management processes. A decision for employment is made about each candidate on the basis of qualification, competence, work experience, technical competence and the candidate's own expectations as related to the business analysis/ framework drawn up on the AKSA Business Family - Job Level - Competence Matrix. AKSA employees place great importance on in-house training in order to be able to display their on-the-job competence, increase their professional skills and match these to corporate goals. Different levels of training programs designed for different purposes are for this reason offered to employees. Workshops, e-learning, the Polymer School and AKSA School projects, mentorship and coaching activities, as well as operational level career maps are only a few of the activities available to employees in this context.

On-the-job training, professional and technical training, personal development training and orientation as well as information training sessions were organized on a 40 hour/person basis in the year 2009.

The year 2009 saw the inauguration of the AKSA Polymer School, a cooperative effort with Yalova University's Continuous Education Center (YUSEM) as part of the scope of the AKSA Competency Development Workshops. The 10-week Polymer School sessions aim to create learning opportunities for specialists and advanced specialists at AKSA who would like to develop their knowledge of polymer technology.

Priority is given to the adoption of policies that will ensure that employees remain efficient and effective at various positions for years to come. Career maps were used again in 2009 to ensure the training of employees by tapping into internal resources. Moreover, new principles were formulated, using feedback from employees and administrators, to keep the maps previously drawn up for specialists and higher specialist positions operationally effective. As in the previous maps, competencies needed for both horizontal and vertical movements were defined. Training programs were prepared to ensure that employees develop the needed competencies. New principles have been formulated for the maps and their new forms will be implemented in 2010. Training programs that support the maps, known as the AKSA School modules II and III, will be launched during the year.

Surveys are carried out systematically each year at AKSA to measure employee commitment and motivation. Activities to boost commitment and motivation were continued in 2009. AKSA is aware that taking an interest in each individual employee has an important place in human resources improvement efforts. In this context, in the coming year, new projects will be developed as the Human Resources leg of the AKSA Intellectual Capital Model.

The Human Resources Return on Investment (HR ROI) project will be launched as part of this effort. Work to raise the Corporate Sigma Level was initiated in 2009. Planned as a three-year effort, the first part of the project is an endeavor that is targeted to be completed in 2010. The project aims to keep changes in processes to a minimum while reducing margins of error, to increase corporate profitability and enhance competitive strength.

Team Spirit achieved with employees, each a valuable part of the AKSA family...

Orientation Training

The orientation training is a one-day training program received by newly hired employees and interns. The day is comprised of a general introduction to AKSA processes and the factory.

Familiarization Training

The familiarization training is designed for new employees in expert positions. It is a two-week training program comprised of classroom and factory field visits to familiarize employees with AKSA processes and operations.

On-the-job Training

The on-the-job training programs are vocational programs for new employees employed as operators. The duration of the training is determined by the specific position.

Technical Training

Technical training sessions are job-specific, vocational training that cover the processes that involve the job description of the employee. Since 2003, AKSA has organized Six Sigma Project Teams and in 2009, the sixth round of the training program has been completed.

Self-Improvement Training

Self-improvement training is targeted towards developing behavioral competencies. Accordingly, the employees receive training in Interpersonal Relations, Communication, Empathy, Getting to Know a Person, Team Management and Coaching and Working in a High-Performance Team.

Quality, Environment, Occupational Health and Safety Training

These trainings are performed within the scope of the Total Quality Management, the EFQM Excellence Model, ISO 9001 Quality Management System, ISO 14001 Environmental Management System, Responsible Care and TS18001 Occupational Health and Safety System.



The AKSA School

All employees holding operator positions are trained at the AKSA school for a period of one month. This program familiarizes the operators with the production phases and aims to increase total work productivity.

Conferences, Seminars and Trade Shows

Within the framework of this program, employees participate in seminars, conferences and trade shows nationally and internationally, to learn more about technical developments and changes in processes and systems.

Information-Sharing Meetings

Information-sharing meetings are meetings where the management and the staff come together to share information about changes in processes and systems.

