



**Hacı Ömer Sabancı Holding A.Ş.
Communication on Progress
2010-2011**

About This Report

In this Communication on Progress (CoP), we describe our actions to continuously improve the integration of the universal principles of the UN Global Compact in our strategy, culture and daily operations.

Our Report is published in parallel with the Annual Reports of Sabancı Holding and its subsidiaries, other associated publications and our corporate website.

This report focuses on the It is structured around five major strategic themes: Our Code of Business Ethics, our Employees, our Environment and our Social and Cultural activities.

Since signing the United Nations Global Compact in 2007, we have communicated on progress twice and we find that this report which reflects the output of our core business activities has progressed as well.

Message from the C.E.O

Dear Shareholders,

It is with great pleasure to share with you Sabancı Group's second Communication on Progress Report to the United Nations Global Compact for the year 2010-2011.

Sabancı Group is Turkey's leading industrial and financial conglomerate, and its companies are market leaders in their respective sectors, namely finance, energy, cement, retail, and automotive. Listed on the Istanbul Stock Exchange (ISE), Sabancı Holding has controlling interests in 11 companies also listed on the ISE.

Sabancı Group companies currently operate in 18 countries and market their products in various regions in Europe, the Middle East, Asia, North Africa and North and South America. Having generated significant value and know how in Turkey, Sabancı Holding has experienced remarkable growth in its core businesses.

Our respectability, trademark image and strong joint ventures, have further extended our operations into the global market. Sabancı Holding's multinational business partners include such prominent companies as Ageas, Aviva, Bridgestone, Carrefour, Citigroup, Dia, Heidelberg Cement, International Paper, Philip Morris and Verbund. 2011 was an exceptionally successful year for the Sabancı Group. Our consolidated sales increased 17 percent to 22.9 billion TL in 2011, and our net income is expected to be around 1.9 billion TL.

Nonetheless, the global economic turbulences of the past few years have once again reminded us of the critical importance of risk management, transparency, accountability, prudent corporate governance, as well as economic sustainability.

While managing our business effectively with a proactive approach and maintaining economic sustainability, the Sabancı Group has also focused on social and environmental sustainability within the framework of our corporate and social responsibility.

We believe that we need to remain committed to our responsibility to the further development of the communities in which we operate, as well as the protection of the environment we all share.

Our endorsement of the United Nations (UN) Global Compact underlines that we are committed to aligning our business operations and strategies with Global Compact's 10 established principles.

The Sabancı Group is committed to improving the quality of life of the communities it serves. We have shaped our corporate strategies and policies to deliver exceptional quality in our products and services to our customers, offer high returns to our shareholders, enhance Turkey's natural heritage, and increase its community value.

The Sabancı Group aims to create sustainable advantage through differentiation.

As Turkey's leading industrial and financial conglomerate, the Sabancı Group is aware of the fact that across its companies, the Group has a responsibility to contribute to the sustainable economic development, environment and community of Turkey. In this sense, we attach a great deal of importance to environmental protection, our human resources as well as our corporate and social responsibilities.

Our vision is "to create sustainable advantage through differentiation" in the societies in which we operate. In this sense, we support a number of projects in the areas of culture, the arts and education. We believe that we are one of the most prestigious and trusted conglomerates in Turkey thanks to our corporate and social responsibility practices.

We believe that our employees constitute the most important part of the Group's sustainable development.

The Sabancı Group is one of the most preferred employers in all the geographies in which it operates in. The reason for this is that we care for the rights of our employees and we provide a fair and fruitful working environment. While aiming to attract open-minded, ethical, entrepreneurial, strategically-minded, innovative, energetic, achievement-oriented, collaborative and participative individuals, we create opportunities for professional and personal development. Through various mechanisms, we have been rewarding our employees and increased the motivation of the Group.

Our performance in environmental sustainability is beyond the requirements of legal obligations.

Within the Sabancı Group, we have been actively involved in various sectors including finance, energy, retail, cement and automotive. In close collaboration with our shareholders, employees, public, nongovernmental organizations and other stakeholders; while implementing the environmental applications at a level beyond the legal obligations, we ensure the control of compliance. As the Sabancı Group, we measure our performance in environmental sustainability and continuously improve it while placing targets for the following years.

In our permanent efforts to create greater value for our shareholders and customers, we do not think just about today but also about tomorrow and beyond.

As a responsible corporate citizen, the Sabancı Group is committed to economic, social and environmental sustainability and to serve as a model for best practices not just in Turkey but also around the world. In closing, I offer my appreciation to our Executive Board while also expressing my thanks to our management team and employees for turning our goals into reality.

Zafer Kurtul

The Sabancı Group

Banking

Akbank

Akbank, maintained its leading position in the Turkish banking sector through a strong balance sheet, transparent corporate governance practices and strong sustainable international relations.

In addition to its core banking activities, Akbank offers a wide array of retail, SME, corporate, private banking and international trade finance services. Non-banking financial services, together with capital market and investment services, are provided by the Bank's subsidiaries. With state-of-the-art information technologies and a staff of experienced bankers, Akbank focuses on providing top quality services to a wide range of retail and corporate customers.

Akbank operates from its Istanbul Head Office and 20 regional directorates throughout Turkey. It is underpinned by a strong and extensive domestic distribution network of 912 branches and a workforce of over 15,300 employees. In addition to the Bank's traditional delivery channels through its branch network, Akbank also offers banking services to its customers through its retail and corporate internet branches, its Telephone Banking Center, 3,127 ATMs and more than 267,000 POS terminals, in addition to other high-technology channels.

Akbank's overseas operations are performed by Akbank N.V. in the Netherlands, Akbank AG in Germany and Akbank Dubai Limited in Dubai, as well as a branch in Malta.

Since January 2007, Citigroup has held a 20% strategic stake in Akbank. The strategic partnership with Citigroup has contributed to the enhancement of consumer banking activities with joint ATM usage and credit card applications such as Citi Axess and the strong collaboration in developing project finance and corporate banking activities.

The Akbank Banking Center, which started service in 2010, has become the highest operating capacity operations center in Turkey. Equipped with state-of-the-art technology, this giant complex will continue to positively affect Akbank's operational efficiency.

With its robust capital, reliable deposit structure, ability to raise foreign financing on favorable terms and superior asset quality, Akbank continues to maintain a leading position in the Turkish banking sector. As of the end of 2010, Akbank's consolidated net profit reached TL 3,010 million (approximately US\$ 1,958 million) while its consolidated net assets were TL 120,070 million (approximately US\$ 78,089 million).

The Bank's consolidated capital adequacy ratio is 19.9%, one of the highest in the sector.

By continuing its activities with the responsibility of creating value for the Turkish economy, Akbank's total loans increased by 29.4% and reached TL 57.7 billion. Thanks to effective risk management practices, Akbank's NPL ratio decreased to 2.2% at year-end 2010 from 3.8% at the end of 2009 and stood well below the sector average.

Harvard University's Kennedy School of Government has turned Akbank's transformation and growth strategy in the aftermath of the 2001 crisis into a case study. The management, change and growth strategy implemented throughout Akbank's "New Horizons Restructuring Program" post-2001 crisis, at a time when Turkish economy and banking industry were struggling to deal with the impact of the crisis, not only outlined Akbank as a bank that managed to grow during the years of crisis but also positioned the Bank as a lecture topic and a reference success story on crisis management.

Through effective risk management practices and exceptional performance, Akbank holds the highest individual and financial strength ratings that can be assigned within the Turkish banking sector. Akbank, in a first by deposit banks, released its sustainability report in compliance with GRI (Global Reporting Initiative) standards, the most widely accepted reporting standard. Moreover, Akbank has ranked among the global leaders as the first and only Turkish company included in the prestigious global climate change project, CDP 2010 Global 500.

Akbank received various awards in Turkey and from foreign institutions. Among them, the most notable are: "Turkey's Best Bank" from Global Finance and EMEA Finance magazines, "Turkey's Best Private Banking Service Provider" by Euromoney, "Turkey's Best Foreign Exchange Provider", "Turkey's Best Trade Finance Provider" and "Best Bank in Online Deposit Acquisition" by Global Finance.

Ak Securities, a 99.8%-owned subsidiary of Akbank, established in 1996, provides local and foreign customers with brokerage services, Akbank mutual funds and Threadneedle (Lux) Funds, Turkish Derivatives Exchange (TURKDEX), repo transaction services and investment advisory, corporate finance and investment banking services.

Established in June 2000 as a 99.99% owned subsidiary of Akbank, Ak Asset Management provides investment management services for 49 portfolios along with asset management services to large individual and corporate investors in accordance with their own investment expectations and risk profiles. In 2010, Ak Asset Management strengthened its position

as a pioneer in the investment management sector through innovative investment products it introduced to customers.

Ak Lease, founded in 1988 to provide financial leasing services, is a 99.99%-owned subsidiary of Akbank. Thanks to its sector-specific structuring and expert staff, Ak Lease produces low-cost, long-term solutions to meet the needs and expectations of its customers.

A total of 28.8% of Akbank shares are listed on the Istanbul Stock Exchange (ISE). The Bank's Level 1 ADRs are traded on the OTC in the United States. Akbank's market capitalization stood at US\$ 22.3 billion on December 31, 2010, making it the most valuable company on the ISE.

Insurance

Aksigorta

Established in 1960, Aksigorta ranks as one of Turkey's leading non-life insurance companies in terms of premium generation, shareholders' equity and financial strength. Celebrating its 50th anniversary during 2010, Aksigorta is an insurance company with the highest brand awareness in Turkey.

Based in Istanbul, Aksigorta offers its clients fire, marine, motor third party liability, accident, personal accident, credit, legal protection, engineering, agriculture and health insurance coverage. It operates from ten regional offices, four of which are located in Istanbul and one each in Izmir, Adana, Ankara, Trabzon, Bursa and Antalya. Aksigorta also works out of three other representative offices within Turkey.

In the interest of providing better quality service to corporate and individual customers, the Company's insurance products are marketed and distributed through a wide network made up of 1,511 agents, 42 brokers and 885 Akbank branches. These channels are supported by the Aksigorta Service Center and website, which provides services ranging from claims follow-up to other insurance services on a 24/7 basis.

In line with Aksigorta's customer-centric service philosophy, the Aksigorta Service Center continues to provide uninterrupted services, starting from the initial offering through to focusing on every detail in the process of claim management. In addition, Aksigorta strives to simplify the claims process, informing clients in a timely manner and contacting them personally in a bid to improve their satisfaction.

With its customer-focused service philosophy, Aksigorta has increased service quality and customer satisfaction, continuing to offer services for auto, household, business and health products.

Aksigorta provides the most rapid, highest quality service through a network of 2,500 business partners beginning as soon as it receives notification of a claim via contracted auto repair and health services associations. These assistance services play an integral part in the insurance business for Aksigorta and its clients. With its network of business partners, 70% of Aksigorta customers receive service without any direct payment in case of damage.

Providing excellent service to its clients, Aksigorta has transferred the claims process management system to an electronic environment as part of its Operational Efficiency Project. Through this system, the whole claims process, including claim notification, swift investigation of the claim, approval and finally, payment, are all managed in an electronic environment.

Based on ISO 9001:1994 Standards, Aksigorta established its Quality Control System, which was certified in 1998. This certificate was renewed in 2001 in accordance with the ISO 9001:2000 Standard. In 2007, Aksigorta extended the validity of the certificate until 2010. Aksigorta was named the "Most Trustworthy Insurance Company in Terms of Quality" and was awarded the "Consumer 2008 Quality Prize" at the annual competition held by the "Tüketici Dergisi" (a free advertising magazine) for the third consecutive year.

Within the framework of the "Investing in the Future Project," initiated in 1995, the Fire and Earthquake Simulation Center, YADEM, started operations the following year. In November 2006, Aksigorta moved YADEM, with all usage rights, to Şişli City Hall Science Center so that more people could benefit from YADEM at that location. Working toward an increased risk and insurance awareness in Turkey, Aksigorta is involved in various projects in cooperation with the Turkish Insurance Foundation and opinion leaders in public and media sectors. After YADEM, Aksigorta and AKUT (a very reputable NGO) achieved a breakthrough in 2010 by reaching more than one million people with respect to natural disasters and insurance awareness via the project entitled "Keep on Living, Turkey". "The Disaster Training" convoy, set up by Aksigorta and AKUT - Turkey's most trusted organizations in their own fields to form this Keep on Living, Turkey social responsibility project, has educated more than a million people about natural disasters and insurance awareness in a total of ten provinces and 50 districts throughout the country.

After renovation of the corporate website, Aksigorta won the "Standard of Excellence Award" at Web Marketing Association's Web Award.

In 2011, Sabancı Holding and Ageas, one of the most prominent insurance companies, claimed equal partnership on Aksigorta.

Avivasa

Following the merger of Ak Emeklilik and Aviva Hayat ve Emeklilik on June 8, 2007, Avivasa Emeklilik ve Hayat began operations as one of Turkey's leading individual pension and life insurance companies.

With a paid-in capital of approximately TL 36 million, the company has nearly 1,200 employees of whom 747 are sales staff employed as financial advisors.

The Company serves over 1.5 million clients in the individual pension and life insurance sectors. Bank direct sales, direct sales, sales from banks, agencies, corporate projects and telemarketing distribution channels are utilized.

The Bank Direct Sales channel is the distribution channel that aims primarily at prospects from banks such as Akbank and Citibank by introducing them to individual pension and life insurance products. Through the Direct Sales distribution channel, non-bank clients of various socio-economic levels receive services via financial advisors. In the Sales from the Bank distribution channel, individual pension products and other banking products are presented to clients by the Bank's customer representatives located in branches within the scope of bank insurance. The objective is to expand current operations via agencies and corporate projects. Telemarketing, a recently formed distribution channel, is being used to expand into different client segments by using simpler products.

Avivasa funds are managed by Ak Asset Management, a Sabancı Group subsidiary and a leading company in the portfolio management sector.

Energy

The Sabancı Group's strategic plans for 2015 have identified the energy sector as a key growth area, with a focus on electricity and downstream natural gas operations. Consequently, the Group intends to lead in the electricity market and has established an ambitious target to command a 10% market share of the electricity sector by the year 2015 as the leading player.

In May 2007, the Group signed a joint venture agreement with Verbund, one of the leading electricity companies in Europe. The agreement is based on an equal share and management principle. Verbund is Austria's largest generator of electricity and one of the most valuable companies. Sabancı and Verbund will work together and exclusively within all areas of the Turkish electricity sector, except for nuclear energy investments.

Planning to attain a total installed capacity of 5,000 MW by 2015, the Sabancı Energy Group continues to rapidly expand and diversify its generation portfolio under the scope of the Verbund partnership.

The Enerjisa Group aims to become the market leader in the electricity sector within a vertically integrated structure by combining generation, distribution, wholesale and trading activities. The facilities that serve this purpose held through Enerjisa Power Generation (GenCo), Enerjisa Electricity Wholesale & Trading (TradeCo) and Enerjisa Distribution (DisCo).

The Group is also actively working on seeking opportunities in the natural gas business.

Enerjisa Group will continue to add value for its shareholders, customers, employees, suppliers and society by exploring every opportunity in the market. The Group aims to be a preferred supplier by virtue of its customer-centric approach in all of its operations. Enerjisa Group constantly develops its processes and systems in a bid to increase and sustain competitiveness.

Enerjisa Power Generation (GenCo)

Enerjisa GenCo was founded in 1996 to explore new business opportunities in the energy sector and to operate as a reliable and competent supplier of energy to its customers.

In addition to natural gas combined cycle power plants in Kocaeli, Adana, Çanakkale and Mersin, with a total installed capacity of 370 MW and hydroelectric power plants located in Antalya, Mersin and Kahramanmaraş with a total installed capacity of 85 MW, 930 MW Bandırma Natural Gas Combined Cycle Power Plant was put into operation in 2010, increasing the total installed capacity to 1,385 MW by the end of 2010.

The licensed portfolio of Enerjisa GenCo, which has grown rapidly since 2006, reached a total capacity of 3,209 MW including existing power plants, projects under construction and projects with ongoing engineering works as per year-end 2010. In addition to this portfolio, projects with a total capacity of nearly 1,000 MW are at the license application stage.

