



**Hacı Ömer Sabancı Holding A.Ş.  
Communication on Progress  
2012**

## **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, this is the third report we have published.

## MESSAGE FROM CEO

Dear Stakeholders,

When the United Nations Global Compact was established in 2000, it was a huge encouragement for corporations and businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. Its principle-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment and anti-corruption, brings together with UN agencies, labour groups, and civil society. This is an exceptionally important endeavour for a variety of reasons.

There is a growing recognition that no one sector can address the scale of the sustainability challenge and that new, and even unusual, relationships are required. Articles show that collaboration and cross-sector partnerships are the new buzzwords of the movement. To be successful these partnerships must take the people and organisations involved outside their comfort zones. Their strength invariably depends on bringing together different thinking and cultures to create innovative solutions. It is thus incredibly important that United Nations, the most august body of international collaboration, has introduced such an important organisation as Global Compact.

As the Sabancı Group, we take our dedication to this scheme very seriously. It is, thus, a great honour and pleasure to share with you our third Communication on Progress Report to the United Nations Global Compact for the year 2012.

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 industrials. Listed on the Istanbul Stock Exchange (ISE), Sabancı Holding has controlling interests in 11 companies also listed on the ISE.

2012 was another highly successful year of growth, profitability, and investment for the Sabancı Group. Our consolidated sales increased 17 percent to 26.1 billion TL in 2012, and our net income is around 1.9 billion TL.

Findings show that the financial crisis of has had a clear impact on sustainability and corporate social responsibility initiatives in many companies because of the exceptional pressure that they had to face in order to survive and with massive layoffs and expenditure cuts on community involvement programs being the most obvious outcomes of the crisis.

However, not all impacts were seen as negative, many CSR issues were pushed forward and gained more depth after the crisis, such as organizational governance and environmental policies, as well as compensation policies.

We have always taken pride in being known the world over as "Sabancı of Turkey." We have always believed strongly in giving back.

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.

In fact, 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. Our in-house ethics programme, the SA-Ethics, prepared and put into

practice in accordance with the Principles of Corporate Social Responsibility, constitutes a guide to our business operations.

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

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.

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.

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.

Over the past two years, the Sabancı Group has taken part in a wide variety of activities that complement our dedication to the UN Global Compact and Guler Sabancı, Chairman of Sabancı

Group has been appointed as a member of the United Nations Global Compact Board by United Nations Secretary-General Ban Ki-moon.

The Sabancı Group has always been 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 the country's community value. Our work with the United Nations Global Compact is another token of our dedication.

In closing, I offer my appreciation to all members of Sabancı Group for turning our goals into reality.

**Zafer Kurtul**  
**CEO**  
**Sabancı Holding**

## **SABANCI GROUP**

### **AKBANK**

Akbank focuses on providing top quality services to a wide range of consumer and corporate customers. In 2012, Akbank continued to provide increasing support to the Turkish economy and real sector through its strong financial structure, customer-oriented approach and innovative products and services.

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

With a strong and extensive domestic distribution network consisting of 961 branches and a workforce of over 16,300 employees, Akbank operates from its Istanbul Head Office and 23 regional directorates throughout Turkey. In addition to branches, the Bank's traditional delivery channels, Akbank also offers banking services to customers through its consumer and corporate Internet branches as well as its Telephone Banking Center, 4,026 ATMs and more than 300,000 POS terminals, along with other high-technology distribution channels.

In 2010, the Akbank Banking Center commenced services as the highest transaction capacity operations center in Turkey. Equipped with the latest technology, this complex makes major contributions to Akbank's productivity.

Akbank carries out its overseas operations through subsidiaries in Germany (Akbank AG) and Dubai (Akbank Dubai Limited), as well as a branch in Malta.

Following Citigroup's strategic partnership with Akbank by acquiring 20% of its shares in January 2007, Citigroup reduced its ownership to 9.9% in May 2012. The reduction was attributable to its capital planning preparations for the application of Basel III requirements.

Harvard University Kennedy School of Government (Harvard KSG) has turned Akbank's highly successful transformation story and growth strategy in the aftermath of the 2001 crisis into a case study. Akbank management implemented "The New Horizons Restructuring Program" following the Turkish economic crises of 2001, at a time when the Turkish economy and banking industry were struggling to deal with the impact of the crisis. The management, changes and growth strategy that the Bank implemented not only placed Akbank in a position to grow during the years of crisis but also made it a lecture topic and a reference study on how to manage and grow through times of economic uncertainty.

As a pioneer in the field of digital banking in Turkey, Akbank has carried itself a step forward through the development of Akbank Direct. With this new project it is possible to become a member of the Akbank family without going to a branch and later taking advantage of the internet and mobile banking capabilities. Through its new products and services and with the aim being accessible to its customers, two third of Akbank's customers complete their transactions by using alternative distribution channels.

With a robust capital base, reliable deposit structure, ability to raise foreign financing on favorable terms coupled with superior asset quality, Akbank has maintained its leading position in the Turkish banking sector. As of the end of 2012, Akbank reported consolidated net profit of TL 3,005 million (approximately US\$



1,690 million) and total consolidated assets of approximately TL 163.5 billion (approximately US\$ 92 billion).

The consolidated capital adequacy ratio of Akbank, standing at 17,9%, is among the highest in the sector.

Continuing operations guided by the responsibility to create value for the Turkish economy, Akbank's total loans grew X% and reached TL X billion. As a result of effective risk management policies implemented by Akbank, the Bank's non-performing loan ratio of X%, remained below the sector average.

As a result of its meticulously executed risk management policies and exceptional performance, international rating agencies assigned Akbank the highest financial strength ratings among Turkish banks.

Akbank was named the "Most Valuable Banking Brand in Turkey - 2012" by Brand Finance with an assessed brand value of US\$ 1.58 billion in the Brand Finance Banking 500 report. In addition, Akbank ranked 96th globally, in the Top 500 Most Valuable Banking Brands list.

In 2012, Akbank was named Turkey's Best Bank by Global Finance, EMEA Finance and Global Banking and Finance Review magazines.

With successful operations and long term strategic management, Turkey's innovative power Akbank, received the Best Use of CRM in Marketing award from Retail Banker International and Best Information Security Initiatives in Europe award from Global Finance.

Established as a 99.8% owned subsidiary of Akbank in 1996 to provide brokerage services in the capital markets, Ak Investment provides local and foreign corporate clients with

brokerage services; Turkish Derivatives Exchange (TURKDEX), ISE Futures and Options Market, government bonds, repo transaction services; brokerage services for the transaction of Akbank mutual funds; along with public offerings and mergers and acquisitions advisory, matching financial partners and buy-side and sell-side advisory for privatizations.

Ak Asset Management was established in June 2000 as a 99.99% owned subsidiary of Akbank. Ak Asset Management provides investment management services for 65 portfolios along with asset management services to large individual and corporate investors in accordance with their own investment expectations and risk profiles. In 2012, Ak Asset Management strengthened its position as a pioneer in the investment management sector through innovative investment products introduced to customers and was recognized as the Best Investment Management Company in Turkey by World Finance two years in a row. Ak Asset Management completed 2012 as the market leader in both pension funds under management and discretionary portfolio management; it maintained its number two position in the overall asset management sector.

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

A total of 41.1% of Akbank shares are listed on the Istanbul Stock Exchange (ISE). The Bank's Level 1 ADRs are traded on the OTC market in the United States. Akbank's market capitalization stood at US\$ 19.8 billion on December 31, 2012.

## **AVIVASA**

The Avivasa joint venture came into being when Ak Pension, a Sabanci Holding subsidiary and Aviva Life and Pension, part of the UK insurance giant Aviva operating in Turkey, combined forces in 2007. It has since joined the ranks of Turkey's leading private pension and life insurance companies as Avivasa Pension and Life.

Operating through distribution channels of direct sales, bank sales, corporate projects, agencies and telesales, Avivasa serves a customer base that has reached 1.7 million in the private pension and life insurance sectors. Avivasa employs 1,460 people and has a sales staff with more than 900 financial advisors and branch insurance managers.

With regard to the bank sales channel that has recently assumed greater importance in the private pension sector, Avivasa has been strengthening its position daily thanks to its strategic union and integration with Akbank, another group company. Avivasa's private pension and life insurance products are also available in the branches of global actors; Citibank and Burgan Bank.

In the direct sales channel where significant investments were made for human resources in 2012, Avivasa serves customers of varying socio-economic levels via its financial advisors outside of the bank. The agency channel is intended to expand existing operations while the corporate projects channel brings private pension and life insurance products to Turkey's prominent organizations in addition to playing a leading role in the transfer of the funds held by foundations and trusts to the private pension system. Finally, the telesales channel reaches out to different customer segments by offering more affordable products.

According to data for December 2012 published by the Pension Monitoring Center, Avivasa commands a fund magnitude of TL 4 billion and a market share of 20%. These funds are managed by Ak Portfolio of the Sabanci Group, one of the leading companies in the portfolio management sector.

Numerous customer-centric changes, chief among them state contribution, introduced by the new private pension system law that went into effect on January 1, 2013 are expected to accelerate the growth of the sector. By 2023, the 100th anniversary of the Republic of Turkey, the total magnitude of funds accumulating in the private pension system is forecasted to reach 8% of Turkey's GDP climbing to TL 300 billion, boosted by transfers from foundations and trusts. Avivasa looks to remain a major player in this picture with a fund magnitude of TL 60 billion.

According to December 2012 data published by the Insurance Association of Turkey, Avivasa also generates more than TL 198 million overall in life premiums, which translates to a market share of 7%.

Keeping a close watch on new opportunities in the sector, Avivasa focuses on developing its distribution channels while investing in technical infrastructure improvements and customer development. With well known and highly recognizable brand name, its organizational structure and its influence in the market, Avivasa Pension and Life is positioned to seize all opportunities that present themselves.

## **AKSIGORTA**

Established in 1960, Aksigorta A.Ş. serves customers across Turkey with 961 Akbank branches, 697 employees, more than 1,800 agents, 61 brokers and over 3,600 contracted institutions. Aksigorta has more than 10,000 stakeholders and

the highest brand awareness in Turkey, according to independent public researches.

