



**UN GLOBAL COMPACT
COMMUNICATION ON
PROGRESS REPORT 2012**

Statement from the Director

Elif is committed to make the Global Compact principles a part of its corporate strategy, culture and every day operations and to engage collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals.

I am pleased to confirm that Elif reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor Rights, Environment and Anti-Corruption. In this our first annual Communication on Progress, we describe how our culture is in compliance with Global Compact and our actions to further integrate its principles into our business strategy and daily operations. We are also committed to share this information with our stakeholders, customers and suppliers using our primary channels of communication.

Elif seeks to uphold universal human rights, including accessibility, discrimination and labour rights. Elif Code of Conduct requires the fair and equitable treatment of all Elif employees, suppliers and customers. Diversity & Equal Employment Opportunity is a sustained competitive advantage for the continued growth of Elif.

Elif is aware of the fact that development of countries and living standards of communities can be achieved only by

providing better conditions for the new generations. Therefore, Elif relentlessly works for value-added projects parallel to its principle of sustainability and social responsibility.

Labor rights and safety is a critical topic for Elif. Elif is committed to deliver any legal, organizational or functional requirement related with labour rights and safety. Elif is committed to the principles of fair and equitable labour relations demonstrated through the diversity of our co-workers and operations.

Elif also continuously enhances the workplace conditions for better working environment and provide a safe and healthy work environment for its co-workers, contractors and visitors. Elif aims to develop an equal opportunity diverse workforce, engaged to work in a safe workplace with highest standards and no injuries. Elif aims to reduce the use of natural resources in its products, operations and services. One of Elif's core values is sustainable development and Elif values its reputation as an environmentally engaged supplier.

Developing its business activities in order to promote productive, sustainable and cost saving methods and technologies, Elif stands out with the value it creates for the environment and society and its commitment in sustainable development.

Elif works against all forms of corruption, including extortion and bribery. Elif supports the Global Compact's principles on anti-corruption, complies with law, and condemns any form of bribery or corrupt activity parallel to its Code of Conduct.

Elif is committed to make the Global Compact principles a part of its corporate strategy, culture and every day operations and to engage collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals.



Selçuk K. Yarangümelioğlu
Managing Director



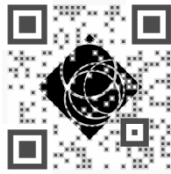
Our Approach to Reporting

Elif prepares and presents its United Nations Global Compact Communication on Progress Report in accordance with the UNGC Reporting Guidelines.

Elif United Nations Global Compact Communication on Progress Report 2012-2013 is issued annually and provides a summary of its progress for 10 principles of UNGC in 4 areas; Human Rights, Labour Rights, Environment, Anti-corruption. Details regarding the information given in the report can be provided online at Elif's corporate website and at the section dedicated for action pages of the regarding area. The online content provides further information about Elif' as well as additional and update information about the issues covered in this report.

www.elifplastik.com.tr

In this report, 'Elif' refers to Elif Plastik Ambalaj Sanayi ve Ticaret A.Ş. (Elif Plastic Packaging Industry and Commerce Inc. Co.) and its subsidiaries. Elif Plastik Ambalaj Sanayi ve Ticaret A.Ş. is registered with trade registry number 115112 in Istanbul Chamber of Commerce on 26.05.1972. The report is prepared for the period 2012/2013.



Questions & Feedback

We welcome your feedback on our commitments and performance detailed here in our United Nations Global Compact Communication on Progress Report 2012-2013 . Questions and feedback about the report should be directed to Elif via the 'Contact us' enquiry form at www.elifplastik.com.tr/contact or via e-mail to marketing@elifplastik.com.tr or via phone numbers given at Elif corporate website.

Contents

Introduction

<i>Statement from the Director</i>	<i>2</i>
<i>Our Approach to Reporting.....</i>	<i>3</i>

Company Profile

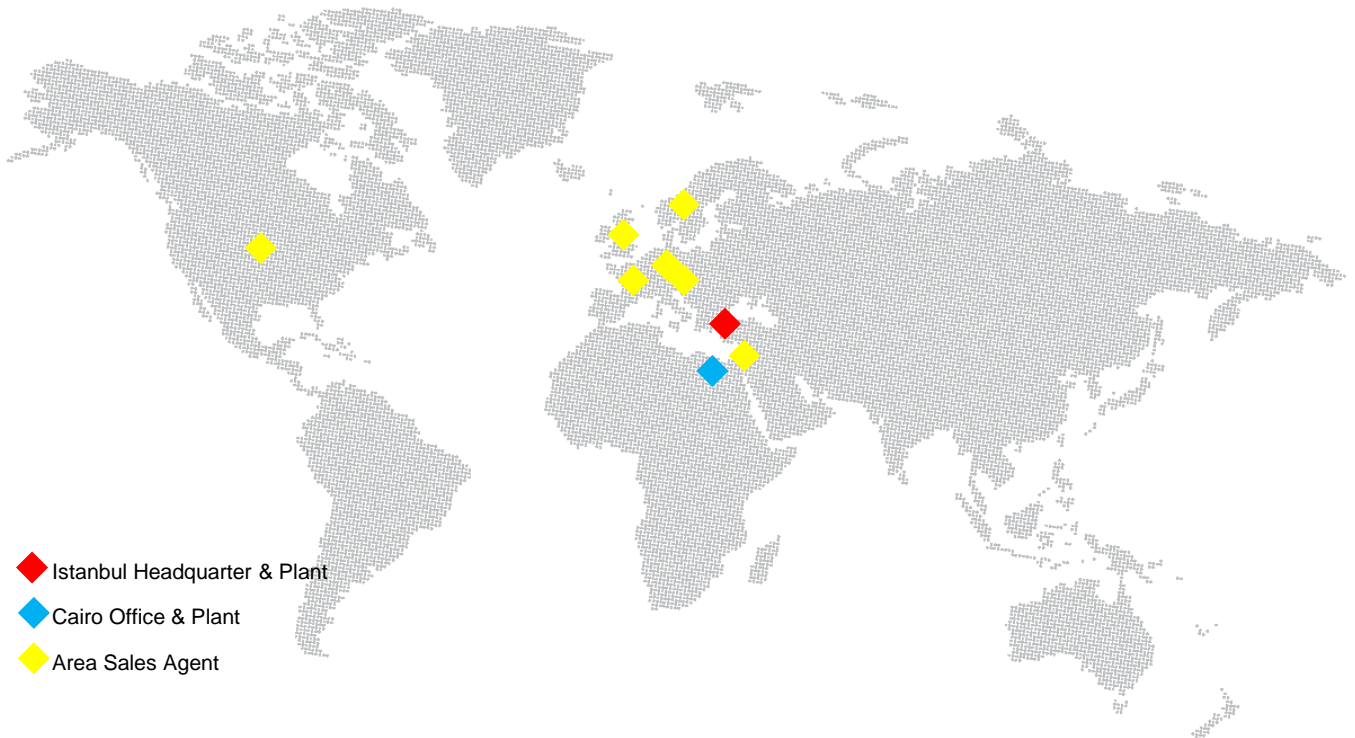
<i>Elif At a Glance</i>	<i>4</i>
<i>Vision, Mission and Values</i>	<i>6</i>
<i>40 years of Experience ...</i>	<i>8</i>
<i>Sustainability Approach.</i>	<i>10</i>
<i>Quality Approach</i>	<i>12</i>