Aiming at diversifying the generation capacity to create a strategic advantage, 12 hydropower power plants with a total capacity of 1,303 MW, the 450 MW Tufanbeyli Thermal Power Plant and two wind power plants with a total capacity of 69 MW are currently in the planning and implementation stages.

The 142 MW Hacınoğlu Hydroelectric Power Plant and 30 MW Çanakkale Wind Power Plant will go on line in the first quarter of 2011 while 85 MW Menge Hydroelectric Power Plant and 39 MW Dağpazarı Wind Power Plant

are planned to be in operation by the end of 2011. Also, as a part of its commitment to renewable energy, Enerjisa GenCo has targeted wind power plants with a total installed capacity of 300 MW by the end of 2015.

Enerjisa GenCo contributes to securing power supplies in Turkey by generating electricity at its power plants for Turkey's leading industrial and commercial entities as well as customers using it via distribution companies.

Enerjisa Electricity Wholesale And Trading (TradeCo)

Within Enerjisa Group companies, the Enerjisa TradeCo was founded in 2004 to operate in the electricity wholesale market. Enerjisa TradeCo trades in electricity and/or capacity in accordance with the limits set by market regulations. In addition to the wholesale trading of electricity, the Company sells electricity directly to eligible customers. Opportunities to import and export electricity are also carried out under the wholesale license.

Enerjisa TradeCo has a customer-oriented approach in its sales and marketing activities. With the objective of becoming the supplier of choice, the Company offers quality services to meet the customers' expectations at the highest level and continually improves its systems and processes as a result of customer feedback.

In addition to wholesale and trading activities, Enerjisa TradeCo provides consultancy services to the Enerjisa Group companies. It serves as a consultant to Enerjisa GenCo on operations in the balancing market, power plant optimization and customer relationship management.

In an effort to secure the supply of natural gas and other fuels in a cost effective manner for the long-term, the Company acts as a consultant to Enerjisa Group Companies on supply contracts of natural gas and other fuels for current and prospective power plants, fuel procurement strategies in the medium and long-term, establishment of fuel optimization systems and management of risk related to these systems. Enerjisa Natural Gas Wholesale Company was founded in 2004 to achieve those targets. The Enerjisa Natural Gas Wholesale Company started its operations by gathering the required licenses for supplying natural gas to Enerjisa NG CCPPs and primarily optimizing their consumption as well as benefiting from new business opportunities emerging with the liberalization of natural gas market. It has acquired the right to import Spot LNG by taking the licence for ten years from EMRA as of September 6, 2010.

The Company also offers consultancy services to Enerjisa DisCo regarding the management of existing energy purchase agreements with TETAŞ and EÜAŞ and by following the opportunities related to the management of

energy balancing in day-ahead markets and similar activities. In order to satisfy the long-term demand position of the Enerjisa DisCo, the Enerjisa TradeCo seeks to negotiate and procure new long-term energy purchase contracts and performs market risk management consulting services.

Enerjisa Electricity Distribution (DisCo)

Enerjisa Group aims to become the market leader in the electricity sector in a vertically integrated structure by combining generation, distribution, wholesale and trading activities.

Due to this strategic target, Sabancı Verbund Joint Venture, Enerjisa DisCo participated in the privatization tender for the block sale of 100% of the shares of Başkent Electricity Distribution Company (Başkent EDAŞ) and won the tender offering the highest bid of US\$ 1,225 million on July 1, 2008.

The transfer of shares of Başkent EDAŞ to Enerjisa DisCo, (established in 2008 for this purpose) was concluded successfully on January 28, 2009.

Başkent EDAŞ builds, maintains and operates the electricity distribution grid and provides electricity retail services as well as additional services to 3.2 million customers in Ankara, Bartın, Çankırı, Karabük, Kastamonu, Kırıkkale and Zonguldak (BAŞKENT Distribution Region).

Prior to the takeover date, the integration process began, resulting in a very smooth transfer without negatively affecting operational and financial performance in 2009 when the electricity consumption had significantly decreased. During 2010, Başkent EDAŞ experienced positive performance results, confirming the strategic advantage of its specific customer structure.

Given the regulated nature of the business and the expected changes in the market for the upcoming years, Başkent EDAŞ focused on the necessary preparations both strategically and operationally. All the preparations are being planned in parallel to the long-term vision of the energy market and customer satisfaction.

Cement

Akçansa

Through the merger of Akçimento and Çanakkale Çimento in 1996, Akçansa became the leading cement producer in Turkey. The Company is currently a Sabancı Holding and Heidelberg Cement joint venture.

Operating in the Marmara, Aegean and Black Sea regions of Turkey, Akçansa has been producing cement at its Istanbul, Çanakkale and Ladik

plants and ready-mixed concrete at 35 ready-mixed concrete plants under the "Betonsa" brand. It operates out of the Ayazağa, Bursa and Saray aggregate quarries under the "Agregasa" brand and operates four cement terminals located in Ambarlı, Aliğa, Yarımca, Yalova and Hopa.

2010 was an important year for Akçansa in terms of profitability and efficiency with wider production, distribution networks and sustainable success principles. The construction of the Waste Heat Power Generation Project was initiated in the Çanakkale Plant with an investment of US\$ 24 million. This will result in a capacity of 105 million kWh, saving 30% of the total energy consumption of the Çanakkale Plant by reducing carbon emissions equal to 60,000 tons. Akçansa will start operating this waste heat power generation plant in 2011.

Akçansa meets 10% of Turkey's cement needs at global standards with its environmentally friendly facilities and while emphasizing service quality, it utilizes state-of-the art technology to meet customer standards. Akçansa's total domestic cement and clinker sales amounted to 4.6 million tons in 2010. By adding clinker and cement exports of 2.8 million tons, the Company's domestic and clinker exports reached 7.4 million tons.

In parallel with expanding growth targets, new ready-mixed concrete and aggregate plants were added to the sales network. Continually extending its spectrum of special products in the field of ready-mixed concrete, Betonsa has managed to differentiate itself from the competition by finding innovative special solutions for its customers. Ready-mixed concrete sales rose by 22% to reach 5 million m³.

Akçansa cement plants continue to be pioneers in the Turkish cement sector in the use of alternative fuels and raw materials for environmental protection.

The Company will achieve premium quality in production and service to fulfill the demand of customers and compete on measures beyond price in a sector where it is hard to discern differences.

The Company's vision is "to achieve sustainable growth" and its goal is to be "Turkey's leading building materials company, thus enriching quality of life within society". Akçansa has been selected as the Most Admired Company in the cement sector according to the Capital Monthly Magazine.

Akçansa shares are listed on the Istanbul Stock Exchange with a free float of 20.6%.

Çimsa

Çimsa, one of the leading names in Turkish industry, was founded in 1972 and pursues the vision of being "the most valuable cement and concrete company in Turkey". Its mission is "to be a business partner to cement

and concrete users at the global level". Çimsa's basic activity area is "supplying the basic materials needed for strong and reliable infra and superstructures for living and production spaces".

The Company commenced operations in Mersin in 1975. It produces gray, white and calcium alimunate cements and is an industry leader for innovation. The Company develops new products in line with customer requirements; accordingly in 2010, it began Super Bims cement production at the Niğde Plant.

Çimsa entered the ready concrete production business in 1988 and provides services throughout Turkey in Adana, Mersin, Kayseri, Antalya, Osmaniye, Kahramanmaraş, Nevşehir, Eskişehir, Kütahya, Bursa, Konya, Karaman, Aksaray, Sakarya and Bilecik. It has a clinker production capacity of 5 million tons and ready concrete production capacity of 3.3 million m3. The Company had sales turnover of US\$ 473 million, 26% coming from international trade.

Çimsa is one of the top three white cement brands in the world and the leading international Turkish producer. It has affiliate companies and terminals in Sevilla (Spain), Emden (Germany), Constanza (Romania), Trieste (Italy), Novorossysk (Russia) and Famagusta (TRNC), and markets its products in 46 countries.

To better serve international white cement users while expanding its distribution network, Çimsa acquired 60% of the shares of Medcon in Trieste, Italy in early 2010. The acquisition was renamed Çimsa Adriatico and has a production capacity of 400,000 tons of white and gray cement. Accordingly, Çimsa gained significant marketing power from this acquisition in Northern Italy, the Adriatic and Central Europe.

The Company is committed to be more actively competitive in foreign markets and holds the required EC and CE certificates and Kitemark quality documents to market all its cement products in European Union countries.

Çimsa adopted many new practices in the sustainability area and signed the Waste Gas to Electricity Project in the Mersin Plant in July 2010. This project is intended to recover 50% of consumed electricity and will also reduce carbon emissions.

With the modernization in the first quarter of 2010, the former capacity of 3,400 tons/day on the first line of the Mersin Plant was raised to 4,000 tons/day. Thus clinker quality rose while heat consumption declined.

Çimsa aims to achieve business excellence at global scale thus employs quality control management, environmental management and occupational health and safety management systems. Çimsa also is a

leader in maintaining low carbon emissions thus minimizing its impact on the environment.

The Company is dedicated to protecting natural resources by careful and effective disposal of waste products. The "Hot Disk Project" planned for the Eskişehir Plant, intends to produce alternative energy out of municipal and industrial wastes. This will result in an energy saving of US\$ 2 million annually.

Çimsa gives great importance to environmental and human health issues. The Green and Safe Plants program implements all health and safety initiatives. In 2010, the Çimsa İnegöl Ready Concrete Facility received the "Blue Beret Labor Safety Competition Award". The Adana-Zeytinli Ready Concrete Facility captured the "International Representation Award". The Kayseri Plant garnered first prize in the "Labor Health and Safety" competition organized by the Cement Industry Employers Foundation.

Çimsa shares are listed on the Istanbul Stock Exchange with a free float of 32%.

Retail

Retailing is one of the most important sectors of the Turkish economy. It is estimated to be worth US\$ 200 billion and provides over two million jobs. Food, the longest established segment in the retail sector, is becoming an increasingly attractive business in Turkey due to the gradual expansion of organized retail in the overall sector. Food retail expenditures reached US\$ 100 billion in a market still dominated by open street markets and traditional stores. Nevertheless, as organized retailers start to gain a larger market share, currently estimated at 35%, foreign investors are finding the sector increasingly attractive. Fueled by such factors as rising income, urbanization and enhanced price sensitivity among consumers, the number of organized retail sales points has grown at an average annual rate of 15% since 2000. In 2010, a year of nearly 8% GDP growth, organized retailers experienced 11% sales growth. During the same period, Sabancı-Carrefour joint ventures reported parallel growth, thus maintaining market share.

Carrefoursa

Carrefoursa is a joint venture between Sabancı Holding and Carrefour, the top retailer in Europe and the second largest in the world, with more than 16,000 stores in 33 countries. Its mission is to provide Turkish consumers with a broad selection of high quality, reasonably priced food products presented in a welcoming and pleasant shopping environment and ensuring steady profitable growth to its shareholders.

With sales areas ranging from 2,000 to 15,000 m², flagship format hypermarkets carry a wide assortment of food and non-food products with up to 40,000 stock-keeping-units (SKUs), at the lowest prices, housed under one roof. Supermarkets, with between 500 and 2,000 m² of retail space, offer an impressive assortment of fresh food while providing consumers with convenient shopping at the lowest prices.

Carrefoursa generated US\$ 1.6 billion sales revenue in 2010, while its store network expanded to 27 hypermarkets and 219 supermarkets with a total sales area of 373,000 m².

Nearly 100 million consumers shopped at Carrefoursa stores throughout the year. Carrefoursa will retain its strong position in the hypermarket format with new stores, all of which are approved, and increase its share in the supermarket segment with further store openings.

Diasa

The discount format for retail, which offers low prices through a low cost business model, is becoming ever more popular as consumers become more price conscious, both globally and in Turkey.

The successful global model of over 6,300 Dia stores was adapted to Turkey's local needs. Currently in a phase of rapid expansion, Diasa provides consumers convenience and quality at discount prices. The discount format is a powerful growth engine for the Group and Diasa has been one of the fastest growing food retail chains in Turkey with 22% annual growth over the last five years.

Diasa generated US\$ 500 million revenue in 2010, reaching a network of 890 stores and a combined retail space of 190,000 m². More than 90 million customers shopped at the Company's stores last year. With its global expertise in private label products, which account for 34% of the Company's sales, Diasa continued to lead the market in Turkey.

Opening an average of five new stores per week, Diasa continues its expansion and operates by year-end 2010, in 29 cities, mainly in the Marmara and Aegean regions.

Unique among Turkish food retailers, the Diasa franchise markets share in the overall store network reached 37% in 2010. This particular business model is prevalent in Spain and other territories where Diasa operates. In Turkey, it is set up under the Diasa banner and run by local entrepreneurs with purchasing, logistics and store management know-how support is provided by Diasa. Taking its cue from the shift toward organized retail, this model provides local and independent players a chance to continue their operations as part of a national chain. Boosting the Company's growth and profitability, as well as improving its awareness in the sector, franchise markets will continue their proliferation.

In 2008, the "Dia Market" model was created in response to feedback from customers and market research. In 2010, the model became widespread with 282 "Dia Market" stores accounting for 32% of the total network.

Teknosa

Teknosa, established in 2000, is 100% owned by Sabancı. Since its inception, Teknosa, with its slogan "Technology for Everyone," has been the sector's most extensive store network in Turkey. In 2010, the Company owned 256 stores and operated in 69 cities and 38 districts.

With over 101,000 m² of total retail space and a wide assortment of technology products, Teknosa has created a unique and pleasant shopping environment, attracting six million customers each month. With a workforce of over 3,000, Teknosa completed 2010 with revenue totaling TL 1.3 billion and increased its sales area by 20,000 m² over the previous year.

In addition to its existing store model across the country, Teknosa also reaches consumers through new formats. Debuting in 2009, the new Extra and Exxtra concepts demonstrate Teknosa's vision of technology retailing. In 2010, Teknosa added eight Exxtra and nine Extra stores to its network. Among those eight stores were the Sabancı İş Merkezi flagship store with a sales area of 4,500 m² on three floors and Istanbul Cevahir Shopping Mall store, with a sales area of 6,200 m² also on three floors.

Teknosa continues to invest in Teknosa Akademi, which was founded in 2005 to create an infrastructure for career planning and a qualified workforce. At Teknosa Akademi, where the retailers of the future are trained, participants are informed of new developments in the retail sector and are taught certain skills via personal, work-related and managerial classes. To date, training has been provided to over 8,000 individuals at the Teknosa Akademi center. The sector's first Assessment Center was opened in 2007, a place where employees receive effective career planning starting from their first day on the job.

All of Teknosa's operations are based on scientific retailing methods; the Company's after-sales services are carried out by Teknosa Asist, another first approach in the sector. Customer demands are met 24 hours a day through the Teknosa Asist points in stores, the Teknosa Asist call center at 444 55 99 and the 5599 SMS information service. In addition to Teknosa Asist, the Company initiated a new plan in 2009 that made technical assistants available to customers within stores to solve specific problems. Currently available in 79 stores, this program will become more prevalent in 2011. Finally, the Teknosa web store (www.teknosa.com) also offers round-the-clock service to its customers.

Another service offered to customers is TeknoGaranti that extends the warranty period of products purchased from Teknosa for up to five years and ensures customer satisfaction by exceeding the conditions of the manufacturer's warranty and has major advantages such as unlimited repair, home service, instant exchange and can be purchased from all Teknosa stores for a wide range of products such as TVs, laptop computers, cell phones, cameras etc.

Teknosa Kart is another customer relationship management program and helps the Company create its customer database, providing a better understanding of the Company's customers, their demands and shopping patterns. As of year-end 2010, there are over 1.5 million Teknosa Kart holders. Initiated in 2010, integration of Siebel Customer Relationship software enabled Teknosa to do a 360 degree review of its customers. With the help of this software, defined as the best customer relationship management solution, Teknosa strengthened its ties with the customers and took an important step toward providing a customized shopping experience.