Determined to lead the sector with a contemporary and dynamic brand identity, Aksigorta creates innovative, customer-oriented products and services. It ranks as one of Turkey's leading non-life insurance companies with more than TL 1.3 billion in premiums, a profitable structure and financial strength with approximately TL 424 million in shareholder equity. Based in Istanbul, Aksigorta provides, to individual and corporate customers across Turkey, a vast variety of products from health to travel, motor to compulsory earthquake insurance, business package to liability insurance. It operates from 10 regional offices, of which four are located in Istanbul and one each in Izmir, Adana, Ankara, Trabzon, Bursa and Antalya. Aksigorta has three other representative offices within Turkey.

Celebrating its 50th anniversary in 2010, Aksigorta continued to strengthen its position in 2011 with the partnership between Sabancı Holding and Belgian Ageas, a world giant with 180 years of experience. It continues to strive for the development of the sector and to broaden public awareness about insurance.

This partnership focuses on the development of the sector and public awareness about insurance as well as serving society and becoming the leader insurance company.

With global bancassurance experience, Ageas will contribute to Aksigorta's unique power coming from its stakeholder, Akbank, whose impact in the sector is gaining significance daily. In 2012, the Company coordinated its field personnel and IT structure with innovative bancassurance sector solutions and increased the production of the banking channel by 36%.

Aksigorta Service Center provides uninterrupted services, starting from the initial offering through its focus on every detail of the claims management process. In addition, Aksigorta strives to simplify this process, informing clients in a timely manner and contacting them personally to improve customer satisfaction.

Utilizing a customer-focused philosophy, Aksigorta has increased service quality and customer satisfaction while continuing to offer auto, household, business and health product services. Aksigorta provides the fastest and highest quality service through a network of 4,500 business partners beginning as soon as it receives claim notification via contracted auto repair and health services associations.

Based on ISO 9001 Standards, Aksigorta established a Quality Control System; it was certified in 1998. Within the non-life branch, Aksigorta was the first insurance company to earn the ISO 10002:2004 Quality Management Customer Satisfaction-Complaint Handling System certificate. Aksigorta has extended the certificates' validity until 2013.

Parallel to its corporate social responsibility approach, Aksigorta developed Turkey's first Fire and Earthquake Simulation Center (YADEM) in 1996. In November 2006, Aksigorta donated YADEM, to the Şişli City Hall Science Center with all usage rights. Working toward increased risk and insurance awareness in Turkey, Aksigorta and the Search and Rescue Association (AKUT) developed a social responsibility project known as "Keep Living, Turkey." Aksigorta and AKUT teams have visited 30 provinces and 150 districts on the Disaster Training convoy; 3 million individuals have received training about natural disasters and insurance awareness.

Aksigorta, with investments in IT infrastructure and human resources, created differentiation with profitable results in the market in 2012 with its focus on profitable channels and products. Utilizing these strategies, Aksigorta plans to maintain sustainable profitability in 2013 as well.

Determined to lead the sector with a contemporary and dynamic brand identity, Aksigorta creates innovative, customer-oriented products and services. It ranks as one of Turkey's leading non-life insurance companies with more than TL 1.3 billion in premiums, a profitable structure and financial strength with approximately TL 424 million in shareholder equity.

## **ENERJISA**

Having started its operations as an auto producer company in 1996, Enerjisa increased its total installed capacity to 1,804 MW in 2012. With its projects under construction and those with on-going engineering studies, Enerjisa targets to have an installed capacity of 5,300 MW in 2016 and to become the leading player in the Turkish electricity sector by 2015.

The electricity demand is growing in line with the economic growth. There is a direct correlation between electricity demand and economic development. Per capita electricity consumption of Turkey corresponds to one third of the OECD average, thus reflecting a strong potential to reach the consumption level of developed countries in the upcoming period.

## **Integrated Business Model**

Enerjisa operates in the generation, wholesale, retail and distribution segments of the growing Turkish electricity sector. Ranked among the leading private generation companies in Turkey, with its installed capacity of 1,804 MW by the end of

2012, Enerjisa renders services to 3.6 million subscribers in 7 provinces of Başkent Electricity Distribution Region that it acquired in 2009, and inhabited by nearly 7 million people. By 2012, Enerjisa reached a market share of nearly 4% in generation and nearly 10% in the electricity supply segment of Turkish electricity sector.

### **Diversified and Efficient Generation Portfolio**

Enerjisa targets to reach an installed capacity of 5,300 MW in 2016 with its hydro, wind, domestic coal and natural gas based portfolio. Commissioned by Enerjisa in 2010, Bandırma Natural Gas Combined Cycle Power Plant is the most efficient thermal power plant in Turkey with its efficiency value of 59.3%. Renewable energy projects account for 45% of Enerjisa's generation portfolio in line with the strategy to focus on domestic energy resources that are of high importance to improve energy supply security of Turkey and decrease the current account deficit. Enerjisa contributes significantly to the sustainable growth of the Turkish electricity sector by implementing highly efficient and environmentally friendly technologies in its generation investments.

### **Competent Workforce**

Enerjisa strengthens its position of being the leading and pioneering participant in the Turkish electricity market by recruiting and retaining highly skilled employees and ensuring their continuous development.

### **Pioneering Practices In Electricity Distribution**

Enerjisa commissioned the first SCADA automation infrastructure, in the Turkish electricity distribution sector, in the Başkent Electricity Distribution region. The modules of the SAP ISU software application, oriented toward distribution



operations, were put into service. There are also on-going studies relating to various advanced automation projects such as Geographic Information Systems. Başkent Electricity Distribution Company (Başkent Elektrik Dağıtım A.Ş.) has become the leading Distribution Company in the sector, continuing its innovation, rehabilitation and expansion investments for increasing the quality of electricity supply and ensuring the sustainable improvement in theft and loss ratios and making a network capital expenditure of nearly TL 300 million every year.

### **Innovation and Diversification in the Electricity Supply**

Enerjisa supplies nearly 10% of the end-user consumption through its wholesale and retail licences. Enerjisa is always there in the everyday lives of its customers as the specialized, reliable, innovation oriented, and environmentally friendly leader of its sector focusing on customer satisfaction and making investments to utilize domestic resources. Enerjisa's sales and marketing team has already brought various novelties to the electricity sector of Turkey. Some examples of such originalities include, inter alia, commissioning of alternative sales and service channels comprising of the call center, mobile tools, ATM and Internet solution oriented packages comprising different tariffs developed and customized according to the requirements of the customers and supplementary products developed with its business partners such as banks, commissioning of the most advanced technology infrastructure comprising of SAP ISU and CRM software applications, ensuring the development of its employees with the Retail Academy developed jointly with Sabancı University, energy supplies based on the use of hydro and wind resources. Enerjisa carries on with its activities creating value for its customers by listening to their requests and opinions.

## **Financing Competency**

Enerjisa has rapidly continued financing its projects in 2012, with the Tufanbeyli Lignite financing package valued at 750 million Euro and the Bares Wind financing package valued at 135 million Euro and thus, it has marked important milestones for putting such plants into operation. With these financing packages, the capacities of Enerjisa's projects, for which the financing was secured, have reached to nearly 4,400 MW together with the power plants in operation.

## **Enerjisa Power Generation**

Enerjisa Power Generation was established in 1996 to explore new business opportunities in the energy sector and to operate as a reliable and capable supplier of energy.

Enerjisa Power Generation has rapidly grown since 2006; its portfolio reached a total installed capacity of 1,804 MW by the end of 2012, including five natural gas combined cycle power plants operating in Kocaeli, Adana, Çanakkale, Mersin and Bandırma with a total installed capacity of 1,306 MW, various hydroelectric power plants in operation in Antalya, Mersin, Adana and Kahramanmaraş with a total installed capacity of 316 MW and wind energy power plants operating in Balıkesir, Çanakkale, and İçel with a total installed capacity of 182 MW.

Diversifying its generation portfolio to create a strategic advantage, 13 hydroelectric power plants with an installed capacity of 1,939 MW, the Tufanbeyli Thermal Power Plant with the installed capacity of 450 MW and wind power units with an installed capacity of 30 MW are currently in the design and construction stages. The portfolio of Enerjisa Power Generation has an installed capacity of 4,223 MW with the licensed projects in operation, under construction and in the stage of engineering studies by the end of 2012. In addition to this portfolio, a

natural gas power project with the installed capacity of 1,000 MW was approved for licensing. Projects with an approximate capacity of 100 MW, Enerjisa has already created the portfolio to achieve the installed capacity of 5,300 MW targeted for the year 2016.

Enerjisa Power Generation makes major contributions to the Turkish electricity supply by ensuring that the electricity generated at its power plants is used by both the leading industrial and commercial companies of Turkey and by end user consumers through its distribution company.

### **Enerjisa Trading**

Enerjisa Trading assumes the role of group optimizer and performs value optimization for the optimal management of electricity and gas sales and procurement activities through Enerjisa Natural Gas Wholesale Co. It also manages the operations in the balancing market and power plant generation optimization in addition to electricity trading, import/export of electricity and carbon development activities.

Enerjisa Natural Gas Wholesale Company was incorporated in 2004 to secure the supply of natural gas for Enerjisa power plants in a long-term reliable and cost-effective manner. It is also involved in the development of fuel procurement strategies in the medium and long-term, establishment of fuel optimization systems and management of risk related to such systems. The Company started operations after obtaining the required licenses primarily for supplying natural gas for Enerjisa's natural gas power plants and optimizing consumption benefiting from new business opportunities emerging with the liberalization of the gas market with the developing market conditions. After submission of the related application to EMRA,

Enerjisa Natural Gas Wholesale Company acquired the right to import (Spot LNG) by obtaining a ten year license in 2010.

Enerjisa Trading also conducts research and follow-up processes related to long-term energy purchase agreements to meet the energy supply of Enerjisa Group companies. It also offers market risk management consultation services.

## **Enerjisa Sales**

Enerjisa conducts its sales activities oriented toward end users with generation, wholesale and retail licenses through its companies.