Report Profile

<i>Our Policies and Standards</i>	<i>14</i>
<i>GUNGC Principles, Approach, Implementations and Results.....</i>	<i>18</i>
<i>Human Rights Principles - Actions</i>	<i>20</i>
<i>Labour Rights Principles – Actions</i>	<i>22</i>
<i>Environmental Principles – Actions</i>	<i>24</i>
<i>Anti-Corruption Principle – Actions</i>	<i>26</i>

Elif at a Glance

Elif is an unrivalled packaging partner, serving 360° Tangible Excellence for its customers with continuous innovation, sustainable practice and a global diverse culture.



Elif is a global supplier for flexible packaging solutions, known and preferred with its quality. Continuously improving its service and quality standards after its establishment in 1972, Elif has been authenticated as the market leader for setting high quality standards in the flexible packaging industry by its multinational customers with leading brands.

Elif employs approximately 800 co-workers and has an annual sales of approximately 170 mUSD. Elif owns one of the leading production facilities in the world with architecture of construction, infrastructure and high technology of production and scale.

With its worldwide benchmark factory of 110,000 m² in total, 55,000m² of it being indoor facilities, Elif has a production capacity approaching 55,000 tons per year. Elif is committed to provide exceptional service and highest quality products tailored to the unique needs of each customer through collaboration and innovation driven by the art of science.

With headquarters in Istanbul, Turkey, Elif's international operations network is strategically structured to offer both worldwide supply flexibility and a global localized service for its customers. Elif has 7 area sales agents around the globe and started to invest for a new plant in Cairo, Egypt.

Offering services to many major brands, both domestic and global, Elif exports in excess of 50% of its production to more than 60 countries worldwide. Elif continues to target tomorrow's excellence by strengthening synergy and dynamism generated by the unity of its customers, suppliers, co-workers and its innovative management approach.

Elif's flexible packaging solutions include converted packaging materials, materials on reel and technical films for food & beverage, hygiene, household and personal care, industrial, retail and other sectors.

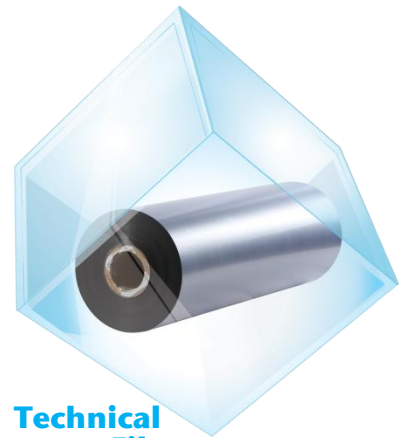
Packaging Solutions



**Converted
Packaging**



**Materials
on Reel**



**Technical
Films**

Sectors We Serve



**Food &
Beverage**



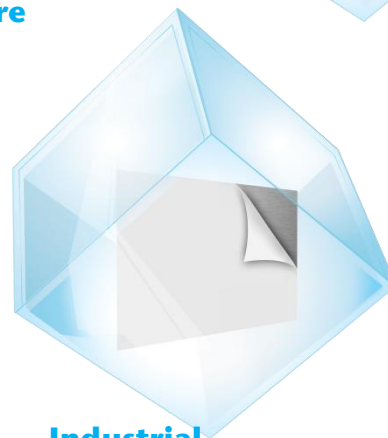
**Household
Care**



**Personal
Care**



**Retail &
Other**



Industrial

Vision, Mission & Values

An unrivalled packaging partner, with global and diverse culture serving 360° Tangible Experience for its customers with continuous innovation and sustainable practice..

VISION

Being the global benchmark company in the flexible packaging industry.

Elif continues to target tomorrow's excellence to keep its global benchmark company position in the flexible packaging industry. This has been achieved with the enthusiasm generated by the synergy of Elif's customers, suppliers, professional human resources and management team with innovative approach. Continuously improving its service and quality standards, Elif has been authenticated as the market leader for setting high standards in the flexible packaging industry by its multinational customers with leading brands.

MISSION

To deliver value adding flexible packaging solutions for the sustainability framework with worldwide authenticated quality.

Elif is committed to provide exceptional service and highest quality products tailored to the unique needs of each customer through collaboration and innovation driven by the art of science. Elif is committed to work relentlessly to deliver value adding flexible packaging solutions for the sustainability framework of its partners, customers, economy, society and environment.

Corporate Values

Elif's Corporate Values reflect the behaviors that shape the tone of how Elif works within the ecosystem of customers, partners and co-workers. Elif creates value by over fulfilling the needs of customers in a spirit of innovation, through continuous passion for excellence and with a clear desire for sustainable development.

360° Tangible Excellence

Elif continuously pursue excellence to make its customers experience the Excellence not only today but also tomorrow in all geographies and under all conditions.