Teknosa has the largest logistics center in its sector and operates from its hub in Gebze, which covers an area of 62,000 m² in total with 30,000 m² in-doors. Connected online to all Teknosa stores, the hub's operations are carried out with full information technology (IT) support.

Teknosa was awarded the International Organization for Standardization's quality management standard ISO 9001: 2008 Quality Management System Document in 2007. The company celebrated another first in its sector by receiving the ISO 27001 Information Security Management System (ISMS) standard in 2008. Moreover, the company continues its efforts to receive the ISO: 10002 (Customer Satisfaction and Complaints Handling Management Certificate) in 2011.

As Turkey's leading electronics retailer, Teknosa finds it imperative to carry out numerous corporate social responsibility projects, including sports, education and the arts.

With the "Technology for Women" project, the company offers free computer classes to women in various cities across the country to boost computer literacy. To date, over 6,000 women have taken part in the program in 23 cities. As a second phase of this project, Istanbul and Adana being the first locations, Teknosa formed permanent classes across the country to offer continuous education.

Paralleling this project, Teknosa has also been working with Istanbul University to bring a technological dimension to the Library of Rare Works. Named "Technology for History", the project involves Teknosa providing technical assistance to the library to digitize nearly 100,000 works, thus protecting them from the destructive effects of time.

Teknosa, promoting Turkish sports and sportsmen since 2007, has been supporting the Turkish National Football and Basketball Teams in collaboration with Turkish Football Federation and Turkish Basketball Federation by providing them with technological infrastructure.

Teknosa also aims to set an example for other firms in the sector by taking effective action regarding the environment. In 2009, the Company became the first in its sector to use 100% biodegradable bags. Teknosa believes in the importance of sustainability for a better world and has supported the Ministry of Energy's energy efficiency project since the beginning of 2009. It has opened its large network of stores to this project to reach a wider audience. Since 2005, the Company has also instigated a plan to collect and recycle electronic refuse, especially the collection of used batteries. All Teknosa stores now offer depositories for electronic waste; customers are encouraged to help save the environment by implementing e-waste collecting systems at homes and offices.

The İklimsa chain, which distributes air conditioning units and gas boilers, also operates under the Teknosa umbrella. Positioned as the HVAC Center of Turkey, İklimsa offers the world's greatest brands under one roof along with 25 years of Sabancı experience. The Company provides customers with a wide variety of brands, including Mitsubishi, General, Sharp, Sigma, Panasonic and Tronic air conditioners, Beretta Combi Boilers, Sharp refrigerators, humidifiers and air cleaners and Sigma air curtains. With seven brands and 200 models, İklimsa operates 192 centers in 53 cities across the country. The Company is committed to providing after-sales services to assure customer satisfaction and as such, offers high quality service from over 100 İklimsa service stations across Turkey.

Industrials

TIRE REINFORCEMENT MATERIALS

Kordsa GLOBAL

Kordsa Global is the world's leading producer of industrial nylon and polyester yarns, tire cord fabric and single end cord, serving the tire reinforcement and mechanical rubber goods markets.

Its success story began in 1973 with an investment in the tire cord fabric plant in Izmit, Turkey. Since then, the Company has become a global leader through strategic acquisitions made in collaboration with powerful business partners. Now with 11 plants located in nine countries across five continents and a strong workforce of 4,500 employees, the Company has maintained its position as a global leader.

With Headquarters in Istanbul, Kordsa Global operates in the following four regions and countries:

- Europe, Middle-East and Africa (Turkey, Germany, Egypt)
- North America (Laurel Hill/NC, USA, Chattanooga/TN, USA)
- South America (Brazil, Argentina)
- Asia Pacific (China, Indonesia, Thailand)

Due to its flexible production capability the Company was able to successfully manage growing demand in the market during 2010. Accordingly, Kordsa Global's sales revenue reached pre-economic crisis levels as the tire industry recovered from the economic downturn of 2009.

To achieve a more balanced customer portfolio, Kordsa Global aimed to gain a greater share from tire customers in developing economies, especially in Asia Pacific Region. In addition to supplying these new customers, Kordsa Global retained its position as the leading textile reinforcement supplier to the five largest tire companies: Bridgestone, Michelin, Goodyear, Pirelli and Continental.

In 2010, Kordsa Global continued to develop new products geared to meeting the changing needs of its customers. Among the newly developed products, Kordsa Global commercialized its nylon twisted monofilament under Monolyx™ brand name as well as its high denier, high tenacity polyester yarn products. In addition, the commercialization stage was started for hybrid cords under Twixtra™ brand name and for high modulus polyester yarns.

Following accreditation by the Turkish Ministry of Industry and Trade, Kordsa Global's R&D Center received funding for 11 projects from TUBITAK/TEYDEB and three projects supported under the Ministry of Industry and Trade's Santez Funding Program in 2010.

Today, recognized as one of the leading global brand names, Kordsa Global became the first company in its industry to be included in the Turquality® program, a funding program that financially supports creation of global Turkish brand names.

After earning the ISO 27001 in 2009 for its information security management system, Kordsa Global's R&D Center and Head Office were awarded the ISO 9001 Quality Management System Certificate the following year. This certificate, obtained after a successful audit conducted by Bureau Veritas, is a direct result of Kordsa Global's integral approach to sustainable quality management as part of its corporate culture.

Kordsa Global shares are listed on Istanbul Stock Exchange with a free float of 8.9%.

TIRE

Brisa

Established in 1974 under the name of Lassa, mass production commenced in 1978. The company changed its name to Brisa in 1988 after the establishment of a 50/50 joint venture between the Sabancı Group and the Bridgestone Corporation.

Brisa produces over 500 different types of tires under the Lassa and Bridgestone brand names. A wide range of designs, types and sizes accommodate many different vehicles from passenger cars to earthmoving equipment. Brisa's fully integrated tire production facilities are located in an enclosed facility of 350,000 m² and has a production capacity of ten million tires a year.

Brisa was the first winner of the "National Quality Award" in Turkey in 1993. Brisa's dedication to business excellence was rewarded again in 1996 with the receipt of the prestigious "European Quality Award". Brisa was the first Turkish company and the first tire company in Europe, to receive this award.

A sales network in nearly 600 locations, including 450 exclusive dealers, markets tires throughout Turkey. Additionally, the Company reaches its clients through distinctive channels such as car markets and hypermarkets. Brisa tires are mounted as original equipment on Renault, Toyota, Ford, Fiat, Honda, Hyundai, Mercedes Benz, BMC, Temsa, Mitsubishi and MAN vehicles.

Maintaining its position as a leader in the domestic market, Brisa expanded its presence in international markets with the Lassa brand by entering new markets and building brand equity. Brisa products are marketed in over 50 countries, mainly in Europe.

Brisa's Technology Center works in coordination with similar Bridgestone centers in Tokyo and Rome, thus integrating Bridgestone technology. This cooperative effort plays a vital role in reinforcing the Company's competitive edge in world markets.

AUTOMOTIVE

Temsa

Temsa, one of Turkey's leading automotive companies, manufactures and distributes Temsa brand buses and coaches in domestic and international markets. At the same time, the Company represents Mitsubishi and

Komatsu as their distributor in Turkey. Temsa first started production activities in 1987 in Adana and launched its own Temsa brand in 2001. Apart from its own brand in the bus and coach industry, Temsa also represents many well-known international brands such as Mitsubishi and Komatsu as their distributor in Turkey and certain assigned territories.

The Temsa Adana facility has a total area of 555,000 m² at which Safir and Safari intercity coaches, Opalin and Prestij midi-coaches and Avenue citybus, developed specifically for public transportation are manufactured. Temsa Safir, which was completely redesigned at the end of 2009 to cater to the growing expectations of both intercity and tourism segments, achieved outstanding success in the Turkish market in 2010.

Temsa buses and coaches, designed and manufactured by its own know-how, are sold both to domestic and international markets. Only in France, a fleet of 3,000 Temsa brand buses are on the roads. Germany, Italy and Belgium are the focus markets in Europe, recently the United States is emerging as an important new market for Temsa.

As the distributor for Komatsu Construction Machinery for 27 years, Temsa offers construction equipment and forklifts to many sectors. Bucket production was re-launched in 2008, attracting much interest in the construction machinery sector based on the high-quality functional structure of this product. Aiming to become a regional player, the Temsa Komatsu Construction Machine Business Unit established distributorships in Azerbaijan and Georgia and continues initiatives with new contacts established in other regions.

With a sales network of 40 authorized dealers under a distributorship agreement with Mitsubishi, Temsa conducts the sales, services and spare parts operations for Mitsubishi passenger cars; Lancer, Evo, Colt, 4x4 vehicles; Pajero and Outlander, ASX in cross over segment, L200 in pick-up and Fuso Canter in light truck segments.

TEXTILES

Sasa

From the end of the first quarter of 2010, Sasa ran at full manufacturing capacity in both specialty polymers and textiles segments. The Company also commenced investment projects in both textiles and specialty polymers and chemicals.

Additional investments will enable Sasa to produce more specialty products such as phthalate free plasticizers, film grade polymers and fibers for textiles and non-woven hygienic products.

Fully equipped R&D assets at the Adana Plant continue to develop products and processes for the textile and polymers/chemicals businesses thus maintaining the Company's competitive advantage.

Sasa is a 51%-owned subsidiary of Advansa BV and is listed on the Istanbul Stock Exchange, with a free float of 49%.

Yünsa

With its vision, high product quality, market position and production flexibility, Yünsa is Turkey's major worsted wool fabric exporter and also the leading worsted fabric producer in Europe. Yünsa had a 100% capacity utilization rate in 2010 and ranks among the world's top five producers of woolen fabric.

In addition to 100% wool products, Yünsa also produces cashmere, silk, lycra, polyester and viscose blended wool fabrics. Yünsa manufactures fabrics for men's and women's apparel, uniforms and upholstery.

Yünsa has integrated a rich textile culture into its product line, working with numerous global customers around the world due to its strong international connections. Exporting to more than 60 countries, the Company has sales offices in the United Kingdom, Germany, United States and China along with a design office in Italy.

In addition to its trend creator role in menswear, Yünsa also plays a pivotal part in conveying Turkish wool fabrics to international markets; it has a major global presence with its design competence and quality products. As a preferred fabric vendor in close liaison with customers, the Company maintained its influential position in the textile industry.

2010 marked an after-crisis recovery process, with strong emphasis on growth, stimulative economic policies, serious economic concerns in developed countries and a rapid rise in raw-material prices. All this contributed to significant improvement in market conditions for the textile sector.

Yünsa is a participant in the Turquality® project, a state initiated program that supports companies to generate worldwide brands. The Company also enhanced and accelerated research and development activities during 2010.

Yünsa has adopted the ISO 9001 Quality Standards. Additionally, the Hohenstein Institute in Germany has licensed the operation with the Eko-Tex 100, certifying that Yünsa's products are not hazardous to health or the environment.

Yünsa shares are listed on the Istanbul Stock Exchange with a free float of 30.6%.

PAPER AND PACKAGING MATERIALS

Olmuksa

Olmuksa has been offering high quality corrugated packaging products and services since 1968. It has consistently conformed to meticulous operating standards with strong sense of responsibility toward shareholders, customers, suppliers, employees and its community.

The Company provides services and products to its customers throughout Turkey and neighboring countries with paper mills in Edirne and Çorum and corrugated box production facilities in Gebze, Izmir, Adana, Bursa, Çorlu, Çorum, Manisa and Antalya. The Company has regularly transmitted the benefits of technological advancement to its customers.

International Paper, the world's largest manufacturer of paper and corrugated packaging, became a shareholder in Olmuksa in 1998. This resulted in a more diverse product line and improvements in customer service. Olmuksa has also succeeded in increasing its export volume to different markets in recent years.

In 2010, Olmuksa acquired all shares of DS Smith Plc. operations in Turkey. This acquisition extended the Company's business into new geographic areas and will strengthen its market position and service level in different end-user segments.

Attractive growth rates in the corrugated market sector, the positive impact of new legislation introduced in line with the EU accession process and Turkey's growing export volume have a positive impact on the growth of the corrugated packaging segment.

Olmuksa has taken action to deliver a "livable future" for shareholders and society under the provisions of the sustainability umbrella. Accordingly, Olmuksa's sustainability policy includes consistent ethical behavior, effective and responsible use of natural resources and ongoing efforts to create economic value in consonance with heightened environmental awareness.

The core factor behind the success of the Company throughout its 43-year history has been its focus on customer relationship management. With over 1,000 employees fully dedicated to customers, Olmuksa will continue to offer innovative solutions to support its growth targets for 2011 and beyond.

The Company's annual production capacity reached 90,000 tons for paper and 330,000 tons for corrugated packaging. The Company posted US\$ 186 million in net sales in 2010; its shares are listed on the Istanbul Stock Exchange with a free-float of 12.5%.

Dönkasan

Dönkasan is Turkey's leading state-of-the-art recycled paper collecting, sorting and baling facility. Its first plant was established in 1983 in Kartal, Istanbul, followed by facilities in Adana and Büyükçekmece. The Company has an annual processing capacity of more than 200,000 tons, of which the majority is devoted to supplying its main shareholders, Olmuksa and Kartonsan, with waste fiber.

TOBACCO

Philsa

Philsa, a 75/25 joint venture between Philip Morris and Sabancı Holding, was established in 1991. The factory manufactures Marlboro, Parliament, Muratti, Chesterfield, L&M, Lark, Bond Street, Congress, Merit and Lider brand cigarettes for consumption in Turkey and other markets.

Inaugurated in late 1992, the factory in Izmir-Torbalı has strengthened its reputation as a world-class manufacturer in the tobacco industry, thanks to an outstanding workforce and its state-of-the-art technology. The total investment of this plant has reached more than TL 850 million.

Philip Morrissa

Philip Morrissa was established in 1994 as a 75/25 joint venture between Philip Morris and Sabancı Holding. The Company is active in the national distribution and sales of Philip Morris cigarette brands. Its distribution network serves 158,084 sales outlets in 81 cities throughout the country. Philip Morrissa is one of the largest sales networks in Turkey with 90 distributors, 532 vehicles and a sales force of 606.

Tourism

Tursa/AEO

The natural and historic splendor of Turkey captivates visitors from around the world. In 2010, more than 28.6 million tourists visited Turkey to partake of the warm Turkish hospitality, splendid food, brilliant beaches and stunning archeological sites.

The Sabancı Group entered into the tourism sector years ago with the Erciyas Hotel in Adana. The Group established a partnership with Hilton International in 1988 with the opening of the Ankara Hiltonsa.

This partnership was extended further with the opening of the Hilton Parksa in 1990 and the opening of the Mersin Hiltonsa the same year. In 2001, the Adana Hiltonsa was added.

The Group now holds 100% of the shares of Tursa, holder of the Adana Hiltonsa, Mersin Hiltonsa and Hilton Parksa, as well as a majority stake in Ankara Enternasyonal Otelcilik, owner of Ankara Hiltonsa. All Sabancı-Hilton facilities are managed by Hilton Hotels. Total accommodations have now reached 1,831 beds, with 630 beds at the Ankara Hiltonsa, 616 beds at the Adana Hiltonsa, 372 beds at the Mersin Hiltonsa and 213 beds at the Hilton Parksa.

Information Technologies

Bimsa

Founded in 1975, Bimsa has been one of Turkey's leading business and information consulting service providers for the past 36 years. The Company provides hardware and software solutions to medium and large-scale companies by acting as business and information technology consultants.

Its objective is to create value for the businesses of its clients by meeting all their information technology needs. With more than 80 experienced employees, Bimsa provides products, implementation consultation, installation and support services, performance management, business intelligence, SAP applications, Pratis.Net electronic purchasing and information security services. **Sabancı Group's Commitment to the Ten Principles**

Since 2007, Sabancı Group has been acknowledging and supporting the Ten Principles proposed by the Global Compact of the United Nations. We are committed to these principles and we look for opportunities to continue applying them across and within our Group and among our strategic business units. We believe that keeping in close contact with the ideals proposed in such universal principles upholds the Sabancı Group's vision to remain a responsible corporate citizen and contribute to its performance along all lines of its business. With this commitment,, we emphasize the care we have for the environment, our employees and stakeholders.