Enerjisa Electricity Retail Company was established in 2011. The Company provides electricity sales services in the Başkent Distribution region covering the provinces of Ankara, Zonguldak, Bartın, Karabük, Kırıkkale, Çankırı and Kastamonu to non-eligible consumers, to those consumers bearing the eligible consumer character, but not using such rights and to those eligible consumers of last resort. The sales activities are conducted over the regulated retail tariff determined by the Energy Market Regulation Authority. In addition, it also provides electricity supply services and to the eligible consumers in the region through bilateral agreements; terms are totally determined according to free market conditions. The Company has nearly 3.6 million registered subscribers.

Electricity and/or capacity sales to eligible consumers in the national market covering all of Turkey are conducted through Enerjisa Electricity Wholesale & Trading Co. The wholesale trading company can also offer products supporting green energy economy including carbon certificates to its customers.

Enerjisa provided nearly 20 billion kWh of energy to its customers in 2012. This amount corresponds to nearly 10% of

the end-user customer supply market. As the specialized, reliable, innovation-oriented and environmentally friendly leader in its sector, the Enerjisa sales team has brought various innovations to the Turkish electricity sector by focusing on customer satisfaction and making investments to mobilize national resources. Some examples include commissioning of alternative sales and service channels at the call center, mobile tools, ATM and Internet solution packages for different tariffs developed and customized according to the properties and requirements of the customers and supplementary products developed with its business partners, commissioning of the most advanced technology infrastructure, ensuring the development of the employees with a Retail Academy developed jointly with Sabancı University, energy supplies based on the use of hydro and wind resources, etc. Enerjisa carries on with its activities creating value for its customers by listening to their requests and opinions.

### **Enerjisa Distribution**

Enerjisa aims to be the leader with a strategy based on vertical integration with improved distribution, trading and sales in the Turkish electricity sector.

In line with this strategic target, Enerjisa Distribution participated in the tender held for privatization through a block sale of 100% shares for the Başkent Electricity Distribution Co. Inc. (Başkent EDAŞ). It won the tender by offering the highest bid US\$ 1,225 million on July 1, 2008.

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

Significant amounts were invested to upgrade the legacy systems of Başkent EDAŞ and particularly to improve customer

services. The activities related with construction, maintenance and operation of the electricity distribution grid are performed for 3.6 million subscribers in the provinces of Ankara, Bartın, Çankırı, Karabük, Kastamonu, Kırıkkale, and Zonguldak provinces (Başkent Distribution Region).

Considering the size of the distribution grid and the geographical area served, Başkent Electricity Distribution region is the largest electricity distribution region in Turkey with 13.5 billion kWh of electricity distributed over the grid extending nearly 100,000 km in 2012. The Başkent Electricity Distribution region covers 9% of Turkey, in terms of the electricity consumption volume and provides the necessary infrastructure to enable seven million people to have access to electricity. A capital expenditure of nearly TL 260 million was spent for expansion, upgrading and improvement of the distribution network in 2012.

Given the regulated nature of the sector and the projected changes in the market for the upcoming years, Başkent is focused on the necessary preparations both strategically and operationally. All the preparations are planned in parallel to the long-term vision of the energy market and the target oriented at the highest level of customer satisfaction.

## **AKÇANSA**

With 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 produces cement at its Istanbul, Çanakkale and Ladik plant and ready-mixed concrete at near 40 ready-mixed concrete plants under the Betonsa brand. Operating out

of the Ayazađa, Bursa and Saray aggregate quarries as Agregasa, Akçansa operates five cement terminals located in Ambarlı, Aliađa, Yarımca, Yalova and Hopa.

The Karçimsa cement grinding and packaging plant has operated in production and sales since 1998 after formation of a partnership with Karabük Demir Çelik İşletmeleri 49% and Akçansa 51%.

2012 was an important year for Akçansa with respect to its investments focused on production efficiency as well as sustainability. The Waste Heat Power Generation Project, initiated in 2011 at the Çanakkale Plant with an investment of US\$ 24 million, became operational with a 105 million kWh capacity, generating 30% of that plant's total energy consumption. In addition to saving energy, the plant also reduced 60,000 tons of carbon emissions. The waste heat facility has received recognition from the Istanbul Chamber of Industry. The same plant represented Turkey in Rio +20 conference and received an award from the Minister of Energy.

Akçansa utilizes state-of-the-art technology in its environmentally friendly facilities to match customer standards and emphasizes service quality. The Company's total production in 2012 met 12.5% of Turkey's total cement consumption. Akçansa's domestic cement and clinker sales amounted to 5 million tons in 2012. By adding clinker and cement exports of 2.4 million tons, the Company's total cement and clinker sales totalled 7.4 million tons; total revenue was TL 1,056 million in 2012.

In parallel to expanding growth targets, new ready-mixed concrete and aggregate plants were added to the sales network. Continually extending its range of special products in the field of ready-mixed concrete, Betonsa has differentiated

itself from the competition by finding innovative special solutions for its customers. Ready-mixed concrete sales have reached 5 million cubic meters.

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

The Company will achieve premium quality levels in production and service to fulfil the demand of customers and compete beyond price in a highly commoditized sector.

The Company's vision is to achieve sustainable growth and its goal is to be Turkey's leading building materials company, enriching the 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%.

\*Consolidated and adjusted editda figures with dividends and donations excluded.

## **ÇİMSA**

Çimsa, founded in 1972 is a "40 years young" cement and ready mixed concrete company, well known with its high quality innovative products, celebrating its 40th anniversary in 2012.

Guided by its vision "To be the most valuable cement and ready mix concrete company of Turkey" Çimsa continued to grow and create value by acquiring 51% of Afyon Cement shares in 2012.

Çimsa focused on the sustainability activities in 2012 and has completed major investments. The Waste Heat Recovery Project in Mersin has been completed providing 50% of the



electricity consumed in the two kilns of the plant. The project also decreases the carbon emissions of the plant substantially.

The alternative fuel usage rate in Eskişehir plant increased to 30% in 2012 after the commissioning of the Hot Disc investment.

Çimsa published its GRI B+ rewarded Sustainability Report of 2011 operations in December.

Çimsa's Misis, Kozan , İnegöl and Pamukova Ready Mix Plants were awarded the Green Point Environment Award.

Environment and Urbanization Ministry has awarded Çimsa's Kayseri Plant as "the cleanest manufacturing facility" in Turkey.

Çimsa's CEM IV 32.5 gray cement, produced at its Kayseri Plant, received "green certificate" from the German Construction and Environment Institute (IBU). The characteristics of the product and the assessment of the production process enabled Çimsa to be the first cement company in Turkey to receive this certificate.

The Company mission is to be the business partner of international cement and ready-mixed concrete producers. Within this context, Çimsa has contributed to the national income by US\$ 111 Million through exporting 1.4 tons of clinker and cement.

Çimsa is one of the top three white cement brands in the world. Producing special products such as white cement and calcium aluminated cement as well as grey cement, the Company also leads the Turkish cement and ready-mixed concrete industry with its innovations. As the leading player in taking Turkish cement to international markets, Çimsa's success is supported by the ability to market its products in 46 countries under its own brand through its own companies and terminals in Trieste

(Italy), Seville and Alicante (Spain), Emden (Germany), Constanta (Romania), Novorossiysk (Russia) and Famagusta (Northern Cyprus). Holding Kitemark quality certificates as well as the EC and CE certificates required for cement products to be marketed in EU countries, Çimsa continues toward its goal to be more effective and active in international markets.

Defining its core business as supplying the necessary materials to provide for durable and reliable infra and ultra-structures in living and production areas, Çimsa strengthened its positioning as one of the leading companies in the industry in 2012. Serving Adana, Ankara, Afyon, Mersin, Kayseri, Denizli, Osmaniye, Kahramanmaraş, Malatya, Niğde, Nevşehir, Eskişehir, Kütahya, Bursa, Konya, Karaman, Aksaray, Sakarya and Bilecik, the Company's clinker production capacity reached 5.5 million tons with a ready-mixed concrete capacity of 3.5 million cubic meters during 2012. Çimsa's 2012 turnover was TL 857 million, 26% of which was international sales.

Being the pioneer, Turkish cement sector recognized as a leader in international platforms; Çimsa bases its success on quality management, environmental management and work health and safety systems.

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

## **TEKNOSA**

Established in 2000 with 100% Sabancı Holding and Sabancı Family capital, Teknosa, guided by its slogan, "Technology for Everyone", is the leading technology retailer in Turkey. Having gone into operation with 5 stores in 2000, Teknosa provides services with 283 stores in 77 provinces today.

Teknosa offers a distinctive and enjoyable shopping experience with a total net sales area of more than 140,000 square meters and its broad product mix. Teknosa stores are visited by more than 100 million shoppers each year. Offering the latest technology to consumers and assisted by 3,700 employees, Teknosa closed 2012 with sales of TL 2.3 billion excluding VAT.

At May 17, 2012 Teknosa, one of the most dynamic youngest Company of Sabancı Holding has been listed on ISE with 10% float. With this operation, Teknosa has created an investment opportunity for its employees, business partners, customers and the people who believes in the future of Teknosa. Again in 2012, Teknosa signed a cooperation agreement with one of the Europe's largest purchasing groups, Euronics. By the help of this agreement, Teknosa has both strengthened its leadership position and (took an important step) on the way to be a powerful player in the global retail arena.

Teknosa continues investing in the Teknosa Akademi, established in 2005, targets creating a platform for career planning and to supplying a qualified labor force. The objective of Teknosa Akademi, which training the retails of the future, is to inform employees of the new developments in sector, and improve their skills. In addition to the management training programs, education for professional and personal development is also provided. Teknosa Akademi is the first educational institution in its industry; and it has graduated approximately 10,000 trainees since its establishment. Teknosa founded the first Assessment Center in its industry in 2007 within Teknosa Akademi; it provides employees with efficient and appropriate career planning opportunities starting from their first day at work.

Leading its industry, Teknosa runs its operations utilizing a customer-oriented scientific retailing approach. It meets its

customers' after-sales needs and expectations with services provided by Tekno Asist. Customer requests are fielded at Tekno Asist service points in the stores, as well as through the 444 55 99 24/7 Hot Line. Teknosa also provides 24/7 services to its customers through the [www.teknosa.com](http://www.teknosa.com) online store. Another service provided by Teknosa to its customers, Tekno Garanti enhances the warranty period of products purchased from Teknosa up to five years. It provides many additional benefits such as unlimited repair, service at home and immediate replacement in order to ensure customer satisfaction.