Elif's understanding of Excellence is continuously training the employees under the roof of Elif with the latest technology it possesses, continuously performing the production and service that will exceed customers' expectations in terms of their needs and continuously increasing the targets after each success Elif has achieved. This understanding within the dynamic corporate framework will ensure Elif to increase its market share with the contribution of all of the employees and close tracking of the scientific and technological developments, continuous its development and growth, and cultivate an unrivalled brand from "Elif" nominated as the standard of quality.

Continuous Innovation

Innovation is a means of applying technology, art and know-how to developing and differentiating products and services, retaining and strengthening market positions, building stronger brands and driving sustainable growth for Elif and therefore its customers.

The challenge is not to make products and services to fulfill customer expectations but relentlessly force competencies of Elif to exceed those expectations. Therefore, Elif is continuously looking for state of the art facilities with full awareness of which improvements are imminent and what can be made possible for its customers. Elif specifically implements this potential to constantly carry its customers one step ahead.

Sustainable Practice

Elif exists for the purpose of creating value by increasing the standard of living and quality of life of its employees and otherwise contributing to the economic, environmental, and social well-being of customers, suppliers, and the nations in which the company transacts business.

The objective of Elif's sustainable development is to ensure the continued existence of the company as an economic factor, as an employer in the region, in harmony with the environment and the standards of society in the long-term.

Sustainable management forms the basis of Elif's commercial success. Conscious consideration of its social and societal responsibility, as well as conscientious handling of natural resources and the environment, are integral parts of Elif's self-image.

Corporate Personality

Global Culture

Elif's global culture accredited by its customers pioneering their sectors, Elif continues to transform new market potential into growth and strengthening its position on a secure global footing.

Elif intends to be a worldwide international trademark by expanding its customer and partner network all around the world thanks to its diverse human resources, cultural infrastructure and capability of geographical distribution and speed to react.

Strategic Partner

Elif provides products and services of superior quality and value helping its clients articulate their goals, charting a course which navigates them from where they are today to where they want to be tomorrow and beyond. Elif upholds the values and principles of its customers in every action and decision by treating their assets as its own and behaving with their long-term success in mind.

Elif enables its customers to take advantage of a reputable, trustworthy and liable partner through its comprehensive portfolio of solutions, high standard of quality, customer service tailored to the needs of the diverse cultures and agility to adapt to changing business requirements and environment.

Industry Expert

Elif's strong know-how, technical knowledge and expertise creates value for its customers to hold a continuous competitive advantage through efficient and innovative packaging solutions.

Elif is passionate about using this industrial expertise in delivering innovative packaging solutions for its customers to enhance the products people use in their daily lives. Elif's operational and commercial expertise combined with its versatile solutions allow Elif to present its customers with a value proposition unrivalled in the industry.

40 years of Experience

An unrivalled packaging partner, with global and diverse culture serving 360° Tangible Experience for its customers with continuous innovation and sustainable practice..



1970



Elif is established

Elif Plastik Ambalaj San. ve Tic. A.Ş. is established in Istanbul, Turkey, on June 28th, 1972. "Elif" is the first letter of the ancient alphabet and selected as the name of the company as it represents intelligence, leadership, partnership and innovation as well as cultural awareness and corporate passion of Elif.

1972

1975

1976

1980

1990

Elif moved its production facility to its first factory.

Second factory

Elif opened its second factory in 1990 to meet the growing demand from its customers.

Third factory

Elif opened the third factory in 1994 as the fastest growing company in the industry.

1976

1980

1990

1991

1994

1990

1991

1994

1995

1999

1994

1995

1999

2004

2005

Elif achieved its first quality certificate ISO 9001 after its reorganization in 1997.

1997

1999

2004

2005

2007

Investment for state of the art machines

Elif started to revitalize its production line with state of the art machines in 1995.

The fastest growing packaging company in Turkey

Elif is honored as the Fastest Growing Company in Turkish Packaging Sector and ranked 12th among the 250 fastest growing companies in Turkish Industry between 1990 and 1995.

1995 was also the first year that Elif took place in "500 Largest Industrial Enterprises of Turkey" list announced by Istanbul Chamber of Industry.

1995

1999

2004

2005

2007

	1970	1972	1975
1972	1975	1976	1980
1976	1980	1990	1991



1980

1990



1991

1994



1980

1990

1991

1994



1991 1994 1995 1999

Elif introducing its new, global benchmark factory

Elif proved its visioner approach once again by moving all of its facilities from three separate factories to its new, state-of-the-art, purpose-built factory of 110,000 m2 with 55,000 m2 closed area under one roof. The new factory of Elif is shown as one of the benchmark production facilities in the world with architecture of construction, infrastructure and high technology of production and scale.

2004 2005 2007 2008 2010



1995	1999	2004	2005
2004	2005	2007	2008
2005	2007	2008	2010

Certification of ISO 14001, OHSAS 18001 and ISO 22000

Elif became a member of SEDEX

In 2010, Elif became a member of SEDEX (Supplier Ethical Data Exchange) which has more than 21,000 members globally. As a member of SEDEX, Elif is being audited periodically according to SMETA (SEDEX Members Ethical Trade Audit) and assuring self improvements of his sustainability and ethical policies.

Elif is BRC/IoP accredited

Elif is proud to announce that it has been awarded the BRC/IOP Global Technical Standard Grade A for Packaging and Packaging Materials certification demonstrating its continuous investments on comprehensive quality and hygiene management.

2007	2008	2010	2011	2012
2010	2011	2012		
2011	2012			



2007 2008 2010 2011 2012

From "Elif Plastik" to "Elif"

In 2012, Elif dropped "Plastik" from its brand name and started to use only "Elif". This move from "Elif Plastik" to "Elif" is a clear remark standing for Elif's global transformation prior to its third re-organization and 40.anniversary.

Egypt investment

Elif has officialized its globalization with a key stone investment for a new state-of-art factory in Egypt.

Quality Approach

Elif continues to target tomorrow's excellence by strengthening synergy and dynamism generated by the unity of its customers, suppliers with professional human resources and its innovative management approach.