We are committed to continue applying the standards of the Ten Principles of the Global Compact in the Sabancı Group and its strategic business units in the future.

In communication and transparency reporting, we made a significant improvement since the last Communication on Progress. Since then, the Sabancı Group has taken broad actions to advance corporate responsibility objectives and operationalize the principles of the Global Compact.

At the Local Network level, the Sabancı Group in 2009, hosted the Seventh Annual Local Network's Forum (VII ALNF) to demonstrate it's

commitment to the compact and the Local Network. Held in Istanbul, Turkey on 9-10 June 2009, the two-day Forum saw a variety of presentations and discussions covering a wide range of issues, from network management to the networks' practices in advancing the Global Compact's core issue areas.

The Group is also a member of the Global Compact's Local Network Turkey's National Steering Committee and has supported its sectoral working sessions.

Vision, Mission and Our Management Approach

Vision

Creating sustainable advantage through differentiation

Mission

Managing a competitive strategic portfolio with sustainable growth potential to create value for all of our stakeholders

Management Approach

Responsibility and Transparency

Upholding our core values of modesty, respect and proximity to people, being socially responsible and managing according to the principles of corporate governance

Innovation

Creating long-lasting advantages such as brand, technology, design, network and IP

Participation

Generating a management approach that promotes participation and collective thinking in the decision-making process

Strategic Approach

Managing the present with excellence and shaping our future to ensure long term advantages

Corporate Social Responsibility Policy and Principles

With its policy statement, the Sabancı Group stresses corporate social responsibility principles as well as the importance and priority given to the topic by the Group.

Based on the accepted core values of modesty, respect and proximity to people, the Sabancı Group regards basing all corporate conduct on the awareness of social responsibility as an unchangeable core component of its management approach. We expect all of our establishments that constitute the Sabancı Group to manage the economic, social and environmental impact of their actions with responsibility and to place priority on the development of society. We do not regard the scope of our social responsibility limited to just our business operations or their impact. We determine our level of social responsibility and its priority on what is good for society and the environment as a whole. We pursue a pioneering role with regard to actions that protect democracy, human rights as well as the environment. As the Sabancı Group, the SA-Ethics program, prepared and put into practice in accordance with the Principles of Corporate Social Responsibility, constitute a guide to our business operations.

The basic principles that govern our social responsibility practices are;

1- As the Sabancı Group, we fulfill our social and environmental responsibilities toward society in all places that we operate, in close collaboration with our shareholders, employees, public, non-governmental organizations and other stakeholders.

2- We regard our human resources as the most significant component in creating sustainable growth. We ensure that all employees take advantage of their personal rights as members of the Group, fully and accurately. We treat our employees with honesty and fairness; we are committed to creating a non-discriminatory, safe and healthy work environment. We undertake efforts to enable the personal development of all employees while pursuing a balance between their private and professional lives.

Any discrimination within the organization based on race, religion, gender, age, political opinion, language, physical challenge or similar reasons are not tolerated.

We strive to ensure that people of different beliefs, views and opinions work together in harmony by creating a positive and cordial work environment that supports cooperation and prevents conflict.

We administer programs that contribute to preserving employee health that we accept as important to ensuring our employees' quality of life and success.

As the Sabancı Group, we believe that all employees deserve to work in a healthy and secure work environment consistent with human dignity. Our employees are our most valuable assets and we strive to provide employee safety and security as our primary goal.

3- We manage the environmental impact of our activities with a sense of responsibility. All of our companies are required to identify and apply the necessary improvements and development activities that minimize or eliminate negative environmental impact. We require our companies, beyond their legal requirements, to apply the best environmental solutions to all they do and to support any initiative that will develop and deploy environment-friendly technology and enhance environmental awareness.

4- As the Sabancı Group, we struggle toward the improvement of society pursuant to our sense of corporate social responsibility. We encourage our employees to take part in social and societal volunteering.

5- We develop and implement approaches to ensure that all of our partners and particularly our suppliers act in accordance with social responsibility standards of the Group.

6- We show sensitivity to the traditions and culture of Turkey and other countries in which we operate. We comply with all legal regulations currently in effect.

7- We encourage our Group companies to comply with international standards and assure that their operations are certified.

All principles of this policy statement are put into practice in accordance with the relevant regulations; relevant units audit the level of implementation. We consider the success of the companies with regard to social responsibility activities as a significant criterion for evaluating overall company performance. As the Sabancı Group, we share corporate social responsibility activities realized by our Group with the public via annual reports and on our website.

All of our executives and employees, starting with the CEO of H.Ö. Sabancı Holding A.Ş., undertake accountability for carrying out corporate social responsibility activities.

This policy document has been prepared to share with our employees, shareholders and all other stakeholders, our public commitment on the part of the Sabancı Group to fulfill our responsibility toward helping to create a better world and a better future.

Sabancı University

The Sabancı Group decided to establish a “world university” led by the Sabancı Foundation in 1994. Instead of choosing a university as a template of existing institutions, a unique university was designed during the foundation phase of the University. Accepting students since 1999, Sabancı University sets an example for many of contemporary universities with its unique educational system.

Academic programs at Sabancı University are innovative and interdisciplinary. Since it views the conventional system of “departments” as hindering the interdisciplinary approach by causing early and overly restricted specialization, Sabancı University does not have academic divisions.

Instead, its system is based upon the Common Foundations Development Program, which all students must complete regardless of their subsequent program choices. Students who complete the Common Foundations Development Program have demonstrated their capability for critical thought, interdisciplinary interaction and problem-solving. Accordingly, they have the requisite knowledge base required to complete the program. In the second phase of Foundations Development Program, students are free to choose the introductory courses to their preferred diploma disciplines and select from eleven programs.

Faculties

There are three faculties at Sabancı University: Engineering and Natural Sciences (FENS), Arts and Social Sciences (FASS) and the Sabancı School of Management. All faculties offer undergraduate, graduate and postgraduate programs.

FENS offers undergraduate programs in Computer Science and Engineering, Biological Sciences and Bioengineering, Materials Science and Engineering, Mechatronics Engineering, Electronics Engineering and Manufacturing Systems Engineering. Graduate programs are offered in Information Technologies, Biological Sciences and Bioengineering, Electronics Engineering, Computer Sciences and Engineering, Mechatronics Engineering, Industrial Engineering, Materials Science and Engineering, Physics and Mathematics.

Undergraduate programs within FASS include Economics, Management, Visual Arts and Visual Communication Design, Cultural Studies and Social and Political Sciences, in addition to the graduate programs in Economics, Visual Arts and Visual Communication Design, Political Science, Political

Science-Conflict Resolution, Cultural Studies, History and European Studies.

The Sabancı School of Management offers undergraduate, graduate and postgraduate in Management, Management for Executives degree programs and graduate programs in Finance and Information Technologies in Management. The Executive Development Unit (EDU) provides executive development programs for business professionals.

The University places great emphasis on industry relations and offers an Industry Leaders graduate program. Conducted jointly by the FENS and the Sabancı School of Management and supported by industry partners, this program confers two graduate diplomas.

Graduates

More than 4,000 graduates of Sabancı University are pursuing successful careers both in academia and in the business world.

30% of Sabancı University graduates continue their postgraduate studies with scholarships at the leading universities around the world, including Harvard University, University of California, Carnegie Mellon University, Stanford University, Boston University, Brown University, MIT, Politecnico di Milano and University of Massachusetts. The rate of employment within first year of graduation is 90%.

Sabancı University Nanotechnology Research and Application Center (SUNUM)

Established by Sabancı University with the support of the State Planning Organization, the Nanotechnology Research and Application Center (SUNUM) is the first interdisciplinary nanotechnology center in Turkey. SUNUM's groundbreaking ceremony took place in 2010. The Center is leading advanced and interdisciplinary research projects that will be rapidly adopted by industry in the application of nanotechnology to physics, electronics, mechatronics, materials science, chemistry and biology. The Center aims to improve the University's international competitive advantage in intellectual property portfolio and contribute to progress by its leading research.

A Campus That Lives and Breathes

The Sabancı University campus is a haven from the bustling city yet has everything to meet the daily needs of the students. The campus abounds with amenities from the performing arts center to a sports center, health center, supermarket and movie hall. Sabancı University has the best housing unit-to-student ratio among universities in Turkey.

Sabancı University Sakıp Sabancı Museum (SSM)

Sabancı University's Sakıp Sabancı Museum (SSM) is located in the mansion known as "Atlı Köşk" (Horse Mansion). Atlı Köşk, bought by Hacı Ömer Sabancı in 1950, currently houses the main collection of the Museum. The mansion was bequeathed to Sabancı University, along with its collections and furniture in 1998. A modern gallery wing was added to the original structure; the Museum was opened to the public in 2002. Exhibition space was expanded in 2005 and upgraded to meet international museum standards.

SSM currently offers a multi-faceted museum environment with rich collections in addition to the temporary international exhibitions it hosts, conservation units and exemplary educational programs. It also organizes and hosts concerts, conferences and seminars.

SSM Collections, Three Main Categories

The Calligraphy Collection offers a comprehensive overview of 500 years of Ottoman calligraphy, with rare Korans, kıtas, albums, panels, hilyes, edicts, endowments deeds and menşurs. In 2009, the Museum acquired additional examples for the Ottoman Calligraphy Collection. These new works were exhibited in the Ottoman Calligraphy Halls in the Mansion section.

The Painting Collection at the Sakıp Sabancı Museum is comprised of works from between 1850 and 1950. The collection includes the most distinguished examples of early Turkish painting, as well as paintings by foreign artists who resided in Istanbul during the last years of the Ottoman Empire.

The Archeological and Stone Work collection consists of Roman, Byzantine and Ottoman pieces and is exhibited in the Museum's garden. The three ground floor rooms at the Atlı Köşk display 18th and 19th century furniture and decorations used by the Sabancı Family when the mansion served as their personal residence.

Exhibitions Held at SSM

SSM has hosted numerous exhibitions since its opening in 2002.

"From the Medicis to the Savoias Ottoman Splendour in Florentine Collections", "The Art of the Book from East to West and Memories of the Ottoman World Masterpieces of the Calouste Gulbenkian Museum, Lisbon", "Genghis Khan and His Heirs, The Great Mongol Empire" and "Istanbul, Isfahan, Delhi: Three Capitals of Islamic Art Masterpieces from the Louvre Collection" are some of the history-themed exhibitions held at SSM. Grand retrospectives of the prominent masters of modern art, "Picasso in

Istanbul"; "Great Master of Sculpture Rodin in Istanbul" and "Salvador Dalí, A Surrealist in Istanbul" were exhibited at the Museum.

The Museum maintained its distinctive and innovative exhibition program during 2010. As part of the "Japanese Season 2010 in Turkey" Sakıp Sabancı Museum hosted an exhibition entitled "Transcending Borders: The Art of Brush and Pen". The exhibition provided an introduction to the art of calligraphy by displaying fine examples of Ottoman, Far Eastern, and Latin calligraphy. This was followed by the exhibition entitled "Legendary Istanbul - From Byzantium to Istanbul: 8,000 Years of a Capital." As the European Capital of Culture for 2010, Istanbul's 8,000 years of history were displayed using over 500 artifacts. The different pieces, chosen from 39 foreign and 19 Turkish museums, were displayed together for the first time in an exceptional exhibition.

The final events of the year were "Treasures of the Aga Khan Museum", with pieces from one of the world's most esteemed Islamic art collections and the "Jameel Prize 2009" exhibition organized by the Victoria and Albert Museum (V&A) in London.

Overseas Exhibitions Held by SSM

In addition to hosting various exhibitions on its own grounds, the Sakıp Sabancı Museum has promoted its collection by lending works of art to other venues outside the country.

The Museum has loaned works to exhibitions such as "Mothers, Goddesses and Sultanas" (2004-2005) held in Brussels, "Turks: A Journey of a Thousand Years, 600-1600" (2006) held in London and "Istanbul: The City and the Sultan" (2006-2007) in Amsterdam. However, it has been the exhibitions made up entirely of its own collections and hosted by prestigious museums around the world that brought the Sakıp Sabancı Museum into the international mainstream.

Following exhibitions during 2007 and 2008, "Evocations, Passages, Atmospheres and Paintings from the Sakıp Sabancı Museum, Istanbul" at the Lisbon Gulbenkian Museum, "Letters in Gold: The Ottoman Art of Calligraphy from Sakıp Sabancı Museum" at the Madrid's Real Academia de Bellas Artes de San Fernando and "The Ottoman Calligraphy from the Sakıp Sabancı Museum" at the Real Alcázar in Seville, the Museum contribute from its own collection to the exhibition "From Byzantium to Istanbul: One Port for Two Continents" held at the Grand Palais in Paris in 2009.

Sakıp Sabancı Mardin City Museum and Dilek Sabancı Art Gallery

Opened for visitors on October 1, 2009, the Sakıp Sabancı City Museum introduces and displays urban formation and culture of life in the city of

Mardin. The Dilek Sabancı Art Gallery aspires to establish a modern and contemporary art platform in Mardin through temporary exhibitions.

In 2010, Dilek Sabancı Art Gallery hosted its first exhibition entitled "Nature, Man and the Sea - With Works Selected from the Sabancı University Sakıp Sabancı Museum Collection". This exhibition was followed by "Abidin Dino in Mardin", that opened in October, displaying 255 works by the artist created between 1930 and 1990. Sakıp Sabancı Mardin City Museum and Dilek Sabancı Art Gallery have been visited by more than 130,000 people as of the end of 2010.

SSM Education Activities

The extensive educational programs initiated during the Picasso exhibition continued in 2010; they have enhanced in number, diversity and content. During the year, special workshops and kid's training programs were held for both children and adults. A total of 12,769 students attended the 2010 workshop. Special Event Days were held and eleven different events were organized between April and December 2010. In nine months, 453 women were reached within the scope of the social responsibility project "Meeting the City, Meeting the Museum" and was the only private museum project approved by the Istanbul 2010 European Capital of Culture Agency. To support these current exhibitions, films, conferences and gallery talks with students of Sabancı University and guided tours were organized. Neighbor Day events continue at the Museum.

International Conferences and Meetings

Organized by the Sakıp Sabancı Museum and the IIC International Institute for the Conservation of Historic and Artistic Works, the conference "The Conservation of Cultural Heritage and the East Mediterranean" was held during September 20-24, 2010 at the Sabancı Center; Sabancı Holding was the major sponsor of this event sponsor. The event hosted more than 400 experts from abroad and 70 Turkish museum professionals as well as numerous conservation students.

In 2010, Sakıp Sabancı Museum also hosted the evaluation meeting of one of the most prestigious awards in its field, the European Museum of the Year Award (EMYA). An International Workshop on Conservation and Bookbinding Studies was conducted within the context of the Treasures of the Aga Khan Museum exhibition.

Sabancı Foundation

The Sabancı Family has made considerable contributions to the development of the Turkish economy by initiating many industrial establishments within Sabancı Holding. Sabancı family members have been actively involved in philanthropic activities that enhance social development particularly in the areas of education, arts, sports and

culture. To institutionalize the Family's philanthropic activities, The Hacı Ömer Sabancı Foundation was established in 1974.

The Foundation was established with the support of family members, mainly Sadıka Sabancı, wife of Hacı Ömer Sabancı, who donated her entire personal wealth to the endowment. The income base of the Foundation, sustained mainly through donations from family members, Sabancı Group companies and revenue generated by its own assets, resulted in the Sabancı Foundation becoming one of the largest foundations in Turkey. The foundation is a member of the Turkish Third Sector Foundation (TÜSEV), the European Foundation Center (EFC), the Council on Foundations (COF) and the European Consortium of Foundations on Human Rights and Disability.

Foundation programs and investments have the mission "To promote social development and social awareness among current and future generations by supporting initiatives that impact and create lasting change in people's lives".

In addition to its existing investments in institutions, education, scholarships, awards, arts and culture, the Foundation has created new programs that focus directly on "women", "youth" and "the disabled".