Teknosa added another "first" to its services in 2011 providing after-sales services on customers' premises (whether office or home) by offering the "Teknosa Service Packages" for many product groups including TVs, projectors, computers, home entertainment systems, satellite receivers and cellular phones.

Teknosa Card, a customer relationship management (CRM) activity by Teknosa, enables a customer database to obtain information about customers expectations and purchasing habits. Customers are segmented based on their shopping habits. As of year-end 2012, Teknosa Card holders totaled more than 3 million. The card utilization rate on sales reached 56% by the end of the fifth year. Teknosa Card program has achieved an incomparable success within the retail market by the respective usage ratio. Teknosa completed the integration with Siebel Customer Relationship Software in 2010, enabling 360-degree monitoring its customers' shopping activities and the implementation of targeted campaigns. Siebel campaign management enables regional SMS sending and mailing activities. This software, known as the most precise CRM solution in the world, strengthened customer relations with the monitoring system, providing. Teknosa a significant step toward

customized shopping. The Teknosa Card point system has begun as a pilot practice in September and was rolled out to whole country at the beginning of 2012.

Teknosa has the largest logistics center in its sector. The center where all logistical activities of Teknosa are managed, is located in Gebze with a 30,000 square meters indoor area and 62,000 square meters of total area. It is connected to all the stores and activities are managed via IT support.

Teknosa is the only retailer in Turkey with the ISO9001:2008 Quality Management System, ISO27001:2005 Information Security Management System and the ISO 10002:2004 Customer Complaints Management System certifications.

The Company has been a pioneer and a leader in the social media platform since January 2010. Its Facebook page is "liked" by over 1.1 million people and the number of Twitter followers reached more than 70,000 as of the end of December 2012.

In parallel with the ascending profile of Teknosa, e-commerce company Kliksa has been established on 2012. Kliksa, started receiving orders as of March, 2012, accomplished a rapid growth at a short period of 9 months. Kliksa has consolidated its position on the market by exceeding over 1 million individual users. Currently approximately 160.000 products is on display at Kliksa.com including the categories of consumer electronics, books and stationary. The company is committed to its target of growth in 2013 by increasing the number of categories, as well as broadening the product range.

Teknosa was ranked 61st among the 500 companies included in the "Turkey's Largest Companies" list prepared by Fortune Turkey in 2012. The Company won the grand prize in the electronics retailing category of the Capital's research of

“Turkey’s Most Favoured Companies of 2011”. Furthermore again in the same year, Teknosa won the prize in the developing market category of “World Retail Awards” and became the first Turkish company that won this prize. The company also won the best web design prize in “Interactive Media Awards” in e-commerce category and the grand prize in the electronics retailing category of “2012 Research on Brands Most Favored and Preferred by Customers in Shopping Centers” conducted in collaboration with Council of Shopping Center Turkey. The Company also won 3rd prize in the “Direct Marketing Association Awards” with the project of Orange Outerwear in the category of loyalty applications. Finally, Teknosa has been chosen as the most favored technology store in the Digital Age’s research of “Digital Lovermarks”.

Teknosa, the leader of the Turkish technology retail market, undertakes social responsibility projects to serve society and enable the mass utilization of technology in many areas including education, sports, environment, art. Free-of-charge computer training programs are conducted for women in various provinces around Turkey within the context of the Technology for Women Project, on going since 2007. Technology for Women training programs were conducted in Yalova, Mardin, Alanya, Denizli, Malatya, Kırşehir, Muğla, Kahramanmaraş, Erzurum and Sakarya in 2012. During the year, the number of trainees exceeded 12,000 in 41 provinces. The project was enhanced with the new Adana permanent classroom to the already existing İstanbul and Trabzon classrooms. Teknosa deeply believes that these training programs will encourage women, and help them build self-esteem in their adaptation to social and business life.

Another social responsibility project by Teknosa, the Rare Works of Art Project, includes technological support to the

Library of Rare Works of Art within Istanbul University by scanning nearly 100,000 rare titles into digital media. The project aims to save these publications from being lost due to the destructive effects of time and to pass them on to the next generations as valuable resources.

Teknosa has supported Turkish sports and athletes since 2007 and provides infrastructure support as the official Technology Supplier for the Turkish National Teams, in accordance with the collaboration agreement signed with the Turkish Soccer Federation.

Teknosa also aims to be a role model for the other companies in its sector, with its approach and activities toward environmental responsibility. The Company introduced a “first” in its sector in 2009, by offering recycled bags to its customers along with activities related to the collection and recycling of batteries and electronic waste via its stores and at its comprehensive logistics network. It collects waste materials in an environmentally responsible way, even picking up these materials from premises when necessary. The Company continued its pro-environmental activities and innovative projects in 2012; collecting electronic wastes on the “world environment day”.

In addition to the Teknosa technology retail chain, Teknosa A.Ş. also represents the İklimsa brand in the air-conditioning sector. Positioned as the Air-Conditioning Center of Turkey, İklimsa offers customers the world’s leading air-conditioning brands housed in distinctive showrooms, backed by Sabancı Holding’s 28-years of experience in the air-conditioning sector. Its product portfolio includes Mitsubishi Heavy Industries, General, Sharp, Sigma (private label brand), Tronic (private label brand), Sharp refrigerators, Sharp and Teknokasa (private label brand) cash registers. İklimsa offers nearly 200 models under 5

different brands from 215 authorized dealers in 50 provinces and 222 authorized services in 62 provinces throughout Turkey. The brand also prioritizes after-sales services for customer satisfaction, offering outstanding service quality to its customers all over Turkey.

Teknosa is committed to its target of creating sustainable leadership and customer loyalty in 2013 and aims to increase its store chain throughout Turkey. In 2013, the Company will accelerate efforts regarding the new store investments, enrichment of its after-sales services and enhancement of its infrastructure, carry on its operations in accordance with its growth targets.

## **DIASA**

The discount format for retail, offering reduced prices through a low cost business model, is becoming ever more popular as consumers become more price conscious, in Turkey and around the world. To address the growing demand for discount stores, Diasa was established in 2000 as a joint venture between Sabancı Holding and Dia, Spain's leading discounter.

The successful global model of over 6,800 Dia stores was adapted to serve Turkey's local needs, expanded rapidly in a short time. Diasa provides consumers convenience and quality at discount prices. The discount format preferred by the Turkish consumers is a powerful growth engine for Diasa which has been one of the fastest growing food retail chains in Turkey.

In 2012 more than 75 million customers shopped at the Company's stores Diasa continued to lead the market in Turkey. With its global expertise in private label products, accounting for 32% of the Company's sales.



Diasa continues its expansion especially focusing in franchise openings and by year-end 2012, operates in 44 provinces, mainly in the Marmara and Aegean regions.

Unique among Turkish food retailers, the Diasa franchise market share in the overall store network reached 44% in 2012. 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 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 presence in the sector, franchise markets will continue their proliferation in 2013.

In 2012, Diasa opened stores in five new provinces as the discount market model became widespread in all regions. The Dia Market model was created in 2008, in response to feedback from customers and market research. In 2012, the number of Dia Markets reached 412 accounting for 38% of the total network.

In 2012, 129 new stores were opened optimizing the store network. Fresh product section were improved in the whole network.

Loyalty card program convened in 2011, reached 3.2 million members with 60% share in total sales.

Diasa generated TL 964 million revenue in 2012, reaching a network of 1,093 stores and a combined retail space of 223,000 square meters.

## **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 9,800 stores in 32 countries. Carrefoursa celebrated its 16th anniversary in 2012. Its mission is to provide Turkish consumers with a wide selection of high quality, reasonably priced products presented in a welcoming and pleasant shopping environment while ensuring steady profitable growth for its shareholders.

With sales areas ranging from 2,000 to 15,000 square meters, flagship format hypermarkets carry a large assortment of food and non-food products with up to 40,000 stock-keeping-units (SKUs), at the lowest prices under one roof. Supermarkets, with between 500 and 2,000 square meters of retail space, offer an impressive assortment of fresh food and provide consumers with convenient shopping at the lowest prices. Carrefoursa is the third largest player in the organized food retail market.

Carrefoursa generated sales revenue of TL 2.5 billion in 2012 from its store network of 28 hypermarkets and 215 supermarkets operating a total sales area of 369,000 square meters. Nearly 90 million consumers shopped at Carrefoursa stores throughout the year.

Bodrum Midtown hypermarket with approximately 5,000 square meters of retail space was opened in June offering a renewed shopping environment. Bodrum hypermarket also targets to be the supplier of the HORECA customers in the region.

Carrefoursa began the extension project of Maltepe Park Shopping mall in 2011. Located in a growing section of Istanbul, the extension project is aimed at realizing the full potential of the asset as well as to improve the attraction for

the customers. By September 2013, the extension and renovation project will be complete and the renewed Maltepe Park shopping center will open its doors.

Carrefoursa launched new formats to increase the access of its customers in 2012. The projects and results from 2012 showed that the Company had the infrastructure and determination to successfully implement its strategies, to become the leading player in the sector. The Company's sound financial structure provides the capacity to evaluate and take rapid action with its own resources on all projects, offering a potential for growth and value creation.

Carrefoursa will continue its investments in 2013, thanks to its sound cash position. It will retain its strong position in the market with new projects and continue to offer quality products at the lowest prices.

## **KORDSA GLOBAL**

World's largest industrial nylon yarn and leading polyester yarn, tire cord fabric and single end cord supplier, Kordsa Global, serves the tire reinforcement and mechanic rubber products market.

The success story of Kordsa Global began in 1973 with tire cord fabric investment in Izmit. In the past 39 years, the Company became an industry leader with strategic acquisitions and strong business partners. Company sustains its global leadership with approximately 4,000 employees, 10 business units in nine countries and in five continents.

The worldwide operations of Kordsa Global, with headquarters located in Istanbul, is in the following four regions.