Elif is committed to provide exceptional service and high quality products tailored to the unique needs of each customer through collaboration and innovation driven by the art of science. Elif continues to target tomorrow's excellence by strengthening synergy and dynamism generated by the unity of its customers, suppliers with professional human resources and its innovative management approach. Therefore, Elif not only advocates good corporate governance but also promotes long-lasting cooperation as well as open communication with customers and suppliers to uphold the principles of mutual trust and fundamental human values as a part of our social responsibility program.

Fundamental business policy of Elif is 360° Tangible Excellence

Elif continuously pursue excellence to make its customers experience the Excellence not only today but also tomorrow in all geographies and under all conditions. 360° Tangible Excellence is one of Elif's core values reflecting the behaviors that shape the tone of how Elif works with its customers and partners as well as its internal working principals. Sustainable Practice and Continuous Innovation are the other two core values of Elif.

Elif's understanding of Quality is continuously training the employees under the roof of Elif

with the latest technology it possesses, continuously performing the production and service that will exceed customers' expectations in terms of their needs and continuously increasing the targets after each success Elif has achieved. This understanding within the dynamic corporate framework will ensure Elif to increase its market share with the contribution of all of the employees and close tracking of the scientific and technological developments, continue its development and growth, and cultivate an unrivalled brand from "Elif" nominated as the standard of quality.

Corporate Personality and Value of Elif



Quality Certificates

Elif has successfully adopted the concept of Total Quality Approach over all of production and service processes and been awarded by ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 22000 Food Safety Management System, OHSAS 18001 Occupational Health & Safety Management certificates and BRC/IoP Global Standard for Food Packaging and Other Packaging Materials.



ISO 9001:2008 re-certification, achieved after an intensive audit in December 2012, confirms that Elif continues to target tomorrow's production and service excellence. Elif is committed to supplying sustainable, more efficient, safer, cleaner and customer focused production and service processes to professionally fulfill or exceed customers requirements. This re-certification is an evident of Elif's strong commitment to increase customer satisfaction by consistently providing products that meet global standards and regulatory requirements



BRC/IoP Re-Certification with 'Grade A'

Of very high concern, especially for the food sector, the BRC/IOP (British Retail Consortium/ Institute of Packaging) Global Standard for Food Packaging and Other Packaging Materials, was developed to ensure retailers and food manufacturers to meet legal obligations. The BRC/IOP is developed to ensure supplier compliance and secure retailers' ability to guarantee the quality and safety of the food products. Elif achieved its BRC/IoP re-certification with 'Grade A' in 2012 and got the renewal of the certificate in 2013 through continuous quality improvement.

The renewed ISO 9001 :2008 and BRC/IOP registration has define and clarify Elif's commitment for providing more organizational and higher quality processes and services for its customers all around the world. Successfully completing the gruelling process required for ISO9001:2008 and BRC/IOP certificates, Elif's prioritization of superior product quality and customer satisfaction is once more emphasized. With its sustainable practices, 360° tangible excellence approach and continuous innovation culture, Elif continues to work relentlessly for making its name synonymous with 'Sustainable Quality'.

Packaging Awards for Printing Excellence, Sustainable Packaging & Innovation

Elif, has been awarded with Turkish Packaging Design National Competition 'Crescents and Stars of Packaging 2012' in flexible packaging category with printing excellence achieved on Iglo (Bird's Eye) Gourmet Shrimp packaging.

İpek Kağıt gained also gained two awards with Selpak Toilet Paper Biodegradable Packaging and Selpak Paper Towel Easy Open & Easy Close Pack developed and produced by Elif in 2011.

In 2010, Elif is honored with 'Excellence in Packaging' by Ontex. In 2012, İpek Kağıt awarded Elif for its high quality service and products with 'Supplier of the Year' award. In 2013, Elif is recognized by 'Coca-Cola Green Supplier Award' in Energy Management category.



Elif's Approach of Sustainability

To create long term value for sustainability, Elif tracks its sustainability management performance and plans its enhancements in a framework outlining three main domains of sustainability as indicated.

Elif acts responsibly toward the environment and society and promotes productive and cost saving methods and technology in its business activities. For Elif, sustainable development means the combination of long term oriented economic success with environmental protection and social responsibility both in the workplace and marketplace of Elif. It is aimed to integrate a sustainability notion into Elif's organizational and management system and build stable and sustainable relationships with business partners of Elif by acting responsibly throughout the entire supply chain.

Elif's approach to sustainability is driven by the operating model defining its approach to business in three elements and starts with its brand essence: 'Packaging Intelligence'

- **Vision & Mission:** Elif's strategic framework for significant success
- **Corporate Personality:** Articulating Elif's unique approach to conducting work every day.
- **Corporate Values:** Reflecting the behaviors that shape the tone of how Elif works with its customers and partners as well as its internal working principals

Packaging Sustainability

Sustainability of packaging is dependent on three core functions of packaging combined intelligently. Elif acts responsibly with the awareness of sustainable packaging.