Over the past 36 years, the Foundation has built almost 120 institutions in 78 residential areas across Turkey, specifically schools, student dormitories, health facilities, cultural centers, sports facilities, libraries, teacher centers, social facilities and Sabancı University, one of its most significant investments.

The Sabancı Foundation also supports a management training program with a gender equity component for school principals. Initiated in 2009, the partnership between Türkan Sabancı Primary and Vocational School for the Blind and the Perkins School for the Blind continued its coordinated activities in 2010.

Sabancı Foundation invests in institutions are devoted to education. The Metin Sabancı Center for Children with Cerebral Palsy continues to provide educational opportunities to those in need. Additionally, the Foundation built the Enerjisa Bandırma Science High School and the Enerjisa Bandırma Science High School Student Dormitory aided by the conditional donation of Enerjisa. The opening ceremony for the high school and the dormitory was held on October 23, 2010.

Each year, almost 1,300 students, including 380 new students, benefit from Sabancı Foundation Scholarships. Since its establishment, more than 35,000 students have obtained scholarships through this program. In 2010, the Foundation, in partnership with the Vista Tourism and Travel Company, awarded Sabancı Foundation-Vista Scholarships to support

students studying in Tourism Vocational Schools which began in 2009. Additionally, the Sabancı Foundation Awards program recognizes exceptional performance in education, sports, culture and art.

Arts and culture represent another important investment for the Sabancı Foundation. The Foundation supports two annual events, the Turkish Folk Dance Competition and the Sabancı International Adana Theater Festival. In 2006, the Foundation commenced support for the Mehtap Ar Children's Theater to make drama more accessible to children. Since then, 2,000 performances have given almost 400,000 children who had a chance to watch theater for the first time in their lives in 35 provinces. The Ankara International Music Festival with almost 350 artists and the Metropolis Antique City excavation have been supported through the Foundation's Arts and Culture program.

Also in 2009, the Foundation began supporting the National Youth Symphony Orchestra, consisting of 93 musicians studying at conservatories in Turkey. The "Abidin Dino in Mardin - Selected Works 1930 - 1990" exhibition was opened on October 25, 2010 at the Dilek Sabancı Art Gallery in the Sakıp Sabancı Mardin City Museum.

To encourage and enable those who have the power to change the future and to make a difference in the lives of Turkish citizens, the Sabancı Foundation conducts activities through grant programs, partnerships and seminars. Activities in this area follow:

"The United Nations Joint Program to Promote and Protect Human Rights of Women and Girls" is a multi-year landmark project begun in 2006 in partnership with all United Nations agencies in Turkey, the Ministry of Interior, Sabancı Foundation and Sabancı University. The program, implemented in Izmir, Kars, Nevşehir, Trabzon, Şanlıurfa and Van, officially closed at the beginning of 2010. In February 2010, the Ministry of Internal Affairs published a circular for the governors of all 81 provinces in Turkey instructing them to create "Local Equality Action Plans" and "Local Equality Divisions" thus expanding the program to all provinces. In 2010, the Sabancı Foundation continued providing support for expansion of this program in the sub-provinces and neighboring provinces of pilot cities. Meanwhile, 13 projects were funded and completed as part of the Sabancı Foundation Grant Program, bringing the total project number to 34. Parallel to these activities, Sabancı University trained 2,144 teachers, students and women and 206 teachers were later awarded with Purple Certificates.

As Turkey's first comprehensive strategic grant-making foundation, Sabancı Foundation launched the Social Development Grant Program in 2009. The Social Development Grant Program aims to advance social development by promoting an equitable environment in which women, young people and the disabled have equal access opportunities to actively

participate in society. Accordingly, the Sabancı Foundation supports civil organizations that assist these groups. To date, the program has attracted 441 applications from 63 of the 81 provinces in Turkey. A total of TL 2.2 million has been allocated to ten projects in 71 provinces over two years. While impact assessments of completed projects continue; new grant program for 2011 was launched and received 190 applications in Turkey.

The Multidimensional Empowerment of Women in Urban Areas project (2009-2011) implemented by AÇEV (Mother Child Education Foundation) is yet another project funded as part of the Sabancı Foundation Grant Program. This project aims to provide literacy training to 11,000 women, young girls and disabled women in six cities and provides information about the rights of disabled. As of now, the project has reached almost 8,000 people.

Sabancı Foundation Seminars gather civil society, foundation, academia, private and public sector representatives, and international experts to learn about new trends and topics related to civil society. In 2010, the fourth Sabancı Foundation Seminar was held in honor of the late Sadıka Sabancı, under the theme of "Can Philanthropy Change the World?" with guest speakers Matthew Bishop, U.S. Business Editor and New York Bureau Chief and Luc Tayart de Borms, Managing Director of the King Baudouin Foundation in Belgium.

In 2010, the Sabancı Foundation continued to support "Turkey's Changemakers" project to highlight the efforts of individuals who promote change and development in their communities and have remarkable impacts on the lives of others. Nominated by the public and selected by an Advisory Board, Changemakers is aired weekly on CNNTurk TV. To date, more than 400,000 people have followed the show via Internet, Facebook and Twitter.

Human Rights

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

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

The Sabanci Group respects personal dignity and rights of every individual and is committed to upholding human rights worldwide.

The Sabanci Group expects business partners and suppliers to respect human rights.

SABANCI HOLDING AND WOMEN'S EMPOWERMENT PRINCIPLES

In 2011, Sabanci Holding signed the CEO Statement of Support For Womens Empowerment Princeptles and became the first Turkish signatory. Ms. Guler Sabanci, Chairman and Managing Director of Sabanci Holding, signed and submitted the statement to Under-Secretary-General and Executive Director of UN Women and former president of Chile, Michelle Bachalet after her closing speech at the "Business and Development Cases for Engaging Women in Global Value Chains" meeting held within the Private Sector Track of the 4th United Nations Conference on the Least Developed Countries (LDCs).

The [Women's Empowerment Principles](#) are a set of Principles for business offering guidance on how to empower women in the workplace, marketplace and community. They are the result of a collaboration between the United Nations Development Fund for Women (UNIFEM, part of UN Women) and the United Nations Global Compact. The development of the Principles included an international multi-stakeholder consultation process, which was launched in March 2009.

Sub-titled Equality Means Business, the Principles emphasize the business case for corporate action to promote gender equality and women's empowerment and are informed by real-life business practices and input gathered from across the globe. Rather than being prescriptive or a new initiative to which business is asked to subscribe, the Women's Empowerment Principles seek to point the way to best practice by elaborating the gender dimension of good corporate citizenship, the UN Global Compact, and business' role in sustainable development. As well as being a useful guide for business, it is hoped that Principles will inform other stakeholders, including governments, in their engagement with business.

Advancing human rights is not just about managing risks and meeting standards and expectations, it is also about realizing new opportunities:

The Sabanci Group understands the impact that gender equality has in company performance. Studies have show that employing women not only brings diversity into company culture but that it upholds company performance and value as a result of diversity which fuels innovation.

Providing equal opportunities based on merit to women and men can enable companies to tap into the widest possible pool of talent. Greater diversity in organisations leads to higher performing teams and better business results.

The Sabanci Group has been at the forefront of the gender equality movement in Turkey, for the sake of the Group and also for the Turkey.

Since 2006, the amount of women executives has increased from 23% to 28% in 2011.

34% of all employees are women.

At AvivaSA and Akbank, these figures have reached 64% and 51%, respectively.

Thus, the female labor participation rates at Sabanci Grop companies are significantly above the national average in Turkey for which the rate is decreasing.

As in other countries, female employment has always been comparatively higher in the services sector.

Anti-Corruption

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

We pursue a policy of zero tolerance. This policy is based on our defined guidelines and policies:

Sabancı Code of Business Ethics

I. OUR CODE OF BUSINESS ETHICS

A. Integrity

Integrity and honesty are our core values in all our business processes and interactions. We act in integrity and honesty in all our relations with the employees and stakeholders.

B. Confidentiality

Private and confidential information includes information that might lead to a competitive disadvantage of H. Ö. Sabancı Holding Inc. and Sabancı Group Companies, trade secrets, financial and other information that has not been publicly disclosed, employee personal information, and information within the framework of "confidentiality agreements" enacted with third parties.

As employees of the Sabancı Group Companies, we give utmost importance to protecting the privacy of our customers, employees and other associated individuals and companies and the confidentiality of their information.

We protect confidential information regarding the activities of the Group Companies, use this information only for the purposes of the Sabancı Group, and share this information only with relevant authorised parties.

We strictly forbid insider trading, or gaining any financial or commercial interest, including trading stocks through disclosing confidential information belonging to H. Ö. Sabancı Holding Inc. and Sabancı Group Companies. When ending our employment with the company, we do not take with us confidential documents, projects, regulations, etc. that were confined to us due to our position.

C. Conflict of Interest

As Sabancı Group employees, we take responsibility to avoid situations and relationships that involve conflict of interest. We do not use our present position to obtain any benefits personally or through our families and relatives, from people and companies with whom we have business relations. We do not engage ourselves in any business activity aimed to gain personal financial benefit outside Sabancı Holding and its Group Companies. We refrain from using the name and power of Sabancı and our Sabancı identity to gain personal benefit.

In cases of potential conflicts of interest, when we believe that interests of the relevant parties may be safely protected by legal and ethical methods, we adopt these methods. When in doubt, we consult our manager, the Human Resources Department, or the Ethics Board.

D. Our Responsibilities

In addition to our legal responsibilities, we give utmost importance to fulfil the following responsibilities vis-a-vis our customers, employees, stakeholders, suppliers and business partners, competitors, the community, humanity, and to the name of Sabancı.

1. Our Legal Responsibilities

We execute all our domestic and international activities and procedures within the framework of the laws of the Republic of Turkey and international laws; and we submit all required information to regulatory authorities and institutions in a correct, complete, clear and timely manner.

In executing all activities and procedures, we do not expect any benefit from, and keep an equal distance to all public institutions and organizations, administrative bodies, non-governmental organizations, and political parties; and we fulfil our liabilities with a sense of responsibility.

2. Our Responsibilities Towards Our Customers

We adopt an approach which is focused on customer satisfaction and proactive in responding to customers' needs and demands in an appropriate and timely manner. We deliver our services on time and under the promised conditions; we approach our customers with respect, honour, fairness, equality, and courtesy.

3. Our Responsibilities Towards Our Employees

We enable our employees to use their personal rights fully and correctly. We approach employees with honesty and fairness; and ensure a non-discriminatory, safe, and healthy working environment. We undertake the necessary efforts to enable personal development of our employees; with a social awareness support them in volunteering for appropriate social and community activities; and respect and assure the balance between their private and professional lives.

4. Our Responsibilities Towards Our Partners

Dedicating prime importance to the continuity of the Sabancı Group, and in line with our goal to create value for our partners, we avoid taking on unnecessary or unmanageable risks, and strive for sustainable profitability. We act with financial discipline and accountability, and manage our company's resources, assets and our professional work time with a sense of efficiency and economy. We work to enhance our competitive power, and to invest in areas with growth potential and which offer the highest return on allocated resources. We give timely, correct, complete, and clear information on our financial statements, strategies, investments and risk profile to the public and to our shareholders.

5. Our Responsibilities Towards Our Suppliers/Business Partners

We act respectfully and fairly as expected from a good customer, and ensure to fulfil our liabilities on time. We carefully protect the confidential information pertaining to the persons, organizations and our business partners.

6. Our Responsibilities Towards Our Competitors

We compete effectively, only in areas that are legal and ethical, and avoid unfair competition.

We support all efforts to construct a competitive structure targeted within the society.

7. Our Responsibilities Towards the Community, Society and Humanity

Preservation of democracy, human rights, and conservation of the environment; education and charity activities, eradication of crimes and corruption is of utmost importance to us. We pioneer in social affairs with an awareness of good citizenship and responsiveness; we try to play a role in non-governmental organizations, in services and activities for the benefit of the society and public. We act in a responsive and sensitive manner in Turkey and towards the customs and culture of those countries where we undertake international projects. We do not offer and accept

bribes or gifts in forms of products or services, etc. beyond commonly accepted reasonable limits.

8. Our Responsibilities Concerning the Name "SABANCI"

Our business partners, customers, and other stakeholders trust us due to our professional competence and integrity. We strive to keep our reputation at the highest level.

We offer our services within the framework of company policies, professional standards, our commitments, and ethical codes; and we ensure to fulfil our liabilities.

We offer services in areas where we believe we are or will be professionally competent; and we seek to work with customers, business partners, and employees demonstrate integrity and legitimacy. We do not collaborate with those impairing social ethics, and damaging the environment or public health.

We do not express our personal opinions, and only communicate our company's view in public, and in areas where we are perceived as representing our company.

When faced with complicated situations that may jeopardize H. Ö. Sabancı Holding Inc. and/or its Group Companies, we consult first with the relevant personnel, following the appropriate technical and administrative consulting procedures.

II. POLICIES SUPPORTING CODE OF BUSINESS ETHICS

A. Conflict of Interest Policy

Employees of H. Ö. Sabancı Holding and the Group Companies are required to avoid situations and relationships that involve actual or possible conflict of interest. Employees are required to assume the primary responsibility for avoiding the use of Holding/Company resources, name, identity and power for personal benefit and keeping away from situations that might have a negative affect on the organization's reputation and image. The following rules of practice define situations and/or relationships involving conflict of interest that Holding/Company employees might experience while fulfilling their duties or in their private lives due to certain business relationships, and establish the principles to be followed by employees in such situations.

Rules of Practice

1. Activities That Might Create Conflict of Interest

All Holding/Company employees are required to fully comply with the situations which are defined below as activities that might create conflict of interest, and the below established principles. The Holding/Company undertakes the necessary efforts to encourage employees to abide by these principles.

i. Engaging in Activities That Might Create Conflict of Interest

Employees shall in no way enter a business relationship with their family members, friends, or third parties that offers them reciprocal or non-reciprocal benefit. For example, an employee with purchasing authority should avoid doing business with a supplier where a family member is employed. Exceptional circumstances require the knowledge and approval of the Holding/Company Chairperson. In the same respect, Holding/Company employees should also be careful against possible conflict of interest that may arise due to family members working for the competitor.

Employees shall not obtain benefit by insider trading, including trading for stocks at the Stock Exchange, and may not offer others the means to do so.

It is fundamental that Employees of Hacı Ömer Sabancı Holding and the Group Companies shall not conduct activities directly or indirectly, that may require them to be classified as "merchant" or "tradesman", and shall not under whatever name work for an individual and/or organization during or outside working hours for a fee or a similar benefit. However, employees may only work for third party (family member, friend, other third persons) and/or an organization in return for a payment or a similar benefit outside business hours with the condition that this activity;

- does not create any conflict of interest with their current role in their company and the practices of other Sabancı Group companies,
- complies with the other business ethic codes and with the policies supporting these codes,
- does not have a negative impact on their performance at the company; and written approval from management is obtained.

The approval shall be granted by Sabancı Holding CEO based on the direct manager's advice followed by Ethics Board's advice for Group President, General Manager and all positions reporting to the General Manager; and by the Company General Manager based on the Company Ethics

Compliance Officers's and Company Human Resources Manager's advice for all other employees.

Employees of Sabancı Holding and Group companies may not act as a member of the board or auditor in organizations other than the Group Companies without the approval of the Holding/Company Board of Directors; and shall not accept positions with a competitor or companies with whom the Holding/Group has business relations. They may work at universities and non-governmental organization for social responsibility and charity purposes upon written approval of the management, as long as it does not hinder employee's responsibilities at the Holding/Company.

Managers making employment decisions shall not employ their spouses, close relatives, and relatives of these people.

Employees may give speeches and write professional articles in topics that are not related to the company or its operations, and that are not in conflict with the companies policies. Approval of the CEO/General Manager is needed to use Holding/Company name in these activities.