Employee Satisfaction Survey Feedback Meetings

The level of employee satisfaction within the company and the working environment is determined through the use of employment satisfaction surveys. The purpose of these meetings is to share work on improvements within the company and among management as well as to formulate action plans on the basis of the feedback gathered from the departments concerned.

Training for External Stakeholders

Employees working for subcontractors receive Environment, Energy, Occupational Health and Safety training before starting their work, if their work is to be conducted within AKSA boundaries. In addition, as a requirement of the Environmental Management System, routine annual meetings are organized with sub-contractor representatives to share information and conduct training sessions. These meetings provide information about AKSA's environmental applications.

Intern Training

Interns at AKSA are trained and issued a certificate in Occupational Health and Safety, Total Quality Management, Quality Management System, Environmental Awareness and Environmental Management.

English Language Courses

AKSA organizes in-house English language courses for employees to improve their foreign language, support their personal development and increase efficiency skills.

E-Learning

E-learning training packages have been prepared as an alternative to regular classroom training sessions. Employees can receive fire prevention, first aid, AKSA processes, process management, environmental management and occupational safety trainings online. A computer laboratory has been found and named as the "E-learning Center" to increase in numbers of the employees that take opportunity of the online programs.

SECTION 6

Our Declaration (Application Level)

"GRI C Application Level"

I, Sibel Bekler, hereby declare that to the best of my understanding, this report fulfills the requirements for a 'GRI G3 Level C' application.

Name: SIBEL BEKLER

Position: HUMAN RESOURCES AND MANAGEMENT SYSTEM DIRECTOR

Signature:

A handwritten signature in grey ink, appearing to read 'Sibel', is positioned to the right of the 'Signature:' label.

SECTION 7

GRI Content Index

3 GRI Content Index

3.12 Table identifying the location of the Standard Disclosure in the report.

Identify the page numbers or web links where the following can be found:

	Page
Strategy and Analysis	
1.1 Statement from the most senior decision maker	5
Organizational Profile	
2.1 Name of the organization	9
2.2 Primary brands, products and/or services	9
2.3 Operational structure of the organization	15
2.4 Location of organization's headquarters	17
2.5 Number of countries where the organization operates	17
2.6 Nature of ownership and legal form	18
2.7 Markets served by the organization	18
2.8 Scale of the reporting organization	22
2.9 Significant changes during the reporting period	27
2.10 Awards received in the reporting period	29
Report Parameters	
3.1 Reporting period	49
3.2 Date of most recent previous report	49
3.3 Reporting cycle	49
3.4 Contact point for questions	50

3.5	Process for defining report content	56
3.6	Boundary of the report	50
3.7	Any specific limitations on the scope or boundary of the report	50
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities	51
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	51
3.11	Significant changes from previous reporting periods	51
3.12	GRI Content Index	107
Governance, Commitments and Engagement		
4.1	Governance structure of the organization	33
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	34
4.3	State the number of members of the highest governance body who are independent and/or non-executive members	35
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	37
4.14	List of stakeholder groups engaged by the organization	52
4.15	Basis for identification and selection of stakeholders with whom to engage	53



10 GRI Performance Indicators

GRI Indicator Number	Indicator Description	Relevant Sections	Reporting Status	Page
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations	Performance Indicators	FULL	57
EN8	Total water withdrawal by source.	Environmental Indicators	FULL	72
EN22	Total weight of waste by type and disposal method.	Environmental Indicators	FULL	74
EN21	Total water discharge by quality and destination.	Environmental Indicators	FULL	80
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws	Environmental Indicators	FULL	86
EN30	Total environmental protection expenditures and investments by type.	Environmental Indicators	FULL	89
LA1	Total workforce by employment type, employment contract, and region.	Labour Standards	FULL	93
LA2	Total number and rate of employee turnover by age group, gender, and region.	Labour Standards	FULL	94
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority	Labour Standards	FULL	95
LA10	Average hours of training per year per employee by employee category.	Labour Standards	FULL	99

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