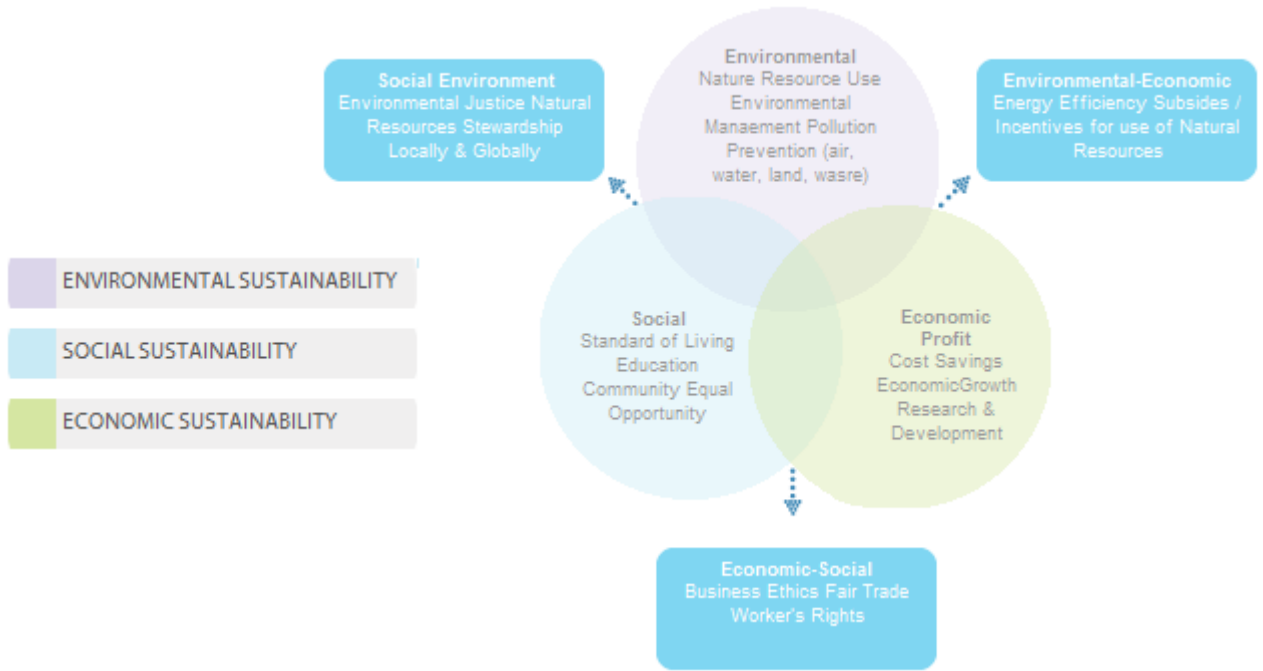
Protecting: Optimum packaging should extend product shelf life to the required level and protect the product against physical, chemical and microbial damage to minimize food spoilage and maximize community health. Therefore, reducing the amount of packaging also ends up in reducing its sustainability impact due to product waste/spoilage or spread of health issues in the community.

Informing: Packaging is not only a communication tool for marketers but also an information platform for consumers. While right dosing and storage instructions can prevent product waste and protect community health, recycling and other green information like carbon footprint and supply chain tracing help to increase the sustainability of the packaging itself.

Performing: Packaging also serves many purposes in terms of functionality and contributes to sustainability in the supply chain and the community. Longer shelf life, easy handling, less storage space and other convenience functions contributes to sustainability of both economy and community as well as environment.



Sustainability Framework



Environmental Sustainability:

Environmental Sustainability is the ability to maintain the qualities that are valued in the physical environment of Elif. Elif's programs for Environmental Sustainability include actions to prevent threats and impacts from arising, protect the environment from threats and damage, reduce the use of physical resources and use renewable rather than depletable resources, to redesign production processes and products to eliminate the production of environmentally unfriendly materials, and to help protection and restoration of natural habitats and environments valued for their livability or beauty.

Economic Sustainability:

Elif plans its actions to achieve and maintain an adaptive, resilient, vital economy providing opportunities and stability for its stakeholders, employees, business partners, customers, the society and the environment. Initiatives of Elif for Economic Sustainability includes raising the level of accountability / transparency as well as corporate governance, increasing shareholder value, enhancing economic performance and productivity, and reaching financial objectives in and for its sustainability framework.

Social Sustainability

Social Sustainability is the core element of Sustainability which aims to create and maintain quality of life for people. Economic and Environmental factors are important, but they are both means to the end, rather than ends in themselves. Therefore, by working towards Economic and Environmental Sustainability, Elif is already working towards Social Sustainability. Elif's actions for Social Sustainability includes ensuring fair trade and fair competition, local economic development, continuously enhancing working conditions and workplace safety, protecting human rights and health, providing a proper base for diversity, caring for personal security and privacy as well as supporting and leading social philanthropy programs.

Our Policies and Standards

Board of Elif supports the highest standards of corporate governance and best practice and are committed to the principles of transparency, integrity and accountability.

Good corporate governance and transparency are fundamental to achieving Elif's vision of becoming a Global Benchmark Company in the Packaging Sector by providing high quality and service standard. Elif strives for excellence in products offered and in the way it does business throughout all its customers, suppliers and partners in a safe and environmentally responsible manner. This precision applies equally to transparency in reporting and meeting the expectations of regulators, shareholders and the public.

Elif Corporate Confidentiality Policy

1. Company staff are personally responsible for protecting at all times the confidentiality of any written and/or verbal information or documents given to him/her directly or indirectly as per his/her position.

2. Telephone numbers registered in the company's telephone guide and other contact information should not be shared with people from outside the company.

3. Company staff should not have any discussions or interviews with people outside the company that would be harmful for the company's security and confidentiality and should not disclose any information or documents.

4. Documents that would disclose company's private information should not be taken out of the company after normal work hours for work purposes. If the work needs to be completed on that day, it would be appropriate to stay late in the building provided that the permission of the related manager is taken.

5. Company staff should refrain from giving information about financial issues such as regarding wages, additional rights and fringe benefits to people from inside and outside the company.

6. Company staff should not discuss outside the company personal problems, complaints as well as conflicts inside the company.

7. Company staff should not give any information to anybody about company objectives, know-how and projects.

8. Company staff should refrain from accepting gifts or materials from other companies, institutions and third parties; they should also refrain from promises, wishes or offers for promotional purposes.

9. Company staff should be careful about consuming alcohol in social meetings such as receptions, dinners or balls organized by the company.

10. If ill-intentioned people try to collect the information considered as "company secret" that should not be revealed to third parties or if such an intention is sensed, the company should be immediately informed of this situation.

11. Company staff working in production departments of new products, projects, inventions, brand etc. should not accept anybody to their departments as guests no matter how close the person is (friend, relative or other company staff who do not have permission to enter that department) and should not give information about the subject.

12. If company phones are used by company staff and if confidential matters are being discussed, utmost attention must be paid to confidentiality and security issues. Confidential matters should not be discussed in crowded places or in company of third parties.

13. Company staff should accept visitors in the waiting hall allocated by the company, not in their offices. If visitors need to be accepted in the office environment, then important and confidential documentation inside the room should be taken away.