H. Ö. Sabancı Holding and Group Company employees may actively be involved in a political party, individually and voluntarily. Managers shall not request any employee to get involved in any political activity or to become a member to any political party. Meeting the following conditions and obtaining written approval of the management are required for employees to serve in any political party;

- The employees' involvement in any political activity shall not cause any conflict of interest with their current role in the company nor the practice and perspectives of other Sabancı Group companies.
- Employees may not be involved in any political activity during business hours nor occupy their colleagues' time for these activities.
- Employees may not use the company name, their position and title in the company nor company resources for their political activities.

The approval shall be granted by Sabancı Holding CEO based on the Ethics Board's advice for Group President, General Manager and all positions reporting to the General Manager; and by the Company General Manager based on the Company Ethic Compliance Officer's and Company Human Resources Manager's advice for all other employees.

Employees may personally offer financial or non-financial charity to third persons outside the Holding/Company, and may be active in charity organizations.

ii. Professional Misconduct

Any employee action that results in harm to the Holding/Companies through the use of ones authority with neglect and for ones own and/or relatives' interest shall not be tolerated.

Employees shall not obtain direct or indirect personal benefit from purchasing and sales activities and contracts that the Holding/Company is a party to.

Employees may not engage in actions or conduct that is immoral, illegal, or that is in conflict with the Holding/Company discipline.

iii. Utilization of Resources

In utilizing resources in the name of the Holding/Company, the interests of the Holding/Company shall be considered. Holding/Company assets, resources, and personnel shall not be used outside the Holding/Company under whatever name, or for the name or benefit of whoever unless Holding/Company's interests are ensured. All personnel shall abide by the principle of "economy on all resources".

Correct utilization of resources in the interests of the Holding/Company also requires proper utilization of time. During working hours, Holding/Company employees utilize their time effectively, and do not spend their time for personal business. Managers shall not assign personal tasks to employees.

In principle, guests and personal appointments are not welcomed during working hours. Employees should conduct meetings and interviews with essential visitors in accordance with the subject of the visit, and within a reasonable time not disrupting the business flow.

iv. Relation With Other Individuals and/or Organizations With Whom The Holding/Company Has Commercial Relations

Private business relations can not be established with, and personal debts and/or goods/services may not be received from Holding/Company customers, contractors, or suppliers and other persons and/or organizations with whom the Holding/Company has commercial relations.

Personal debts in the form of cash and/or goods/services can not be given to other people and/or organizations with whom the Holding/Company has commercial relations.

The following factors should be considered in relationships with customers; even when the customer's benefit is concerned, no transaction

may be conducted without the customer's knowledge and approval; and even when company's benefit is concerned, customer's vulnerabilities shall not be exploited and profit shall not be assumed through providing incomplete or incorrect information to the customer.

Holding/Company personnel shall not request or imply for gifts from any person and/or organization with which there is a business relationship, shall not accept any gifts, money, checks, properties, free holidays, special discounts, etc. that may put the Holding/Company under any obligation. Personal aid or donations can not be accepted from any person or organization having business relations with the Holding/Company. Under these circumstances, the Policy on Giving and Accepting Gifts shall be followed.

v. Relations With The Media

In relationships with the media, all actions should be in accordance with the Holding/Company Communication Protocol.

Giving statements or interviews to any media organization, participating in seminars, conferences, etc. as a speaker requires approval from company's top management. No personal gains shall be received from such activities.

vi. Representing The Company

Any fees that are due because of work done in representation of the Holding/Company in any association, in employers' unions and similar NGOs shall be donated to relevant institution or other channels as directed by the institution.

Payments made by third parties to a Holding/Company employee for making a speech at seminars or similar services are also donated to the organization, or to channels as directed by the organization. These persons may receive awards, plaques, etc. with symbolic value given as commemoration of the day.

B. Giving and Accepting Gifts Policy

Employees of H. Ö. Sabancı Holding and Group Companies shall refrain from accepting gifts or benefits that might influence their impartiality, decisions, and conduct; and from offering such gifts and benefits to third party persons and organizations. The rules of practice defined below, define the framework around exchanging of gifts between Holding/Company employees and third party individuals and organizations with whom a business relationship exist, and establish relevant principles to be followed by employees in such situations.

Rules of Practice

- 1.** Holding/Company employees are prohibited to receive any kind of benefits or gifts, with or without an economic value, that influence or might influence their impartiality, performance, and decision-making while carrying out their duties.
- 2.** Holding/Company employees might receive and/or give gifts as outlined in Article 3, or might accept to undergo a special practice on the condition that these:
 - are in compliance with the business targets of the organization,
 - are in compliance with current legislation, and
 - shall not cause an embarrassment for the Holding/Company in case of public disclosure of the gift.
- 3.** With the condition that the terms of Article 2 are met;
 - Holding/Company employees may offer and accept 'reasonable' entertainment, gifts, and meals in accordance with standards acceptable in the business environment, and on the condition of abiding by the principles in the Company Authorisation Table.
 - Awards, plaques, etc. with symbolic, non-monetary value may be accepted as commemoration of having participated in seminars and similar organizations to represent the Holding/Company.
- 4.** Cases mentioned above and other gifts, benefits, holidays, discounts, etc. aside from any currency, do not require approval if these are in accordance with the terms of Article 2, and if the total value of the gifts received in each calendar year from each individual/company does not exceed YTL 250/or equivalent.
- 5.** It is forbidden to receive gifts or benefits that are openly or implicitly requiring reciprocation.
- 6.** Receiving, giving, or suggesting bribes and/or commissions is not acceptable under any circumstance.
- 7.** It is forbidden for the Holding/Company employees to accept unrequited money or to borrow money from sub-employers, suppliers, consultants, competitors or customers; or to request or accept these people and/or organizations to pay their travel expenses, activity expenses, or similar expenditures.
- 8.** Gifts and promotional material supplied by the Holding/Company for customers, dealers, or other third parties in business relationships should be approved by Holding/Company top management.

Distribution of this approved gifts and promotional material does not require an additional approval.

9. With the condition that the terms stated in Article 2 are met, Holding/Company may accept appropriate products and services as gifts; and products and services viewed appropriate for the culture of the recipient and ethical values may be given as gifts with the knowledge and approval of the Holding/Company top management.

10. In exceptional cases where local culture requires exchange of gifts that are above the values established by company policy, these gifts may only be accepted in the name of the Holding/Company, and upon the approval of the Holding/Company top management. In all cases, exchange of gifts should be done in accordance with local culture.

C. Protecting Confidential Information Policy

Information is among the most important assets that H. Ö. Sabancı Holding and Group Companies will use in realizing its vision. Therefore, effective use of information, sharing it appropriately, and preserving its confidentiality, integrity, and accessibility are the joint responsibility of all our companies and employees. The compatibility of the management systems established and processes implemented to manage information and its confidentiality is very important in maximizing the benefit that the Group shall receive.

Details of practices regarding this issue are defined in the Sabancı Information Security Policy and associated documents. The following rules of practice define confidential information for Holding/Companies, and establish the principles that the employees must embrace concerning confidential information.

Rules of Practice

Confidential information includes, but is not limited to; brands, and other intellectual rights belonging to the Holding/Companies, databases coded, discovered, developed, or deployed by the personnel, including all kinds of innovations, processes, advertisements, product packaging and labels, plans (marketing, product, technical), business strategies, strategic partnerships and information on partnerships, financial information, personnel information, customer lists, product designs, know-how, specifications, identity of potential or actual customers, information on suppliers, and all such information either written, graphical, or readable on a machine.

Principles concerning confidential information are stated below:

1. These information may not be disclosed to third parties unless so required by the Official Authorities or Regulations.
2. These information may not be altered, copied, or destroyed. Necessary measures are taken to preserve, store, and protect them. Modifications the information are recorded with dates.
3. Confidential files may not be taken out from the Organization. For those confidential documents that have to be taken away from office, approval of the person responsible or of the top management should be obtained.
4. Passwords, user codes, and similar identifying data used for access to company information are kept confidential and not disclosed to anyone other than authorized users.
5. Confidential information belonging to the company is not discussed in food halls, cafeterias, lifts, transport service vehicles or similar public places.
6. Confidential information are classified in accordance with the degree of confidentiality, and this is clearly mentioned in the content of the information. Holding/Company personnel know the degree of confidentiality of the information received in line with their duties, and act accordingly. In case where there is hesitation concerning the degree of confidentiality, higher level of confidentiality is adopted and the relevant manager is consulted as seen necessary.
7. If for the interests of the Holding/Company, sharing of company information with third party individuals and/or organizations is in question, a confidentiality agreement concerning information sharing is signed or a written pledge of confidentiality is received from the other party before the confidential information is disclosed, in order to ensure that these parties are aware of their responsibility in terms of the security and protection of those assets.
8. There shall be no unfounded statements and/or gossip made concerning individuals or organizations.
9. Wages/salaries, side benefits, and similar personnel information reflecting the company policy and that is private to individuals is confidential and may not be disclosed to anyone other than authorised people. Information concerning personnel are delivered in a way as to be private to the individual. It is strictly forbidden for the personnel to disclose these to others, or to apply pressure on other employees to have this information disclosed.

D. Establishing and Preserving a Fair Working Environment Policy

H. Ö. Sabancı Holding and the Group Companies consider the establishment and preservation of a fair working environment for the employees as an important priority. Through establishing a fair, healthy,

and safe work environment in which employees are respected and all relevant laws and regulations are complied with, the intent is to improve and increase employee performance, development, and commitment. The following rules of practice define the basic principles in establishing and preserving a fair working environment at the Holding/Companies.

Rules of Practice

- 1.** Holding/Company practices are in accordance with all current laws and regulations concerning employment and working conditions. Holding/Company employees fulfill all legal requirements within the context of their activities, and act in accordance with legislation.
- 2.** The Sabancı Group human resources policies and practices ensure that all employment practices including recruitment, promotion-transfer-rotation, compensation, remuneration, social benefits, etc. are fair.
- 3.** Any discrimination among employees within the organization based on language, race, color, gender, political opinion, creed, religion, sect, age, physical challenge and similar causes are not tolerated.
- 4.** A positive and harmonious work environment is established within the Holding/Company to promote cooperation, and people with different creeds, beliefs, and opinions are enabled to work in harmony.
- 5.** Private lives and personal spaces of employees are respected.
 - Communications between individuals may not be violated by third persons.
 - Even if recorded legally, it is forbidden to give/distribute/obtain personal data illegally.
 - Personal information concerning personnel which are basis to and continuity of the employment relation may not be used outside their purpose and context or shared with third persons without the individual's consent.
 - Private and family lives of all employees are respected.
- 6.** In addition to all privacies of employees, physical, sexual, and emotional privacies are also protected.
 - Violation of employees' privacies through physical, sexual, and/or emotional harassment in the workplace or in any other environment gathered for work purposes is against the laws and ethical codes; and Holding/Company will in no way tolerate this offense. The goal here is to enable employees to work in an environment where their physical, sexual, and emotional privacies are protected.

- Violating an individual's physical integrity by sexual advancements and/or sexually harassing an individual without physical contact is defined as sexual harassment. Accordingly; it is forbidden to display any behavior that can be defined within this context.
- Furthermore, persons who display a negative attitude or behavior towards those that file a harassment complaint/notifications or towards those who cooperate in such an investigation shall similarly not be tolerated.

7. No employee may demand any privilege based on a different gender, religion, language, or race; no one shall be privileged and be subject to special treatment. Giving or obtaining concessions because of differences in gender, religion, language, race, etc. is not accepted.

8. A healthy and safe physical working environment and conditions shall be established for all employees.

E. Sabancı Group Companies' Stock Trading Policy

Employees of H. Ö. Sabancı Holding and Group Companies are required to comply with the legal regulations pertaining to the trading of stocks of Sabancı Group Companies and avoid getting involved in situations which may give rise to conflict of interest. The following rules of practice define the principles that Holding/Company employees must embrace regarding the trading of the stocks of Sabancı Group Companies.

Rules of Practice

1. Those who may have access to information that are not disclosed to the public are strictly forbidden to use this information in order to obtain benefit for themselves and/or third parties (insider trading).
2. Persons who may be engaged in insider trading are the chairman and members of the board of a public company, its executives (manager and above level positions), auditors, others who may access information during the execution of their role and responsibilities as well as those who may be directly or indirectly informed due to their contact with these individuals.
3. These individuals may trade stocks of Sabancı Group Companies only with the use of publicly disclosed information and for investment purposes (holding them for a period longer than 3 months shall be regarded as investment).
4. Sabancı Group employees other than those mentioned above may freely trade stocks of Sabancı Companies with the use of publicly disclosed information without any time restriction.
5. The above mentioned rules of practice also apply to spouses and children of these individuals. Transactions conducted by the spouse

and children shall be regarded as if they have been conducted by the employee.

III. REGULATIONS TO BE ENFORCED

Sabancı Group Companies conduct business in international markets and therefore, company operations might be subject to laws and regulations of different countries. When faced with uncertainty and hesitation concerning ethics of doing business in different countries, initially the established regulations in the country of operation should be complied with. If complying with the regulations in the country and/or countries of operation shall have adverse consequences concerning the ethical values adopted by the Sabancı Group Companies, then we should seek solutions within our existing code of ethics and procedures.

IV. EMPLOYEES' RESPONSIBILITIES

SA-ETHICS and its relevant policies and procedures establish the ethical codes on how we should act and how we should do our jobs in detail. It is the primary responsibility of all employees to abide by these codes. Hence, all employees of the Sabancı Group have the responsibility to;

- Act in accordance with laws and regulations under all circumstances;
- Read the Sabancı Code of Business Ethics, learn, understand, internalize, and act in accordance with the codes, principles, and values therein;
- Learn the general and business-specific policies and procedures valid for Holding/Company;
- Consult their manager or Human Resources about potential violations concerning self or others;
- Urgently report potential violations by self or others; notify manager, Human Resources and/or the Ethics Board verbally or in writing either by disclosing ones identity or keeping it confidential;
- Follow the "Procedures and Methods to be Followed While Making an Ethical Decision" which is defined to guide behaviors and actions as to the codes and problem solving;
- Cooperate with the Ethics Board during ethical investigations, keep information spesific to the investigation confidential.

A. Procedures and Methods to be Followed While Making an Ethical Decision

You should follow the steps defined below and ask yourselves the following questions as a guideline for deciding on an action plan:

1. Determining the Issue, Decision or Problem

- Have you been asked to do something that you think may be wrong?
- Are you aware of a situation in the Holding/Companies or concerning your business associates that may potentially be illegal or not in compliance with business ethics?
- Are you trying to make a decision but have doubts as to how you should behave in compliance with the business ethics?

2. Think Before You Decide

- Try to define and summarize the problem or your question clearly
- Ask yourself why there is a dilemma
- Think about the options and outcomes
- Think who may be affected
- Consult others

3. Decide Upon an Action Plan

- Define your responsibilities
- Review all relevant facts and information
- Consult relevant company policies, procedures, and professional standards
- Assess the risks, and think about how you can reduce them
- Try to define the best action plan
- Consult others

4. Test Your Decision

- Review questions that should be asked ethically
- Review your decisions within the context of company core values
- Make sure you have considered company policies, laws, and professional standards
- Consult others and consider their opinions within the formulated action plan

5. Proceed with Resolution

- Share your decision and its reasons with relevant people
- Share what you have learned
- Share your success story with others

B. 4 Basic Questions to be Considered

1. Is this activity/behavior in line with laws, rules and tradition? (Standards)

- Is it in conflict with professional standards?
- Is it legal?

2. Is this activity/behaviour balanced and fair? Would we be upset/displeased if a competitor (or someone else) acted as such? (Sense of justice)

- Do you think it is right?

3. Would it be embarrassing for our company and/or stakeholders if this activity/behavior is disclosed in detail in public? (Feelings and ethical values)

- Would you be in a difficult position or embarrassed if others knew of your action? Could it lead to negative outcomes for you or your Holding/Company?
- Who may be affected by it (other employees in the Holding/Company, you, shareholders, etc.)?

4. How much does the "perceived fact" and "objective fact" overlap?

- How would it reflect in the newspapers?
- What would any reasonable person think under similar circumstances?