## **Europe, Middle East and Africa (EMEA) Region:**

Turkey, Germany, Egypt

## **North America Region:**

Laurel Hill, North Carolina, USA

Chattanooga, Tennessee, USA

## **South America Region:**

Brazil, Argentina

## **Asia-Pacific Region:**

China, Indonesia, Thailand

2012 was a year that Kordsa Global maintained its market share in tire reinforcement materials sector, in which the company is the industry leader, in spite of competition derived by Asia. Kordsa Global also by Asian manufactories preserved its leadership in industrial nylon 66 yarn market through 34% market share, and sustained its 8% market share in PET-HMLS market.

Kordsa Global, which adapted the principle of achieving sustainable and profitable growth through creating added value for the customers, and meeting changing requirements of the customers, defined its vision as "Agile Kordsa Global in High Value Businesses for Sustainable Growth". Kordsa Global, as a global company that strives for quick and fast adaptation to the volatile market conditions, aims for sustainable and profitable growth by increasing its operations in high value added fields of business.

In 2012, parallel with the market demand which has been shifting to the East for the last decade, Kordsa Global completed investment in Line 4 and started investments in Line

5 and Line 6 at the Indonesia plant in order to respond faster to customers' needs.

Kordsa Global has commercialized three new brands by extending its research and development investments and maintaining new product developments. Among the newly developed products, Kordsa Global commercialized its nylon twisted monofilament with the Monolyx® brand name as well as its high denier, high tenacity polyester yarn products. In addition, the commercialization process was started for hybrid cords with the Twixtra® brand name and for high modulus polyester yarns. Additionally, the Capmax™ brand, which provides high efficiency with environment friendly characteristics, had its launch in June.

Kordsa Global realized capacity expansion investments in some of its operational units according to the global market trends. Nylon 6.6 capacity expansion was started in Izmit plant in 2012. Additionally, Kordsa Global's Egypt unit, Nile Kordsa, completed through a modernization project in 2012.

Kordsa Global receive a various awards in 2012:

- Sabancı Holding / Golden Collar Awards
- Innovation Category Grand Award
- Synergy Category Grand Award
- Innovation Category Honorary Mention
- Efficiency Category Honorary Mention
- Kocaeli Chamber of Industry Awards
- Grand Award in Large Scale Enterprises Category
- Corporate Social Responsibility Association / Corporate Responsibility Awards

- Employee Safety Award

In 2013, Kordsa Global plans to continue to invest into its future in line with its vision, realizing growth projects to sustain its market leadership and increasing its agility along with the quality of its services and products.

In 2013, which is also Kordsa Global's 40th year, the Company aims to further entrance its competencies in Occupational Safety and Health and Environment. The Company also prioritizes providing sophisticated solutions to its customers with new products and sustaining service and product quality in its sector.

In 2012, Kordsa Global reached sales of TL 1,492 million.

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

## **BRISA**

Established in 1974 as Lassa, the Company began full operations 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.

Currently the seventh largest tire producer in Europe, the Company has an enclosed manufacturing area of 361,000 square meters, one of the largest single tire factories in the world.

Brisa produces over 600 different types of tires with Lassa and Bridgestone brands. A wide range of designs, types and sizes accommodate many vehicles from passenger cars to earthmoving equipment. The Company has an annual production capacity of 10 million tires. Brisa's sales network covers approximately 900 locations, including 461 exclusive

dealerships that market tires throughout Turkey. Additionally, the Company reaches its clients through distinctive channels such as car dealers and hypermarkets. Brisa tires are mounted as original equipment on Renault, Toyota, Ford, Fiat, Honda, Hyundai, Isuzu, Otokar, Karsan, Türk Traktör, Mercedes Benz, BMC, Temsa, Mitsubishi and MAN vehicles among others.

Brisa is the leader in the domestic market and has steadily developed its leadership by higher-than-market growth performance while increasing its presence in export markets.

Apart from being Turkey's most preferred tire brand, Lassa is rapidly entering international markets as a competitive quality brand. Meanwhile, Bridgestone, a world leader, attracts significant demand from Turkish consumers as well.

OtoPratik, another Brisa brand, provides rapid check and maintenance services in addition to routine and typical maintenance requirements for the basic needs of private car and light commercial vehicle owners with a one-stop-shop approach. Beyond its reputation as a tire retread brand, Bandag serves as a business partner with a complete tire management system, helping to cut costs for fleets.

Brisa's lastik.com.tr website, being Turkey's first online tire sales and services system, provides complete services for end customers with a relentless focus on creating value for its customers.

Another innovation for Brisa this year was the "Tire Hotel" service which offers to store the summer or winter tires during the unused season. By this service, Brisa not only brings a solution to storage problems of car owners but also ensures the lifetime performance of tires.

Brisa's Technology Center works in coordination with similar Bridgestone centers in Tokyo and Rome, closely monitoring cutting edge developments in tire technology. This cooperation plays a vital role in reinforcing the Company's competitiveness in world markets.

Brisa's net sales revenue reached TL 1,424 million in 2012. Its shares are listed on the Istanbul Stock Exchange with a free float of 10.3%

## **TEMSA**

Temsa, one of Turkey's leading automotive companies, manufactures and exports buses and coaches under its own brand; in addition, the Company is the official distributor of the Mitsubishi and Komatsu brands in the country.

Temsa's manufacturing facility in Adana has a single-shift annual production capacity of 4,000 buses and coaches and 7,500 light trucks, totaling 11,500 vehicles per year.

The Temsa Adana Plant occupies a total area of 555,000 square-meters. There, the Company manufactures Safir intercity buses and tourist coaches, Prestij midi-coaches and Avenue city buses designed specifically for urban public transport systems. The facility is also the manufacturing site for the TS35 and TS30 coaches for the United States market; the Avenue, Tourmalin and Safari buses for the European market; and the MD9 midi-coaches.

Temsa vehicles, designed and manufactured with in-house know-how, are sold to the world's leading automotive markets as well as to the Turkish market. In France alone, more than 3,000 Temsa brand buses and coaches are on the road. Additionally, Temsa's other major markets in Europe include Germany, Italy, Austria, Sweden, Lithuania and the Benelux



countries. Thanks to its expanding product range, Temsa is also rapidly increasing its market share in the United States. In 2012, Temsa exported 60% of its total bus and coach production; some 90% of its exports went to Western Europe and the United States, with the remaining 10% shipped to Eastern Europe and the Turkic Republics.

Temsa also continues to serve the Turkish industrial sector as distributor of Komatsu Construction Equipment for the last 30 years. The bucket products that Temsa manufactures for various construction equipment are highly popular in the sector due to their high quality and functionality. Having already established distributorships in Azerbaijan, Georgia and Iraq, the Temsa Komatsu Construction Equipment Business Unit plans to expand its presence to other regions.

Under its distributorship agreement with Mitsubishi Motors, Temsa conducts marketing, sales, service and spare parts operations for Mitsubishi passenger vehicles, Mitsubishi pickup and Mitsubishi Fuso Canter light trucks with a network of 37 authorized dealers. Temsa Global serves as distributor for the entire Mitsubishi Motors product range which includes ASX, Lancer, Lancer Evolution, Colt, Outlander and Pajero passenger vehicles as well as L200 pickup and Mitsubishi Fuso Canter light truck commercial vehicles.

## **SASA**

Sasa is Europe's leading producer of polyester staple fibers, filament yarns, specialty polymers and intermediates.

Since its establishment in the polyester sector in 1966, the Company has been a pioneer in its field, demonstrating rapid growth with continuous investments.

With technology licensed by Dynamit Nobel, ICI and Dupont, Sasa has a robust technical infrastructure with its high-capacity production plants, its more than 1,200 qualified employees and a Research and Development Center that was founded in 2002.

Sasa's manufacturing facilities are located of Adana, Turkey. The main operations are situated on an area of one million square meters. The Hacı Ömer Sabancı Organized Industrial Zone textile facility is located on a 128,000 square meter site.

Provided with electricity through a directly connected facility, Sasa also has its own raw material production plant. Starting operations in 1977 with an annual capacity of 60,000 tons, the DMT Plant now has an annual capacity of 280,000 tons to meet increasing demand. The majority of the DMT is used for internal consumption, with the remainder sold in solid form.

Since the first quarter of 2010, Sasa ran at full manufacturing capacity in both specialty polymers and textile segments. The investment projects for fibers and specialty polymers businesses were both completed by the end of 2011.

These new investments enable Sasa to increase production capacities of specialty products such as phthalate-free plasticizers, film grade polymers, PBT resin and fibers for textiles and non-woven hygienic products and to create a capacity for the bio-degradable PBAT resin (Advanite Natura). By the end of 2011, Sasa's total production capacity, including PTA-based production reached 350,000 tons per year.

As an environmentally friendly company, Sasa decided to increase the capacity and quality of its wastewater treatment plant. The process will be completed by 2012.

Sasa continues to develop products and processes for the fibers and polymers/chemicals businesses through close cooperation with its customers, enhancing its competitive advantage.

Sasa pursues the vision of “positioning in current and new businesses to create the highest value”. It supports this vision with the mission: To invest in human capital and production facilities for profitable and sustainable growth.

Upon acquisition of Sasa shares from Advansa BV - a former subsidiary of Sabancı Holding, in May 2011, Sabancı Holding became the direct main shareholder of Sasa.

In 2011, Sasa significantly increased both its production quantities and revenue compared to the previous year. The Company was ranked 77th in the list of “Turkey’s 500 Largest Industrial Enterprises” as prepared by the Istanbul Chamber of Industry; it ranked first in the Adana region for 2010.

Sasa shares are listed on the Istanbul Stock Exchange with a free float of 49%.

## **YÜNSA**

Combining technology and the aesthetics of artistic expression in its textiles, Yünsa runs for world leadership of worsted wool fabric and is Europe’s largest manufacturer of worsted wool. With its vision, high product quality, market position and production flexibility, it is also Turkey’s major worsted wool fabric producer and exporter.

Yünsa is a trend setter for menswear and with its menswear and ladies wear fabrics plays a pivotal role in bringing Turkish wool fabrics to international markets; it is a major global player known for its design competence and quality products. As a preferred fabric vendor working in close liaison with customers,

the Company has maintained its influential position in the textile industry.

In addition to 100% wool products, Yünsa also produces cashmere, silk, lycra, polyester, cotton, linen and viscose blended fabrics. Yünsa manufactures fabric 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 through its strong international connections. Exporting to more than 60 countries, the Company has sales offices in the United Kingdom, Germany and the United States and design offices in Italy and Turkey.