14. Security manager and/or company manager must be informed of suspicious behavior observed in social activities organized together with third parties.

15. Company staff should inform their managers of any suspicious situations that they witness and that they think that it would put the company into a difficult situation.

16. At the end of work hours, important documents should not be left uncovered, documents done with must be filed and others must be placed in a drawer or a cabinet with a lock.

17. Documents and papers of confidential nature should not be thrown into the bin; but, must be destroyed using a shredder. If there is no shredder available, then such documents should be cut to very small pieces and then must be mixed up with other litter.

18. Company staff should close windows and curtains at the end of the work day, office equipment, especially computers, must be turned off and all documents, USBs, CDs and floppy discs must be preserved in locked places and doors must be locked up.

19. Workplaces should be opened by company staff at the beginning of the work day using the same method and if there is something inappropriate, then the security unit and manager should be informed.

20. Company staff should pay attention to network safety and confidentiality rules when company computers are used.

Elif Environment, Occupational Health And Safety Policy

Elif adopts and implements a management approach to protect the environment, prioritize occupational health and safety, guarantee compliance with the terms and requests of the customer, in addition to the privilege of technological and high-quality work.

With this purpose, in compliance with the laws, regulations, and by-laws as well as EU directives regarding environment and occupational safety, and customer requirements, it will develop worker health and occupational safety management systems compliant with ISO 14001 and OHSAS 18001 standards, and reinforce them through continuous improvements.

It will also make sub-contractors to observe the provisions, methods, and principles of laws and ISO 14001 and OHSAS 18001 standards, with the same discipline and attitude.

In this respect, Elif;

- thinks of the environment in terms of the use of natural resources,
- closely monitors environment related publications,
- prevents and reduces waste, and carries out all activities required for recycling,

- ensures the selection of materials responsive to environment concerns, and suitable for occupational health and safety in terms of selection of equipment and vehicles,

- prevents waste in raw material use,

- achieves savings in power consumption, and reduces pollution,

- provides ergonomic and healthy work environments to minimize the risk of occupational accidents,

- offers trainings to improve environment and worker health - occupational safety awareness in employees.

It is Elif's duty to inform all of its employees, visitors and suppliers about environment and occupational safety, to deliver safely the inheritance received to future generations.

Our Policies and Standards (cntd.)

Elif Ethical Code Of Conduct

Elif Ethical Code,

is drawn up in order to allow Elif and its employees to achieve shared success, and to develop and maintain mutual relationships in line with universal common values, with the customers and suppliers, and is approved also by the Board of Directors.

"Principled behavior" is the major policy guiding the activities of Elif. The firm considers the application of same standards and same level of closeness with all its customers, suppliers, and employees as an indispensable obligation, as well as the main driver of its existence and growth.

For the firm, the timely and full performance of obligations specified in laws and contracts, as well as acting on the basis of fairness has priority over all commercial concerns. Current reliability and respectability of Elif stems from this attitude.

Elif Ethical Code of Conduct

covers the basic principles and attitudes of the Firm. The policies of Elif form an integral monolithic structure with the firm's values and principles. The application, monitoring, and ensuring the maintenance of these principles are among the responsibilities of all Elif employees, and all employees are required to observe these.

Elif Employees;

The firm's personnel is required to abide by the "Principles of Work Ethics" when performing their duties. The "Work ethics" principles, based on the values of the firm, were formulated with an awareness that business procedures, standards, and laws and regulations may not always provide sufficient guidance with respect to all our behaviors and attitudes. The Work Ethics Code adopted by the Board of Directors includes basic and Globally accepted principles regarding Honesty, Reliability, Confidence, Protection of Trade Secrets, and Conflicts of Interest.

The employees of Elif do not plan for or derive personal benefits for himself/herself, his/her relatives or social circle, making use of his/her position in the firm. They also strive to protect the interests of the firm in all business contacts with third parties. The employees shall not engage in close relations with persons or organizations that may benefit from their work related decisions or the confidential information at their command, and shall avoid such acts or behaviors.

Conflicts of interest will come to occur in case the private interests of the employee are actually or potentially in conflict with the interests of Elif. In case the existing positions of the employees lead to such inappropriate personal interests, no employee will derive benefits

from the firm's operations for themselves, members of their family, or any relatives. They do not use or lend the property, knowledge, and titles of the firm for personal interests. In order to protect the intellectual property of ELIF and its customers, the employees are responsible with protecting the information protected and used in programs such as İsoft, SAP etc., and acting in line with Information Security policies and procedures.

Elif employees shall give and receive gifts from persons, agencies and organizations they come into contact with due to their work, only within the framework of established rules of the firm.

The employees should use the firm's assets only for work related purposes, protect them, and ensure their most effective use. In cases where the employee determines cases otherwise, all Elif employees are tasked with protecting and guarding the firm's assets before employees or 3rd Parties, and with ensuring use in line with the interests of the firm.

No employee outside the assigned departments shall make verbal or written remarks representing or binding Elif before 3rd Parties.

The employees of Elif are under obligation to abide by all laws, rules, and regulations within Turkey, as well as the rules and laws of the countries they visit during travels abroad.

ELIF Work Principles,

ELIF aims to provide its employees a healthy, safe, and efficient work environment.

With this purpose:

- Aggressive attitudes, acts detrimental to the effectiveness and security of work environment, threatening words and behaviors, harassment and mobbing, promotion of commercial, political, or religious interests shall not be accepted.
- Alteration of official documents by employees during the performance of their duties is unacceptable. During the preparation of official documents the employees are under obligation to abide by time related and other restrictions stipulated by the relevant authority.

Each new employee of Elif shall be told of the work ethics during the orientation, and shall be required to sign undertakings that they understand such rules constitute integral parts of the employment contract.

Elif Quality Policy

Fundamental quality policy of Elif is to make Elif, a brand already synonymous with quality, unrivalled in terms of production to meet maximum expectations within the framework of customer requirements by making the most efficient use of the advanced technology at its command, through continuous training of its employees, to increase its market share through contributions of all Elif employees within a dynamic institutional structure following scientific and technological developments closely, and to ensure continuity in the development of the firm by aiming for ever growing targets at the time of achievement.