V. MANAGERS' RESPONSIBILITIES

Sabancı Group managers have additional responsibilities, further to those defined for employees within the framework of SA-ETHICS. Accordingly, it is the managers' responsibility to;

- Create and preserve a company culture and working environment that promotes the ethics codes,
- Be a role model in practicing the ethics codes; educate their personnel on the ethics codes,
- Support their employees in expressing their questions and in filing their complaints/notifications concerning the ethics codes,
- Offer guidance regarding what should be done when consulted, diligently consider all ethical concerns raised, and forward them to the Ethics Board at the shortest possible time when deemed necessary,
- Structure all work processes under his/her responsibility in a way as to minimize ethical risks and implement necessary methods and approaches to ensure compliance with the ethics codes.
-

VI. ETHICS COMPLIANCE OFFICERS' RESPONSIBILITIES

- Providing guidance and consulting to employees regarding questions and issues related to ethics within the company.
- Directing those ethical violations which cannot be resolved within the company and need further investigation to the Ethics Board.
- Participating and contributing to the resolution of ethical violations within the company that are directed to him/her through the Ethics Board.
- Reporting the questions and notifications regarding ethical issues, including their resolutions to the Ethics Board regularly or when requested.
- Acting as the point of contact within the company for the investigations conducted by the Ethics Board and supporting the investigations where necessary.
- Monitoring the effectiveness of the SA-ETHICS program within the company and providing support in its practice.

VI. OTHER RESPONSIBILITIES

- The Holding/Company top management is responsible for effective enforcement of the SA-ETHICS or the company-specific Code of Business Ethics created within this context, and a culture to promote these codes.
- The Ethics Codes and all policies concerning the Code of Business Ethics are reviewed, revised and documented by the Human Resources Group Management upon the recommendations of the Ethics Board, and the revisions are announced to the Holding/Companies upon the approval of the Chairperson of Sabanci Holding.
- Holding/Company Human Resources has the responsibility to;
 - Inform employees about the Code of Ethics, offer periodical ethics training to enable clarity regarding policies and codes, and establish continuous communication on this subject with the employees;
 - Ensure the newly employed personnel read the Code of Ethics, inform them in this subject, and ensure that they sign the Employee Declaration
 - At the beginning of each year, ensure employees sign the Business Ethics Compliance Form and update their declarations.
- Holding/Company managements, in cooperation with the Ethics Board, have the responsibility to;

- Ensure confidentiality of complaints/notifications made within the framework of the Code of Ethics, and protect individuals after filing such complaints,
- Provide job security for the employee who filed complaints/notifications.
- Ensure that complaints and notifications are investigated timely and in a fair, consistent and sensitive manner; and resolutely take necessary actions against violations.

VII. NON-COMPLIANCE WITH CODE OF ETHICS

Those who violate the Code of Business Ethics and/or company policies and procedures shall be subject to disciplinary action up to and including termination of employment. Disciplinary action shall also be applied to those approving or directing inappropriate conduct and actions violating the ethics code, as well as to those who fail to raise a concern or report a possible violation that they are aware of.

A. Ethics Board

The Ethics Board has the responsibility to investigate and resolve all complaints and notifications concerning violation of the Code of Ethics of Sabancı Group Companies (SA-ETHICS) and related policies. The Ethics Board reports directly to the Chairperson of the Holding Company and is composed of the following position holders:

Chairman : Head of Internal Audit

Member : Division Head, Responsible for Legal Affairs

Member : Division Head, Responsible for Labor and Industrial Relations

B. Working Principles of the Ethics Board

The Ethics Board conducts its activities within the framework of the principles stated below:

- Keeps the complaints/notifications and the identity of the complainant confidential.
- Conducts the investigation with confidentiality as much as possible.
- Has the authority to request information, documents, and evidence concerning the investigation directly from the related department. May analyze all information and documents only within the subject limits of the investigation.
- The investigation process is recorded in writing. Information, evidence, and documents are added to the record.

- The record is signed by the chairman and members of the Ethics Board.
- The investigation is handled in urgency, and resolved as rapidly as possible.
- Resolutions of the Ethics Board are executed immediately.
- Relevant departments and authorities are informed of the outcome.
- While discharging their duties, the chairman and members of the Ethics Board act independently of, and without being influenced by their department superiors and the organizational hierarchy. They may not be subjected to any pressure or suggestions on the subject.

If deemed necessary by the Ethics Board, "expert opinion" may be sought, and experts may be consulted ensuring that the necessary measures taken so as not to violate the confidentiality principles during investigation.

Environment

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

Principle 8: Undertake initiatives to promote greater environmental responsibility.

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

Sabancı Group has adopted the innovative and sustainable environmental approach in its operations.

Being aware of the fact that the public embraces the “sustainable”, we adopt in our environmental activities an integral, transparent and reliable management, as well as communication and collaboration with the public.

Our basic principle in our operations in different sectors is “to assume the responsibility of the lifecycle of products and services”.

With such an approach, we manage our operations at each step of our development with an eye to their impacts on the environment.

OUR CORPORATE ENVIRONMENTAL POLICY

We establish and implement our environmental standards at a level above and beyond the legal obligations.

We aim at perfection through intercompany information and experience sharing.

We adopt the proactive approach in all our operations for an uninterrupted improvement of our environmental performance.

We identify and manage the environmental risks.

We try to apply the best available production techniques.

While monitoring environmental developments and converting them into business opportunities, we contribute to sustainability.

We support the environmental awareness and information sharing for purposes of social development.

INTERGROUP ENVIRONMENTAL POLICY REQUIREMENTS

We observe the environmental law and other statutory obligations

While implementing the environmental applications at a level above and beyond the legal obligations, we ensure the control of compliance.

We identify our environmental impacts

We identify all our environmental impacts, develop a systematic of targeting, programming and monitoring, review the impacts and take improving actions.

We manage the intergroup source utilization

We determine the organizational roles, responsibilities and authorities in infrastructure, technology, finance and human resources, and ensure that our employees develop the environmental awareness.

We ensure a systematic approach in our applications and create intercompany synergies

We establish our operational standards with a proactive approach and ensure that they are followed by everybody including our employees, suppliers and contractors.

In the course of our operations, we identify any risks endangering the environment in a proactive approach and try to take the measures to minimize them in a timely and thorough manner.

We continually try to improve and review our environmental performance

We set and implement targets for energy and waste management and for natural source consumption.

While aiming at continuous improvement through clean products and clean production technologies, we also take on the environmental responsibility of our products and services.

While reporting our operations unequivocally, we facilitate access to information.

SABANCI COMPANIES LEADING IN SUSTAINABILITY, HIGHLIGHTS

Sabancı Cement Group targets to invest USD 200 million over the next 5 years to its sustainability projects. As of the 2011 fiscal year, USD 72 M of this target has been achieved.

AKÇANSA

The Company regulates all its activities within this context by considering the global future and the future of all its stakeholders. In preparing for the

future, Akçansa aims to provide the sustainability of the existence of its facilities by presenting solutions, for both society and the environment, that go beyond simply fulfilling its legal obligations Akçansa published the first Sustainability report (GRI approved B level)

In line with energy efficiency and sustainable growth directives, Akçansa brought on line Turkey's first Waste Heat Power Generation plant in Sept. 2011 in Çanakkale facilities. The facility will save 105 million kWh annually, 30% of the total energy consumption of the Çanakkale Plant and also reduce carbon emissions by 60,000 tons. Çimsa is preparing to bring Mersin project on line which has similar targets.

The Sustainability Committee continues its activities in this subject under the following titles.

Work health and safety:

Zero accidents, damages, injuries goal

Climate change and protection:

Protecting the climate and reducing the impact of change

Utilization of waste as resources:

Waste management for sustainability

Recycling in building materials:

Ensuring the use of sustainable building materials

Recycling of Mine pit fields back into nature and enhancing biological diversity

Reducing other negative impacts on the environment

All employees undertake their tasks in a responsible manner and adopt strategies that are in line with the actions of the Sustainability Committee. Akçansa aims to achieve sustainable success in every step by considering the affects their actions will have on issues of both the present and the future and these steps are carried out in such a way that will provide for the needs and growth of future generations by using our natural resources at optimum levels.

Akçansa prioritizes the sustainable growth approach in all processes of its production facilities and it applies very high standards in all processes of its business, from the use of alternative fuels, raw materials and the sensitivity it shows to environmental protection to work safety and working ethics.

All investments are made and the necessary measures are taken in Akçansa factories towards ensuring environmental awareness. All legal requirements on all filters and dust and gas emissions in factories are controlled regularly, with annual measurements carried out by accredited organizations. Additionally, measurements made in three month periods for combustion of wastes in ovens are reported to the Ministry of Environment and Forestry.

Akçansa converts 125.000 kg waste to "value" everyday and produces from the consumed materials through its sustainable growth approach. The Büyükçekmece and Çanakkale Cement Factories of Akçansa, which are responsible, among other things, for converting various wastes to value for the environment and the economy, are the first factories to obtain the R134-001 and R117-001 alternative fuel use licenses from the T.R. Ministry of Environment and Forestry. Waste disposal is carried out without any problems by combustion of waste in cement factories. This process provides for the protection of natural resources and reduces the amount of carbon dioxide released into the environment.

Regional inventory research for alternative fuel has been conducted, test combustions for alternative fuel licenses have been carried out, and the necessary authorization and approvals from the Ministry to conduct test combustion have been obtained for the Ladik Factory. The aim is to obtain the alternative fuel combustion license with the test combustion to be carried out in 2010.

Ready-mixed Concrete facilities act as a leader for the other companies in the industry in the adaptation period to the changing environmental regulations. Residual concretes of building sites are valued by using recycling units more efficiently. Wastes, other than process wastes, are separated and disposed of in accordance with the legal legislation.

As the leader cement, ready-mixed concrete and aggregate producer of Turkey and as a company that procures its raw materials from nature, Akçansa has adopted a sustainable environment approach and carries out its production around this approach in accordance with laws and without causing harm to human and environmental health. The areas where activities are realized should be returned to their suitable natural character with rehabilitation projects to be applied after exhaustion of the reserve. One of the most important indications of Akçansa's sustainable environment approach is the Kemberburgaz aggregate facilities rehabilitation project.

In this project, in order to make the area where the surface layer was stored suitable to the topography of the natural texture, 380.000 m³ materials were moved to make the height of the area suitable to natural land elevations. 10.000 m³ of scrubbing soil was laid on the rehabilitated area in order to return the area where production activity was carried out to its previous natural state, and the area was prepared for the planting project to be carried out by the Ministry of Environment and Forestry. This area is planned to be planted on following its delivery to the Ministry of Environment and Forestry.

Aggregate mining is a process where the surface layer of the land is removed and stored in an area, and the bedrock is converted to the material needed by the construction industry.

For Akçansa, who is the biggest player in the Turkish cement industry, leadership brings the responsibility of carrying the industry and the prestige of the industry forward.

In considering that the provision of benefits to society is part of its business, Akçansa continues its social responsibility projects with determination. In this context, Akçansa is a responsible corporate citizen that supports the regions it is active in, contributes to the development with its factories and facilities and develops projects in fields such as sports, culture, and education that create benefits to society.

Akçansa's power of competition, financial performance, and technological innovation ability, which extends to special products, alternative fuels and raw material use, is combined with its respect for the environment, its activities for social responsibility and its progressive applications in the human resources field in order to continuously reinforce its industrial leadership.

While valuing the country's natural resources with industrial investments and contributing to the economy with employment, production and export, Akçansa uses the resources gained from industrial and commercial activities to create value in fields such as culture, arts, education, sports and environment within the context of social responsibility.

Within the context of social responsibility, several joint projects are conducted in collaboration with non-governmental organizations, local authorities and private institutions in order to protect historical, cultural and natural values.

The reconstruction of Büyükçekmece Fatih Sultan Mehmet Elementary School, which was greatly damaged in the earthquake disaster of 1999, started in June 2005 and was completed in June 2006 through the

collaboration between Akçansa and the Büyükçekmece Municipality There are 34 classrooms, 3 computer rooms, 3 laboratories, 1 library, 1 sports room and a conference room with a capacity of 200 people in the Akçansa - Fatih Sultan Mehmet Elementary School. It is also equipped with state-of-the-art technology. Projects for making the school a social and cultural Center were developed in 2009.

Ezine Gökçebayır Elementary School was repaired and re-opened in Çanakkale. An Akçansa classroom was constructed in the Atatürk Elementary School in Ladik and the necessary conditions for providing a good education to our children were provided.

Periodical trainings to raise awareness in people active in the industry and the society in general are organized by Betonsa. These trainings are attended by

- customers,
- engineers and technical employees from local and central authorities,
- university students.

Concrete technology, the durability of the concrete and the importance of maintenance and treatment are explained in the trainings. Additionally, current information such as concrete pouring techniques in hot and cold weather is shared. Programs containing cement factory and ready-mixed concrete factory technical exhibitions and seminars on cement and ready-mixed concrete production and technology are organized for university students.

ÇİMSA

Çimsa makes a first for the Cement industry in Turkey

Çimsa prepared its sustainability report according to the B-level application of the Global Reporting Initiative's (GRI) guidelines, which is accepted worldwide. This report is the first sustainability report by a company within the cement industry in Turkey. The principles of the World Business Council for Sustainable Development (WBCSD) and Cement Sustainability Initiative (CSI) were also considered during preparation.

Opinions of the stakeholders were included while reporting on its economic, social and environmental performance within the 2007 – 2010 .Consultations with end users of the products, resellers, local public and administrations, suppliers, sub-employers and non-governmental organizations and employees were conducted and included in the report. Çimsa intends to publish a sustainability report annually.

Çimsa's investments in sustainability as well as the economic value it creates and distributes is covered in the report.

The report also includes the company's management principles on Work Health and Safety (WHS), which is one of the most important subjects in the cement industry, and the WHS programs it applies.

OUR SUSTAINABILITY TARGETS

OUR SOCIAL TARGETS

Occupational Health & Safety								
Cement	Unit	2007	2008	2009	2010	2012	2020	GRI
Fatality (Çimsa)	Number	0	0	0	1	0	0	LA7
Accident Frequency* (Çimsa)	Rate	28.25	21.37	7.38	11.16	5	0	LA7
Lost Days** (Çimsa)	Days	619	381	91	7770	(-) 50%	0	LA7
Absentee Days (Çimsa)	Days	0	3608	2742	3845	(-) 50%	0	LA7
Ready-Mixed Concrete and Agregates	Unit	2007	2008	2009	2010	2012	2020	GRI
Fatality (Çimsa)	Number	n.a.	0	0	0	0	0	LA7
Fatality (Contractor)	Number	n.a.	0	0	1	0	0	LA7
Fatality (3rd Party)	Number	n.a.	0	2	3	0	0	LA7
Accident Frequency* (Çimsa)	Rate	n.a.	33.56	48.66	40.46	5	0	LA7
Lost Days** (Çimsa)	Days	n.a.	128	142	73	(-) 50%	0	LA7
Absentee Days (Çimsa)	Days	n.a.	201	97	233	(-) 50%	0	LA7
Human Rights Audits								
Corporate	Unit	2007	2008	2009	2010	2012	2020	GRI
Contractors	Percentage	100	100	100	100	100	100	HR2

OUR ENVIRONMENTAL SUSTAINABILITY TARGETS FOR OUR READY-MIXED CEMENT PLANTS

TARGETS FOR ENVIRONMENT AND QUALITY MANAGEMENT					
Target Definition	Unit	Realized 2010	Target 2012	Target 2020	
TS EN ISO 9001 quality management system certified plants	%	76	100	100	
TS EN ISO 14001 environmental management system certified plants	%	46	86	100	
TS 18001 (OHSAS) certified plants	%	86	86	100	
G-KGS (Quality assurance system) certified plants	%	88	100	100	
WATER					
Target Definition	Unit	Realized 2010	Target 2011	Target 2012	Target 2020
The rate of the plants which record the amount of recycled water data that recycles water	%			100	100
The rate of the plants which recycle water	%	62		100	100
Action Plans Related to Increasing Water Use Efficiency					
The rate of the plants that use a moisture recycling system	%	26	66	100	100
ELECTRICITY					
Target Definition	Unit	Realized 2010	Target 2011	Target 2012	Target 2020
Airborne dust emissions	%	92	100	100	100
MANAGEMENT AND REDUCTION OF EMISSIONS					
Target Definition	Unit	Realized 2007-2010	Target 2011	Target 2012	Target 2014
Airborne dust emissions	mg/Nm ³	1.21	-	1.03	-
Action Plans Related to Reducing the Emissions of Fugitive Dust					
The rate of the plants which have closed stockpiles for aggregate stocking	%	8	31	68	100
OVERALL					
Target Definition	Unit	Realized 2010	Target 2011	Target 2012	Target 2013
	TRY	469,126	2.2 million	2.1 million	1.8 million

Note: We have 27 ready-mixed cement production facilities. Project facilities are not included.