In 2012, macroeconomic stability was maintained, current account deficit decreased by concerns, inflation slowed down and Turkey's credit rating increased. Despite there was a decrease in the growth rate, compared with previous years, it can be considered as a successful year, taking into account the world's and especially Europe's condition. Yünsa continued its position as a preferred fabric vendor with its close ties with customers, reliability, product and service quality and its speed and ability in creating and delivering new products.

Yünsa not only strengthens its position in the industry and increases profitability as it becomes a world leader; but it also undertakes important initiatives and continues to invest in sustainable growth. To this end, the Company focused on research and development activities awarded as the during 2012 and "Most Successful Company" cooperating with universities for R&D projects. Yünsa is also a participant in the Turquality® project, a government sponsored program that supports companies in creating global brands.

Yünsa has adopted ISO 9001 Quality Standard. Additionally Yünsa products were certified by the Hohenstein Institute in Germany with the Eko-Tex 100, as not-hazardous to health or the environment.

In 2012, Yünsa performed strongly on an annual basis, with a 20% rise in turnover. Yünsa's sales totaled approximately TL 256 Million in 2012 with exports making up TL 148 Million of sales.

Yünsa shares are listed on the Istanbul Stock Exchange with a free float of 30,6%.

## **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.

## **SOCIAL AND CULTURAL ACTIVITIES**

### **SABANCI UNIVERSITY**

The Sabancı Group established a “world university” led by the Sabancı Foundation in 1994. Instead of choosing a university as a template or replicating existing examples and institutions, a new, unique university was designed during its foundation. It opened its doors to students in 1999 and has since set an example for many other universities.

The main differentiator of Sabancı University is its unique educational system. Academic programs at Sabancı University

are innovative and interdisciplinary. The conventional system of departments sometimes hinders an interdisciplinary approach and causes restricted specialization in any given field prematurely, for this reason; Sabancı University is not organized into academic departments.

The educational system at the University is based on the Common Foundations Development Year, which all students must complete regardless of their subsequent program choices. During this year, students develop a foundation of knowledge, critical reasoning and an interdisciplinary approach. In the second phase of Foundations Development, students are free to choose the introductory courses of their preferred diploma program among 12 different programs.

In October 2012, for the first time in Turkey, the Ministry of Science, Industry and Technology produced a University Entrepreneurship and Innovation Index; Sabancı University ranks first among the most entrepreneurial and innovative universities in Turkey. The University Entrepreneurship and Innovation Index include five aspects; scientific and technological research competence, intellectual property pool, cooperation and interaction, culture of entrepreneurship and innovation and economic contribution and commercialization.

## **Faculties**

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

The FENS offers undergraduate programs in Computer Science and Engineering, Biological Sciences and Bioengineering, Materials Science and Engineering, Mechatronics Engineering,

Electronics Engineering and Manufacturing Systems/Industrial Engineering and graduate programs in Information Technology, Biological Sciences and Bioengineering, Electronics Engineering, Computer Science and Engineering, Mechatronics Engineering, Industrial Engineering, Materials Science and Engineering, Physics and Mathematics.

The programs of FASS include Economics, Visual Arts and Visual Communication Design, Cultural Studies, International Studies and Social and Political Sciences at the undergraduate level, in addition to graduate programs in Economics, Visual Arts and Visual Communication Design, Public Policy Analysis, Political Science, Conflict Analysis and Resolution, Cultural Studies, History, Turkish Studies and European Studies.

The Sabancı School of Management offers undergraduate, graduate and postgraduate degrees in Management and Executive Programs at the graduate level in Management and Finance. Starting from the 2011-2012 academic year, Sabancı School of Management launched its MBA program MIT Sloan MSMS dual degree program. Sabancı School of Management and MIT-Zaragoza Logistics Center offer a dual degree option where candidates can earn a Sabancı MBA degree and a Zaragoza Master of Engineering degree (ZLOG) in Logistics and Supply Chain Management in two years. Sabancı University is the only cooperation partner of MIT Sloan in the Southeast Europe and Middle East regions, where Turkey is located. Sabancı University School of Management is also accredited by the AACSB International proving its international standards. Sabancı University School of Management ranked 42nd in Executive MBA Programs and 77th in faculty on the Financial Times ranking for Europe's best management schools.

The Executive Development Unit (EDU) offers executive development programs for professionals.

## **Graduates**

A total of 5,367 students have graduated from Sabancı University since 2000. To date, 73% of Sabancı graduates have already started working and another 20% are continuing their education at graduate and postgraduate levels. 89% of Sabancı University graduates were employed within one year of graduation.

Sabancı University graduates continue their postgraduate studies at some of the world's leading universities, including Carnegie Mellon University, University of California, Politecnico di Milano, Boston University, Harvard University, Brown University, Stanford University and University of Massachusetts.

Akbank, Unilever, Accenture, Turkcell, Procter & Gamble, Ford, Garanti Bank, Yapı Kredi and Deloitte & Touche are some of the companies that employ Sabancı University graduates.

## **Sabancı University Nanotechnology Research and Application Center (SUNUM)**

Established by Sabancı University with the support of the Sabancı Foundation and the State Planning Organization, the Nanotechnology Research and Application Center (SUNUM) is the first interdisciplinary nanotechnology center in Turkey. SUNUM commenced operations in June 2011 and is leading in advanced and interdisciplinary nanotechnology research projects that are rapidly being adopted by industry in the fields of physics, electronics, mechatronics, materials science, chemistry and biology. SUNUM aims to improve the university's international competitiveness in its intellectual property portfolio and contributes to its progress in leading research.

## **A campus that lives and breathes**

The Sabancı University campus has everything to meet the needs of its students. It has many amenities such as the Performing Arts Center, a sports center, a health center, a supermarket and a movie theater. Sabancı University has the highest dormitory capacity to total students ratio among universities in Turkey.

## **SABANCI UNIVERSITY SAKIP SABANCI MUSEUM (SSM)**

The Sakıp Sabancı Museum (SSM) is located on the estate known as Atlı Köşk (Horse Mansion) which was bought by Hacı Ömer Sabancı in 1950 and used as a summer house by the family before it became a permanent residence for Sakıp Sabancı, housing his extensive calligraphy and painting collections. 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 and the Museum was opened to the public in 2002. The exhibition space was expanded in 2005 and upgraded to meet international technical standards.

The SSM currently offers a multi-faceted museum environment with rich collections, conservation units and exemplary educational programs as well as hosting temporary international exhibitions. It regularly organizes and hosts concerts, conferences and seminars.

## **SSM Collections: Three Main Categories**

Sakıp Sabancı Museum Collection of the Arts of the Book and Calligraphy offers a comprehensive overview of 500 years of Ottoman calligraphy, with rare Korans, kıtas, albums, panels, hilyes, edicts, endowments deeds and menşurs. The Museum continually acquires additional examples to add to the Arts of

the Book and Calligraphy Collection. These are exhibited in the Ottoman Calligraphy Halls section of the mansion.

The Painting Collection at the Sakıp Sabancı Museum includes works produced between 1850 and 1950. The collection includes the most distinguished examples of early Turkish painting, as well as paintings by foreign artists who lived in Istanbul during the last period of the Ottoman Empire. By the end of 2011, the SSM Painting Collection exhibition entitled "While a Country is Changing - Turkish Painting from the Ottoman Reformation to the Republic" was opened to visitors. The collection, containing the works of significant artists of Turkish Painting, such as Osman Hamdi Bey, Fikret Muallâ, Halil Paşa, Abdülmecid Efendi and İzzet Ziya, will be exhibited permanently in the gallery designed exclusively for the exhibition.

The rooms on the ground floor at the Atlı Köşk display furniture influenced by baroque, rococo, neo-gothic, neo-classic and empire styles and 19th century decorations used by the Sabancı Family when the mansion served as their residence. The Archeological and Stone Works Collection consists of Roman, Byzantine and Ottoman pieces and is exhibited in the Museum's garden.

### **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", "In Praise of God - Anatolian Rugs in Transylvanian Churches" 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. In 2010, the museum hosted exhibitions entitled “Transcending Borders: The Art of Brush and Pen”, “Legendary Istanbul - From Byzantium to Istanbul: 8,000 Years of a Capital”, “Treasures of the Aga Khan Museum”, and the “Jameel Prize 2009” exhibition organized by the Victoria and Albert Museum (V&A) of London. In 2011, the museum hosted exhibitions entitled “Across - The Cyclades and Western Anatolia during the Third Millennium BC” and “Sophie Calle - For the Last and First Time”.

The Museum maintained its distinctive and innovative exhibition program in its 10th year in 2012. Since 2012 was also the 400th year of the diplomatic relations between Turkey and the Netherlands, the SSM hosted 2 significant exhibitions from the Netherlands. The first exhibition of the year, “Rembrandt and His Contemporaries - The Golden Age of Dutch Art”, featured works from the Rijksmuseum as well as one of the world’s leading private collections. The exhibition presented the Golden Age of Dutch Art for the first time in Turkey, displaying 110 works by great artists including Rembrandt, Johannes Vermeer, Frans Hals, Jan Steen and Jacob van Ruisdael. The second exhibition of the year, “Cobra – 1000 Days of Free Art”, was realized in collaboration with the Cobra Museum of Modern Art and the private collection of ABN AMRO Bank. This exhibition also from the Netherlands hosted the works of the Cobra movement which was active from 1948 to 1951. The last exhibition of the year “Monet’s Garden” was realized in cooperation with the Marmottan Monet Museum. The exhibition hosted works from the late period of Claude Monet; including

pictures of Monet's house in the Giverny Garden, garden scenes, water lilies and his famous Japanese bridge paintings.

In 2012, the Arts of the Book and Calligraphy Collection was re-launched with a new design and a contemporary display, including 200 works of the Islamic Art written by well-known calligraphers, all produced during a period extending from the end of the 14th century to the 20th century. This new permanent presentation of the Arts of the Book and Calligraphy Collection provides visitors to view animations linked to iPad applications with "augmented reality" technology and also take a detailed look at the valuable and rare manuscripts page by page. As part of the display, Kutluğ Ataman's video showing a mirror image of a right-hand monitor, a video version of the calligraphic mirror compositions known as *müsenna* or *aynalı* was also included to the collection.