Elif Social Responsibility Policy

The basic social responsibility policy of ELIF is to fulfill all national and legal requirements with an awareness of social responsibility in the making of a healthy and conscious society, and

- Not to employ any personnel under 18 years of age;
- Not to pay wages less than the minimum wage;
- Pay normal wages and overtime in full and on time;
- Not to employ uninsured personnel;
- To make continuous improvements in all matters by taking all necessary measures required for the health and safety of all employees without any discrimination.

UNGC Principles: Approach, Implementation, Actions & Results

	UNGC Principles	Approach
Human Rights	<ol style="list-style-type: none"> 1. Businesses should support and respect the protection of internationally proclaimed human rights; and 2. Make sure that they are not complicit in human rights abuses. 	<p>Elif seeks to uphold universal human rights, including accessibility, discrimination and labour rights. Elif Code of Conduct requires the fair and equitable treatment of all Elif employees, suppliers and customers.</p> <p>Diversity & Equal Employment Opportunity is a sustained competitive advantage for the continued growth of Elif.</p>
Labour Rights	<ol style="list-style-type: none"> 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; 4. The elimination of all forms of forced and compulsory labour; 5. The effective abolition of child labour; and 6. The elimination of discrimination in respect of employment and occupation. 	<p>Labor rights and safety is a critical topic for Elif. Elif is committed to deliver any legal, organizational or functional requirement related with labour rights and safety. Elif aims to develop an equal opportunity diverse workforce, engaged to work in a safe workplace with highest standards and no injuries.</p>
Environment	<ol style="list-style-type: none"> 7. Businesses should support a precautionary approach to environmental challenges; 8. Undertake initiatives to promote greater environmental responsibility; and 9. Encourage the development and diffusion of environmentally friendly technologies. 	<p>Elif works relentlessly to reduce the use of natural resources in its products, operations and services. One of Elif's core values is sustainable development and Elif values its reputation as an environmentally engaged supplier .</p>
Anti-Corruption	<ol style="list-style-type: none"> 10. Businesses should work against corruption in all its forms, including extortion and bribery. 	<p>Elif works against all forms of corruption, including extortion and bribery. Elif supports the Global Compact's principles on anti-corruption, complies with law, and condemns any form of bribery or corrupt activity parallel to its Code of Conduct.</p>

Implementation

- Code of Conduct & Ethics Policy
- Disclosure Policy
- Occupational Health & Safety Policy
- Social Responsibility Policy
- Product Safety Policy
- Quality Policy
- <http://www.elifplastik.com.tr/content/detail/corporate-policies-and-standards>
- SEDEX

- Code of Conduct & Ethics Policy
- Occupational Health & Safety Policy
- <http://www.elifplastik.com.tr/content/detail/corporate-policies-and-standards>
- SEDEX
- OHSAS 18001
- Career & Co-worker Development
- Diversity & Equal Employment
- Occupational Health & Safety

- Code of Conduct & Ethics Policy
- Sustainability Framework
- Packaging Sustainability
- ISO 14001
- Getting prepared for ISO 50001

- Code of Conduct & Ethics Policy
- SEDEX
- Legal Governance

Actions & Results

- No prosecutions relating to human rights issues have been recorded for the period covered by this report.
- Details of the actions can be found on pg.20-21.
- Resources team7 social responsibility projects completed in 2012.
- Direct Positive effect on 4870 children's life standard.
- Amenity of 1000 trees is saved against global warming.

- No prosecutions relating to equal opportunity or other labour rights issues have been recorded for the period covered by this report.
- Details of the actions can be found on pg.22-23.
- Lost days due to injuries decreased by 26.1%.
- Average lost time weight reduced by 29.0%.
- 11.6 hours of education per co-worker achieved for safer working conditions.

- Details of the actions can be found on pg.24-25.
- GHG emission is reduced by 27.3%.
- Direct waste to landfill is recorded as 0.
- Water consumption is decreased by 4.4%.
- Elif has been listed among highest scored suppliers in P&G Supplier Sustainability Scorecard.
- Elif recognized by Coca-Cola Green Supplier Award.

- Elif has not be involved in any corrupt activities (or potential corruption) , nor has Elif been involved in corrupt activities during or before our membership to the Global Compact.
- Details of the actions can be found on pg.26-27.

Human Rights - Actions

Elif is aware of the fact that development of countries and living standards of communities can be achieved only by providing better conditions for the new generations. Therefore, Elif relentlessly works for value-added projects parallel to its principle of sustainability and social responsibility.

Sustainable Human Resources Policy

Elif is growing its organization with a consistent Recruitment and Human Resources Policy basing on qualified recruitment and sustainable development of its human resources. With the number of new positions, number of applications, and according to the candidate ratings, Elif demonstrated commitment in healthy and sustainable development of its human resources and proved its awareness of responsibility to the society.

This commitment of Elif is honored with Kariyer.net 'Human Respect Award' as well as 'Employment Leader of the Sector' award by Yenibiriş, the two leading on-line job search and job recruitment portal of Turkey.

Elif is also aware that, the quality and service which Elif promise can only be achieved with qualified employees. Therefore, Elif selects high quality employees and invest in them to make them even more qualified for the road in front of them. This approach provides Elif to carry its success in recruitment area to its all human resources processes.

'Small Steps for the Future Workshop'

Elif became the technology sponsor of 'Small Steps for the Future Workshop', implemented by the Sancaktepe İbni Sina Primary School.



Project is designed to uncover the potential of children, representing Turkey's future, from arts to sports, from science to culture and broadening their minds in various disciplines. Elif provided technological requirements of the project in its first year and aims to take an active role in project's generalization in the future.

For two-phased project of the 2,500 student school, Elif donated laptops, digital cameras and annual subscriptions for juvenile scientific and artistic publications as the technology sponsor of the project.

Donation for orphaned children

Elif achieved another value-added project by donating hygiene products and cleaning materials to Bahçelievler Social Services and Child Protection Foundation, hosting 370 orphaned children.