OUR ENVIRONMENTAL SUSTAINABILITY TARGETS FOR OUR AGGREGATE FACILITIES

ENVIRONMENTAL AND QUALITY MANAGEMENT SYSTEM						
Target Definition	Unit	Realized 2010	Target 2012	Target 2020		
TS EN ISO 9001 quality management system certified facilities	%		76	100		
TS EN ISO 14001 environmental management system certified facilities	%		76	100		
TS 18001 (OHSAS) certified facilities	%			100		
TSE certified facilities	%	60	76	100		
CE certified facilities	%		76	100		
REDUCTION OF OTHER NEGATIVE ENVIRONMENTAL IMPACTS						
Definition of our Target	Key Performance Indicator	Unit	Realized 2010	Target 2011	Target 2012	Target 2020
Dedusting of our production environment	The rate of our facilities where dedusting has been implemented	%	-	20	60	100
Facilities Covered	The rate of our Facilities that are covered	%	-	10	100	100

OUR ENVIRONMENTAL SUSTAINABILITY TARGETS FOR ALL CEMENT PLANTS

OUR ENVIRONMENTAL SUSTAINABILITY TARGETS FOR ALL CEMENT PLANTS

Systematic collection and monitoring of environmental data

INCREASING THE USE OF ALTERNATIVE FUELS

Target Definition	Key Performance Indicator	Unit	Realized 2010	Target 2011	Target 2012	Target 2020
Reducing the use of fossil fuels	The substitution rate of fuel by waste (caloric based)	%	3.36	3.6	4.7	10.6

Action Plan for Increasing the Use of Alternative Fuels

The installation of a Hotdisc Automatic Waste Feeding System in the Eskişehir Plant in 2012 and in the Kayseri Plant in 2020

MANAGEMENT AND REDUCTION OF EMISSIONS

Target Definition	Key Performance Indicator	Unit	Realized 2010	Target 2011	Target 2012	Target 2020
Complying with environmental regulations by monitoring our emissions continuously under control	Dust level	mg/Nm ³	21	"< 60 (new facilities) < 120 (old facilities)"	"< 60 (new facilities) < 120 (old facilities)"	2020 Environmental Regulations' Limit Values
	NOx level	mg/Nm ³	733	< 1300	< 1300	2020 Environmental Regulations' Limit Values
	Volatile organic compounds	mg/Nm ³	23	< 300	< 300	2020 Environmental Regulations' Limit Values
	Heavy Metals (Hg + Cd + Tl)	mg/Nm ³	0.011	< 0.06	< 0.06	2020 Environmental Regulations' Limit Values
	Dioxin/Furan	µg/Nm ³	0.011	< 0.1	< 0.1	2020 Environmental Regulations' Limit Values
Online monitoring of dust, NO _x values	The proportion of rotary kilns free from dust, NO _x values can be monitored online	%	–	29	67	100
Replacement of electrofilters with bag type filters	The rate of replacement of rotary kiln electrofilters with bag type filters	%	–	14	67	100

REHABILITATION OF QUARRY AREAS AND REDUCING LOCAL IMPACTS

Target Definition	Key Performance Indicator (Cumulative)	Unit	Realized 2010	Target 2011	Target 2012	Target 2020
Rehabilitation of quarries	Rehabilitated area	ha	8.6	9.6	11	16

CLIMATE CHANGE MITIGATION AND PROTECTION OF CLIMATE

Target Definition	Key Performance Indicator	Unit	Realized 2010	Target 2011	Target 2012	Target 2020
CO ₂ emission	As Çimsa, we will comply with all the international agreements that Turkey signs and with all decisions taken by the Turkish Cement Manufacturers' Association (TCMA), when setting our CO ₂ emission reduction targets for the years following 2012.					

ENERGY EFFICIENCY

Production of electric energy from waste heat at Mersin Plant in 2012

ENERJİSA

Enerjisa has adopted a management system which takes into consideration the economic, and socio-cultural development and the environmental impacts for sustainable management of the resources with economic value.

Project Selection Principles

- It is essential to select and develop the projects allowing for application of highly-advanced and environmentally-friendly technologies.
- Special attention is paid to the projects based on renewable energy resources and high priority is attached to selection and development of such projects.
- Productivity constitutes the basis in development of the projects and it is essential to optimize the effective use of fuel and to minimize the environmental impacts.
- In selection of the projects, it pays strict attention not to create any adverse social impacts and to this effect, it develops projects which will provide for positive social interactions.
- It selects and develops especially the projects based on domestic resources; and it adopts a balanced and diversified approach in its production portfolio.
- It attaches priority to the projects that will create employment in its region.

Project Implementation Principles

- In addition to all studies, permits and measures required to be performed, obtained and taken as per the Turkish Legislation, it conducts the studies and surveys for monitoring the impacts on aquatic organisms, including particularly the fish species, together with the contribution of experts from the leading universities.
- It carries out ecological surveys for assessment of possible impacts on flora and fauna; and when an endangered species is found, it implements the applications extending up to seed collection and protection activities.
- It takes actions and performs activities for protection against erosion and sedimentation for the purpose of environmental reclamation of the project sites.
- It contributes in Wildlife Protection activities in cooperation with the related authorities.
- It performs Social Responsibility activities within the framework of the resettlement plans in order to make a positive contribution in the socio-cultural development.
- It always acts in a sensitive and responsible manner against the society and the environment that it lives in.

- It adopts clean energy generation as a principle. With the sense of responsibility that it has assumed, it uses the most advanced clean combustion technologies which are safe for the nature.
- In respect of energy generation, it takes any kind of measures for environmental protection as required by strictly complying with all existing laws and regulations currently effective in Turkey; and with the “continuous measurement system”, it ensures that the efficiency of such measures taken for protection of air and water quality can be continuously monitored by the Ministry of Environment and by the public itself.
- Under no circumstances does it allow the rivers and groundwater sources to become polluted.
- Any ash to be generated shall be trapped and retained by means of special filters and flue gas desulphurisation system. Any kind of technologically-possible measures are taken to minimize the water requirement.
- If any, the ongoing agricultural activities in the immediate vicinity are not affected under any circumstances. The productivity of soil is periodically monitored by the “Agricultural Productivity” analyses performed within the scope of the Environmental Impact Assessment (EIA) monitoring activities.
- During mining activities, fertile soil is specially reserved and protected.
- High priority is attached to employment of the local people during both the construction and the operation stages.
- Special projects are developed for social development of the regions where its activities are conducted. The remarks and recommendations of the local people and the Non-Governmental Organizations about the project-related activities are obtained and considered duly.

Labor Standards

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 labor

Principle 5: The effective abolition of child labor

Principle 6: The elimination of discrimination in respect of employment and occupation

The aim of Sabancı Holding in human resources management is to develop and execute human resources strategies that create value consistent with the Sabancı vision and business objectives.

Sabancı Holding human resources strategy is to set world class management standards in this field and be a preeminent employer of choice. To realize this goal, Sabancı Holding tailors a management team that is highly selective in recruitment and promotion, can create and instill a compelling vision that holds all employees accountable for achieving high standards of performance. Encouraging and nurturing employees to achieve their full potential and rewarding outstanding performance are key aspects of this strategy.

Sabancı Holding aims to attract trustworthy, sensitive, ethical, market-oriented, strategic-minded, innovative team players.

Human Resources Policies and Principles

The human resources management approach employed within Sabancı Group companies responds to the specific business requirements of each industry. The design and implementation of these practices are devised to support strategic objectives.

Sabancı Holding Human Resources Policies and Principles represent the basic tenets of the Sabancı Group's human resources management applications and priorities. This enhances the flexibility required for the special conditions and needs of widely diversified businesses.

Attracting and Recruiting the Best Talent

Our goal is to:

Be the employer of choice for top talent.

Recruit talented individuals who will help support the Group going forward and adhere to the Sabancı values.

Meet the future workforce needs of the Group through a global and proactive recruiting perspective.

Investing in Our People

Our main responsibilities are to:

Invest in and create an environment with opportunities for the continuous development of our employees and help them realize their potential.

Continuously track employee performance and support open communication by creating a culture where managers are accountable for employee development.

Develop and nurture employees to create a high performance global talent pool of future leaders.

Building Organizational Capability

It is our priority to:

Continuously assess and review organizational capability, people, systems and processes and, if necessary, to restructure in support of the success of the Group.

Identify and assess high-potential employees and develop their careers based on the future needs of the Group.

Enhance mobility within the Group through assignments, transfers and rotation for employee and organizational development.

Reward and Recognition

We intend to:

Offer a competitive compensation package to attract top talent and enhance the commitment of existing employees.

Encourage accountability and reward outstanding employee contributions.

Provide a level of compensation to employees commensurate with their responsibilities and the value added to the organization.

Increasing Employee Motivation and Commitment

Our objective is to:

Promote the development and expansion of an open, participatory and transparent culture that values diversity and creativity.

Proactively seek and consider employee feedback and expectations while continuously developing approaches that strengthen commitment, motivation and retention.

Create a safe, healthy business environment that embraces ethical values and balances personal life with career responsibilities.

Our Group will have over 60,000 employees in 2012

- **We created close to 3,000 new jobs in 2011.**
- **We project to create an additional 3,000 new jobs in 2012.**
- **Retail, financial services, industrials and energy will recruit the most.**
- **40% of our workforce is white collar, 55% of which have university or post graduate degrees.**
- **Since 2006, we have increased the amount of women executives from 23% to 28% in 2011.**
34% of all our employees are women.
- **Women make up 34% of workforce. In our insurance firm AvivaSA this number is 64%. In Akbank, one of Turkey's largest banking institutions, 51% of our employees are women.**
- **66% of white collar women have university or post graduate degrees.**
- **Average of 30 hours of training per person annually for HR development in our Group.**
- **162 senior managers have been subject to Sabancı Leadership Team (SALT) trainings to better prepare them for their future roles in the Group.**

MANAGEMENT DEVELOPMENT PROGRAMS

Since 1994, management development programs have been implemented in Sabancı Group in order to monitor the career development of existing managers as well as of those employees who have management potential, and to develop managers in line with the future plans and objectives of the company and the Sabancı Group.

• Leadership Development Programs

The management of executive level talent and capabilities in Sabancı Group is realized through leadership evaluation and feedback processes, which aim to prepare and assign individuals with the “right” profiles to Sabancı Group’s top management roles within the framework of Sabancı Strategic Leadership Model.

Planning the succession of the executive level roles with the right people and proactively supporting their development with accelerated development programs is one of the key elements of the continuing success of Sabancı Group. For this purpose, the progress of leadership successors are monitored through “Individual development plans”.

These processes are structured with the aim to proactively develop top level executives required by the group companies and to plan, monitor and accelerate the systematic development of those employees determined to have the potential to progress to top executive positions and to assume different roles within the Group in the long run..

These programs utilize various development methods, which aims to provide the required experience and skills to leadership candidates, raise their awareness about the barriers to success and develop their competencies in alignment with the Sabancı Strategic Leadership Model.

• **Young Sabancı Program**

Young Sabancı Program (YSP), implemented since 2006, is a development program carried out by Sabancı Holding Human Resources Department with the purpose to determine young high potentials within the Sabancı Group companies and to monitor their career development.

Program Characteristics are as follows;

- Young Sabancı Program is a development program which aims to identify and develop young high potentials who will enable Sabancı Group to reach its targets in line with the Group’s vision and strategies.
- Young Sabancı Program starts with a detailed competency-based selection process and continues with development of the selected participants.
- The program includes development activities aimed to assist the participants to get to know themselves and realize their potentials, prepare them for the responsibilities that they will undertake in the future and maintain a high-level of performance.

The development process of the participants of Young Sabancı Program is managed with the collaboration of Holding Human Resources, Company General Managers and Company Human Resources.

GENERAL TRAINING PROGRAMS

General Training programs are programs carried out by Sabancı Holding Human Resources Department with the purpose to develop the knowledge, skills and competences of Sabancı Group employees'; which as a result will increase employees' effectiveness on their jobs, as well as provide them with the opportunity to share their knowledge and experiences together in order to build a shared value within the group.

General Training Programs, planned annually, have been implemented since 1998. The topics and content of the trainings planned for each year are determined in line with the Group objectives and the knowledge, skills and competences that are expected to be developed. The group companies specify the development needs for their employees, and ensure the participation of all employees, from "specialist" to the "general manager", in the training programs.

TARGET-GROUP PROGRAMS

Unlike General Training Programs, Target-Group Programs target a specific group of participants in order to address a specific development need of these employees, as determined based on the strategies and objectives of Sabancı Group. These programs are developed by blending the strategic and functional training needs and are specifically monitored by Sabancı Holding Human Resources Department.

Some of the Target-Group Programs are;

Value Based Management: The program aims to provide knowledge for maximizing the productivity of the main activities in the value chain such as production, logistics, marketing, sales and after-sales services, as well as for ensuring the effectiveness of activities such as business management, business strategies, organizational structure, research and development and purchasing.

E-Executive MBA: The program aims to develop managers to acquire a broad vision, a global perspective and a multi-dimensional perception in business management.

Marketing Equity: The program aims to offer Marketing Managers different and new perspectives concerning the development of long-term marketing strategies, evaluation of the return on marketing investments,

developing new markets and topics such as brand, customer and distribution channels.

Applied Marketing Management: The program aims to inform Marketing Specialists and potential managers about the basic tools and concepts of marketing management and to develop the abilities of participants to prepare effective marketing plans by utilizing these concepts and tools.

SABANCI GOLDEN COLLAR AWARDS

With the aim of promoting the success of Sabancı Group companies and their employees and mutually sharing good practices, the process for Sabancı Golden Collar Awards has been initiated. It continues since 2009.

In 2011, Sabancı Gold Collar Awards are granted in six categories which are "value adding, market oriented, invest in people, productivity, innovation and synergy." In 2010, the categories were "excellence, working capital management, lean six sigma, innovation, individual performance management, contribution to success".

The categories selected for the Sabancı Golden Collar Awards program reflect the priorities of Sabancı companies. Over time, the current categories may be supplemented or adjusted to highlight new areas of focus or remove those in which change has been successfully implemented.

Several parties are involved in the administration of the Sabancı Golden Collar Awards, including:

- Award Committee Members
- Program Management Office Representatives
- Project Managers and Project Team Members
- Company Award Representatives

Award Program includes the domestic and abroad locations of the Sabancı Group companies. Awards are granted at different levels, which are personal, team and corporate.

For the 2010 Sabancı Golden Collar Awards' assessment process, more than 80 employees from a range of positions worked 395 man days. During the evaluations, 96 flights were made for field trips, a distance of 11,360 kilometers.

A total of 213 candidates and 63 projects competed as individuals and teams in the Lean 6 Sigma, Innovation and Contribution to Success categories.

The assesment process for 2011 awards continue. Sabancı Golden Collar Award winners for 2011 will be announced in May 2012 through a ceremony. Award winning employees will be granted with a range of gifts including foreign trips.

In 2010, Sabancı Golden Collar Awards were distributed as follows: the Excellence Big Award to Brisa; Working Capital Management award to Enerjisa Production-Wholesale companies and Çimsa; Individual Performance Management award to Brisa. In categories where individuals or teams competed, Lean 6 Sigma was granted to Advansa, Innovation was granted to Kordsa Global, and Contribution to Success award was granted to Çimsa.

The Ten Principles

The UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption enjoy universal consensus and are derived from:

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption:

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.

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