### **Overseas Exhibitions Held by SSM**

In addition to hosting various exhibitions on its own grounds, the Sakıp Sabancı Museum has promoted its collections by lending works of art to other venues outside the country. Prior to the establishment of the Museum, selected examples from the calligraphy and painting collections of Sakıp Sabancı were exhibited at the Metropolitan Museum of Art in New York, Los Angeles County Museum of Art, Harvard University Arthur M. Sackler Museum, Louvre Museum, Guggenheim Museum in Berlin and Museum für Angewandte Kunst in Frankfurt between 1998 and 2001.

Since its establishment, the Museum has loaned work to exhibitions such as "Mothers, Goddesses and Sultanas" held in Brussels in 2004 and 2005; "Turks: A Journey of a Thousand Years, 600-1600" held in London in 2006 and "Istanbul: The City and the Sultan" held in Amsterdam in 2006 and 2007.



Sakıp Sabancı Museum has hosted exhibitions made up entirely of its own collections at prestigious museums around the world. In 2007 and 2008, the SSM held exhibitions of numerous external venues: "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 Madrid's Real Academia de Bellas Artes de San Fernando; and "Ottoman Calligraphy from the Sakıp Sabancı Museum" at the Real Alcázar in Seville. The Museum contributed with pieces lent 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.

Within Turkey, two paintings from the SSM Painting Collection were loaned to the Istanbul Museum of Modern Art for the "Imagination and Reality of Modern and Contemporary Women Artists from Turkey" exhibition, which was open to the public from September 16, 2011 to January 22, 2012.

### **Sakıp Sabancı Mardin City Museum and Dilek Sabancı Art Gallery**

On October 1, 2009, the Sakıp Sabancı City Museum in Mardin opened to introduce and display urban formation and cultural life in the region. 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".

In 2011, Sakıp Sabancı Mardin City Museum and Dilek Sabancı Art Gallery opened the exhibition "Lo and Behold: Ara Güler in

Mardin". The exhibition was on view in 2012 as well with the support of Sabancı Foundation. Parallel to the exhibition, educational programs were held for children aged 7 to 14.

Sakıp Sabancı Mardin City Museum and Dilek Sabancı Art Gallery have welcomed close to 300,000 visitors as of the end of 2012.

## **SSM Education Activities and Events**

### **Children Education**

The extensive educational programs initiated during the "Picasso in Istanbul" exhibition continued in 2012 and have increased in number, variety and content. Special workshops were held for children during the year. A total of 19.829 students attended the workshops held in 2012.

### **Adult Education**

Adult education began to be organized at the SSM by 2011. In the same year, Prof. Dr. Semra Germaner and Prof. Dr. Ali Akay lectured on "Ottoman Modernization in Painting and the Arts of the Republic Period" and "Reading Contemporary Art", respectively. In 2012 SSM increased the number of lectures held, Prof. Dr. Uşun Tükel lectured on "The Art in Europe – From the Anti-Reformation to the Enlightenment" and "Western Art – Modern Times" in 3 module, Atilla Dorsay lectured on "A Look at the History of Cinema" and "History of Cinema – French Cinema", Prof. Dr. Uğur Derman lectured on "Meetings on Hüsn-i Hat", Prof. Dr. Ali Akay lectured on "Inquiries on Contemporary Art" and Assist. Prof. Ali Rıza Özcan lectured on "Applied Calligraphy".

## **Events**

In 2012, symposium, panel and conferences were held at the SSM in parallel with the museum collections and temporary exhibitions.

The first event of the year was held in memory of Prof. Oleg Grabar, a leading figure in Islamic art, architecture and archeology, due to the contributions he had done on Turkish Islamic art and architectural history studies. Prof. Oleg Grabar was also a member of the International Advisory Board of the museum.

As part of the Arts of the Book and Calligraphy display, the seminar entitled "Codicological Studies on Manuscripts" and the panel entitled "Sultan Bayezid II, on the 500th year of his death: Books, Poets, Artists" were held. In the panel "Sultan Bayezid II, on the 500th year of his death: Books, Poets, Artists", a facsimile edition of a poetry book by Efsahî, an eulogy from the SSM's collection written for Sultan Bayezid II was also launched.

To support current exhibitions at the SSM, conference series, film screenings, gallery talks with students of Sabancı University and guided tours were organized and also Neighbor Day events were held in 2012 as well. Furthermore, as part of "Rembrandt and His Contemporaries – The Golden Age of Dutch Art" exhibition, an international symposium entitled "Rembrandt or Not? Scientific Research on Art" was hosted. Conservation scientists from the New York Metropolitan Museum, the Pratt Institute, the University of Copenhagen and the National Gallery of Denmark, presented scientific research on the works by Rembrandt and his contemporaries.

In 2011, SSM "the Seed" housed "Istanbul Recitals Claude - Achille Debussy Season". Piano recitals and jazz concerts were held at the SSM "Fıstıklı Terrace" in September and October.

In 2012, SSM "the Seed" continued to house the masters of classical music with "Istanbul Recitals". Furthermore, the SSM hosted "Strange Place for Jazz" event as part of Istanbul Jazz Festival in collaboration with Istanbul Foundation for Culture and Arts. Finally, "Jazz in Ramadan" and "Night Shift" concert series were also held at the SSM.

## **SABANCI FOUNDATION**

The Sabancı family has contributed to Turkey's economy through the many businesses they have founded. Family members have focused their efforts on launching institutions that also benefit the public in the fields of education, health, culture, sports and social services and have played an active role in philanthropic work. Reflecting the philosophy of the late Hacı Ömer Sabancı, "To share what we have earned from this land with the people," the Sabancı family established the Hacı Ömer Sabancı Foundation (known as the Sabancı Foundation) in 1974; most prominently Sadıka Sabancı, the wife of Hacı Ömer Sabancı, who donated all of her personal wealth to the Foundation's endowment. Sabancı Foundation quickly became one of the largest foundations in Turkey.

The income base of the Foundation is sustained mainly through donations from family members, Sabancı Group companies and revenue generated by financial assets.

The Sabancı Foundation is a founding member of the Turkish Third Sector Foundation (TÜSEV) and the European Consortium of Foundations on Human Rights and Disability; a Governing Council member of the European Foundation Center (EFC); and a member of the Council on Foundations (COF).

The Foundation's overall aim is to promote social development and social awareness among current and future generations by supporting initiatives that impact and bring change to people's lives by creating authentic, innovative and lasting values. In addition to its support of institutions, arts and culture and providing scholarships and awards, the Foundation supports civil society organizations in promoting equality and the active participation for women, youth and persons with disabilities.

Over the past 38 years, the Foundation has built more than 120 institutions at 78 sites across Turkey, specifically schools, student dormitories, health facilities, cultural centers, sports facilities, libraries, teacher centers, social facilities and the Sabancı University-one of its most significant investments.

In 2012, the Sabancı Foundation continued to support the collaboration between the Perkins School for the Blind and Türkan Sabancı Primary and Vocational School for the Blind. Also this year, Sabancı Planetarium was inaugurated at the Eskişehir Science Arts and Culture Park. The technological infrastructure of the planetarium has been provided by Sabancı Foundation on the conditional donation of Çimsa.

In 2012, more than 1,300 students, including 380 new students, benefited from Sabancı Foundation scholarships. Since establishment, more than 37,000 students have obtained scholarships through the scholarship program. The Foundation continued to provide scholarships through the Sabancı Foundation-Vista Scholarship Program which had been initiated during the 2009-2010 academic year. Additionally, the Sabancı Foundation Awards Program recognized individuals with awards for their exceptional performance in education, sports, arts and culture at national and international levels.

With regard to the arts and culture, the Sabancı Foundation continued to support the Turkish Folk Dance Competition and the State Theater'- Sabancı International Adana Theater Festival in 2012. Mehtap Ar Children's Theater, which has been receiving support from the Sabancı Foundation since September 2006, has traveled to 60 cities and 151 provinces in Anatolia, reaching nearly 600,000 children with more than 2,500 performances. In 2012, the Foundation continued to support the Ankara International Music Festival, the Metropolis Antique City excavation in Izmir and the Turkish National Youth Philharmonic Orchestra (TUGFO) under the leadership of the world-renowned conductor, Cem Mansur. Sakıp Sabancı Mardin City Museum and Dilek Sabancı Art Gallery, restored by Sabancı Foundation, has attracted nearly 270,000 visitors since its opening on October 1, 2009. In November 2011, the Dilek Sabancı Art Gallery in Mardin hosted a year-long new exhibition entitled "Lo and Behold: Ara Güler in Mardin" visited by more than 60,000 visitors.

The United Nations Joint Program (UNJP), which was successfully completed in six pilot cities between 2006 and 2010, marked an important milestone toward protecting and promoting the human rights of women and girls. Upon completion of the Program, "Local Equality Action Plans" were launched to improve the quality of life of women and girls, 300,000 people were reached as part of the Sabancı Foundation Grant Program; high school teachers received "Purple Certificates" designed for the education of teachers on gender equality.

In 2012, a new United Nations Joint Program was initiated with the partnership of United Nations Development Program, UN Women, Sabancı University, Ministry of Family and Social Policy, Ministry of Interior, Ministry of National Education and

Union of Municipalities of Turkey to be implemented in ten pilot cities for three years. Supported by Sabancı Foundation, the new joint program will be implemented under three components; Gender Responsive Budgeting, Sabancı Foundation Grant Program and Purple Certificate Program.

First launched in 2008, the Sabancı Foundation Social Development Grant Program aims to support civil society organizations in promoting social development to achieve equality and active participation for women, youth and persons with disabilities. Since 2008, the program has received 824 applications from 70 cities in Turkey. The Foundation made grants totalling TL 5.6 million to 28 projects implemented in 72 cities. Out of these projects, twenty were completed reaching more than 60,000 individuals throughout the country.

In 2012, eight new projects were selected to be included under the Sabancı Foundation Grant Program. Project representatives convened on July 9-10, 2012 in Istanbul to meet with one another and share experiences.

On October 18, 2012, a meeting was organized under the theme "Sowing Season" to exchange information and experiences of the grantees that completed their projects in 2012 with the support of Sabancı Foundation Grant Program. Several representatives from NGOs, public authorities and the press attended this meeting to contribute to the discussion. A book entitled Sowing Season: Sabancı Foundation Grant Program Stories was distributed to the participants and related organizations.

In 2012, the Sabancı Foundation continued to support the project entitled Turkey's Changemakers, highlighting the stories and efforts of individuals who make significant contribution to social development and inspire society. Out of 1,000

applications, 86 Changemakers were selected and videotaped. The videos were shared on the program's website, Facebook, Twitter and YouTube, as well as several local Turkish daily Internet news portals, reaching more than two million viewings on the domestic and international platform.

Every year, Sabancı Foundation Philanthropy Seminars bring together civil society, foundations, academic, private and public sector representatives with international experts to allow for information sharing on new trends in philanthropy and civil society sector. On December 10, 2012, the sixth annual Sabancı Foundation Philanthropy Seminar was held with the theme of "Philanthropy for Education: Innovations and Opportunities" with guest speakers Irene Pritzker, founder of the Innovation Development Progress Foundation and M'hammed Abbad Andaloussi, founder of the NGO Al Jisr, who works toward improvement of the education system via cooperation with the private sector, foundations and the public sector.

With respect to programs, the Sabancı Foundation continued to support various projects, programs and events that aim to encourage and enable those who have the power to change the future and to make a difference in the lives of others. These projects, programs and events are listed below:

- 72 Cities benefiting from Grant Projects
- 123 Institutions:
  - 1 University
  - 40 Education Institutions
  - 19 Dormitories
  - 17 Teachers Centers



- 17 Cultural Facilities
- 13 Social Facilities
- 7 Health Care Centers and Facilities
- 5 Sports Facilities
- 4 Libraries

## THE GLOBAL COMPACT PRINCIPLES & SABANCI

The highlights of 2012 are summarized below:

- ❖ Sabancı Holding Chairman Güler Sabancı has been assigned as the member of the Board at the United Nations The Global Compact in 2012. As the board member, Güler Sabancı will participate in the initiatives to improve the partnership between the United Nations and the business world, to ensure that the specific compact principles are complied with, as well as providing strategical consultancy in alignment with The Global Compact principles.
- ❖ The members of UN Security Council have been hosted at Sakip Sabanci Museum during their Istanbul meeting.
- ❖ Sabanci Holding has co-hosted the Workshop on Sustainability and Corporate Social Responsibility for Media. The event has been organized by Media Working Group of UN Global Compact Turkey Network which Sabanci Holding is one of the members.

## 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 Women's Empowerment Principles and became the first Turkish signatory.

In 2012, Chairman and Managing Director of Sabanci Holding, Güler Sabancı, delivered the keynote address at United Nations' "Gender Equality For Sustainable Business" Conference in New York which is also 4th Annual Equality Means Business Event. Also in attendance were UN Secretary General Ban Ki-moon; Executive Director of the Global Compact, George Kell; UN Women Executive Director Michelle Bachelet, as well as a large number of dignitaries from around the world.

Most recently, Sabanci Holding became one of the co-leaders of The "Equality at Work Platform", an initiative founded to achieve gender equality in the process of women's increasing contributions to Turkey's economy. The platform is based on the cooperation of a variety of stakeholders from the public and private sectors, NGO's, academics, the media and the World Economic Forum. The goal of the 3-year project is to increase the participation of women in the business work force in Turkey and to reduce the gender gap in Turkey's economic contributions and opportunities by 10 percent.

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.

43% of all employees are women. The female labor participation rates at Sabanci Group companies are twice above the national average in Turkey.

31% of Sabanci Group executive team is women.

In 2012, 45% of total number of recruitment is women.

In 2012, 45% of women employees have been promoted.

## **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 Group in human resources management is to develop and execute human resources strategies that create value consistent with the Sabancı vision and business objectives.

Sabancı Group human resources strategy strives to set world class management standards in this field and be an exemplary employer that every professional wants to, and is proud to, work for.

To realize this goal, Sabancı Group Human Resources is;

- highly selective in recruitment and promotion,
- directing employees to motivating goals,
- setting high performance standards for employees,
- holding management and the employees accountable for the results of their work,
- creating opportunities for employees to realize their potential and abilities,

- rewarding outstanding performance.

Sabancı Group aims to be an employer for;

- trustworthy,
- sensitive,
- ethical,
- flexible,
- market-oriented,
- strategic-minded,
- innovative,
- team-oriented
- individuals.

### **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 goals are to;

Be the employer of choice for top talent.

Recruit talented individuals who will help support the Group going forward while 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.

Future Forums, one of our best practices in this area, is implemented in collaboration with Sabancı University. The objective of this program is to place a market and customer focused viewpoint in the center of every activity in order to support sustainable growth, and to trigger the transformation by helping to think beyond the industry and market boundaries. In 2012, six Sabancı Group Companies have attended this program with 32 employees.

Furthermore, the SALT program, which has been designed to develop Group's leaders, has been running for the last eight years; and 177 executives have attended this program.

Again to another leadership development program which has been continuing for the last 5 years, 30 Mentors and 31 Mentees have attended.

## **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 strengthen the commitment of existing employees.

Encourage accountability

Reward outstanding employee contributions and performance

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.

With Sabancı Golden Collar Awards, the priority is to communicate the critical issues for the Group to the employees and to reward the best suggestions.

For the awards which was held in 2012, 23, 21 and 17 applications have been made to the Innovation Category, Productivity Category and Synergy Category, respectively.

Our Group have over 57.000 employees in 2012.

We created approximately 4.800 new jobs in 2012.

We project to create an additional 3,000 new jobs in 2013.

- Retail, financial services, industrials and energy will recruit the most.
- 45% of our workforce is white collar, 64% of which have university or post graduate degrees.
- Since 2006, we have increased the amount of women executives from 23% to 31% in 2012.
- 43% of all our employees are women.
- In our insurance firm AvivaSA this number is 64%. In Akbank, one of Turkey's largest banking institutions, 52% of our employees are women.
- 70% of white collar women have university or post graduate degrees.
- The average seniority of Group employees is six years.



- 140 executives received training in management coaching, while 40 high-level executives acted as mentors.
- Average of 30 hours of training per person annually for HR development in our Group. The annual average training received per person within Group companies is 34 hours.
- 177 senior managers have been subject to Sabancı Leadership Team (SALT) trainings to better prepare them for their future roles in the Group.

## **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**

By managing its economic, social and environmental priorities, Sabancı Holding aims to perpetuate its sustainable profitability in the future. All companies within the Sabancı Group pursue their operations with an understanding of economic, social and environmental responsibility.

### **Cement**

Sabancı Group cement companies are pioneers in the implementation of sustainability projects in their industry. Turkey's first waste heat regeneration project commissioned by Akçansa in September 2011, was one of the projects chosen to represent Turkey at Rio +20 conference. The same project

received several environmental awards from Istanbul Chamber of Industry, Ministry of Energy and Ministry of Environment and Urbanization. Akçansa's innovative, customer focused marketing approach resulted in another pioneer application. Akçansa's "Safkan Cement", Turkey's highest performance environmental cement, also received "Innovative and Environmentally Friendly Product" award from Istanbul Chamber of Industry. Akçansa's second GRI Report covering 2009-2011 operations was published in June 2012.

Çimsa commissioned its waste heat regeneration project in 2012. Electricity generated from the project will provide 20% of the consumption of Mersin plant. The plant was able to generate 32 million kWh between the period starting from April 2012 to the end of the year. The project also conducted a decrease in CO2 emissions of 15,580 tons. GRI (Global Reporting Initiative, 2010) report of the company was published in 2012, which was subject to independent audit and was approved as B+. Çimsa is the first cement company in Turkey to publish GRI B+ level Sustainability report.

Çimsa's Kayseri plant was awarded as the "Cleanest Industrial Plant in Turkey" in the "Clean Turkey" contest by the Ministry of Environment and Urbanization.

Çimsa's Misis, Kozan, İnegöl and Pamukova Ready Mix Plants received 2012 "Green Point" environment awards.

The Waste Feeding and Waste Energy Recovery Facility, which commenced operations in 2011 at the Çimsa Eskişehir Plant, has increased wastefuel usage to 30%.

Çimsa became the first cement company in Turkey to receive the "Environmentally Friendly Product Certificate".

The first sustainability reports within the industry were issued by Sabancı Group companies.

## **Energy**

The share of renewable energy resources within total installed power has reached 28%.

The most efficient thermal power plant in Turkey is the Bandırma Natural Gas Cycle Power Plant, with its efficiency rate of 59.3%.

The carbon reduction credits generated by renewable energy plants are being presented to voluntary carbon credit markets.

## **Banking**

Akbank was the first among Turkish deposit banks to issue a sustainability report.

## **Industry**

The Industry Group aims to contribute to environmental, economic and social dimensions of sustainability through focusing on environment-friendly products and energy efficiency.

In 2012, Kordsa Global received the first prize in the “Innovative Environment-Friendly Products” category with Capmax at the environment awards organized by the Istanbul Chamber of Industry. The company was awarded the runner-up prize in the “Energy-Efficient Product” category with Twixtra, while receiving the runner-up prize in the “Environment-Friendly and Energy Efficient Practice” category with its Cavitation project. Kordsa Global was awarded a first and two second prizes at the Environment Awards organized by the Istanbul Chamber of Industry.

Brisa ranked among companies that provided content for the 2012 report of the Carbon Disclosure Project, a key conservationist study in the global scale.

Sasa, which decided to raise the capacity of its treatment facilities to reflect its environmental awareness to its operations, completed the project in 2012. The company, which will publish its first sustainability report in 2013, continues to work on projects related to the reuse of discharge water released from its drain water treatment facility.

## **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:

#### **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 specific 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 Sabancı 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.

## 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.



**CONTACT US:**

HACI ÖMER SABANCI HOLDING A.Ş.  
SABANCI CENTER  
4.LEVENT 34330 ISTANBUL  
0090 212 385 80 00  
[kurumsaliletisim@sabanci.com](mailto:kurumsaliletisim@sabanci.com)