As a part of its "Corporate Citizenship" responsibility, Elif uses every opportunity to meet needs of orphaned children. Elif donated an extensive support package to Bahçelievler Social Services and Child Protection Foundation, containing a variety of hygiene products, cleaning tissues and detergents with packaging materials produced by Elif. Elif plans to repeat this project continuously in the future and to carry out social responsibility projects that are contributory to sustainability of social values.





Elif helps to protect the planet with its 800 co-workers

Elif turned its lights off on Saturday March 31 at 8:30pm-9:30pm for Earth Hour, the world's largest environmental movement, together with millions of people around the world. Elif also called its suppliers, co-workers, customers and all other parties to take place in the symbolic event, aiming to increase awareness of the environmental problem and mobilize people to take action on climate change.

Elif continues to support The Foundation of Children with Leukemia

Acting with a sense of social responsibility since its establishment, Elif, continues to support social projects in order to create a healthy and conscious society. Elif, became the project sponsor to respected institution, LÖSEV (The Foundation for Children with Leukemia), by providing carrying bags for charitable uses.

LÖSEV is one of the respected non-profit NGO of Turkey as well as the world, mainly aiming to provide educational and

emotional support, financial assistance and health services for children who have leukemia or chronic blood disorders, in order to help them cope with a life-threatening illness. As a supporter of many various social responsibility projects, Elif, plans to expand its continuous support for LÖSEV and similar foundations.



Global Compact

Elif is committed to make the Global Compact & its principles a part of its corporate strategy, culture and every day operations and to engage collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals. Parallel to this mission, Elif signed UN Global Compact in July 2012.

Elif's commitment to sustainable development and corporate values are and will continue to be, reflected, promoted and implemented. Elif urges its all suppliers, dealers, consultants and other business partners within its sphere of influence to adopt The UN Global Compact principles.

**2 ✓
HR awards**

**7 ✓
CSR projects**

**4870 ✓
children**



Labour Rights - Actions

Elif is committed to continuously enhance the workplace conditions for better working environment and provide a safe and healthy work environment for its co-workers, contractors and visitors .

Occupational Health and Safety

The goal of Elif's occupational health and safety programs is to foster a safer and healthier work environment for its co-workers as well as to protect the welfare of people engaged in work or employment and surroundings. . Elif is aware that its co-workers and the synergy generated by them are key values for the company.

Elif continuously and periodically educates, trains and conducts yearly health risk-control programs for its co-workers. Elif is certificated with OHSAS 18001 Occupational Health & Safety Management System Certificate and implemented a variety of programs and processes to achieve greater protection and to prevent occupational injury and illness of employees, contractors and visitors. All employees are committed to identifying and reporting safety concerns and demonstrating leadership in implementing solutions for any potential hazard.

As a result of the projects and special applications dedicated to Occupational Health and Safety,

Elif has decreased the ratio of cases with 4 and more day losses from 38% to 21% and achieved 26.1% reduction in time losses due to injuries and 29.0% reduction in weight of the cases. Ratio of case per co-worker has also reduced from 6,01% to 3.73% in 2012 when compared the previous year.

Activities covered for occupational health and safety can be listed as:

- Extrusion area air circulation enhancement: Elif modified roof system of extrusion area and implemented additional exhaust fans in order to maximize air circulation and minimize energy used to maintain optimum air conditions.
- Printing area ventilation system enhancement: Elif make enhancements on the ventilation system performing in printing area to provide better working conditions and optimum air conditions for printing process.
- Shelf carrying capacity indication: Specific carrying capacity of each shelf unit in stock area and warehouse is indicated on the related shelf unit.

- Emergency exit lightening: Luminosity of the emergency exit lightening system is enhanced and connected to the continuous power source.

- Fire extinguishing system: New foam fire extinguishing system is implemented for ink library and depot area. Elif also implemented a new chemical powder fire extinguishing system for printing department.

- Reduction of environment noise: Elif has integrated silencer for boiler units in mechanical room and razor units in slitting department. The enhancement is resulted in 13% reduction in environment noise.

- Improved safety system for conditioning shelves and freight elevators: Elif has enhanced the safety system used in the shelves of the conditioning room. Elif has also increased the safety conditions during dispatch by replacing the current safety doors of freight elevators with new technology doors.

- New notification system: Elif has started a new notification system in rest rooms for continuous notification for no injury.



Career & Co-Worker Development

The quality and service which Elif promise can only be achieved with qualified employees. Therefore, Elif selects high quality employees and invest in them to make them even more qualified for the road in front of them. Co-worker development is integrated into Elif's performance management process, with one of the outcomes of a co-worker's performance review being development planning.

Elif organizes tailor-made induction programs for each position to ensure the new co-workers receive consistent introductory training about Elif and the industry dynamics. At Elif, it is believed that competencies and capabilities develop on-the-job as well as formal training programs and training tools. Elif builds capability through 'on the job learning' as well as through formal programs and processes, and training and development tools across the organization. Elif provides many opportunities and put a lot of emphasis on supporting its employees' development parallel to the human resources strategy of the company.

Total time of education covered by Elif for orientation, information and awareness-raising purposes has reached 11.6 hours per co-worker. Educations for occupational health and safety are specifically designed according to the technical requirements of each department.

Diversity & Equal Employment Opportunity

Elif is committed to create a winning team with a winning culture where colleagues and managers diversify and have equal employment opportunity. Through this focus on providing equal opportunity to each individual and understanding motivators for each of them, Elif supports and encourages its employees in order to satisfy and inspire them for their personal best.

Elif's core policy of human resources is to give employment decisions basing on business needs without regard to race, religion, nationality, sex, age, disability, marital status, or any other status protected by the laws or regulations. Elif provides employees a working environment free of discrimination and harassment.

lost time

26.1% ↓

average weight of cases

29.0% ↓

hours of education

11.6 ✓

Environment - Actions

Developing its business activities in order to promote productive, sustainable and cost saving methods and technologies, Elif stands out with the value it creates for the environment and society and its commitment in sustainable development.

Saving 1,000 trees every year

Elif is continuously implementing new systems, technologies and practices in different scales in order to raise its standards for more effective energy management. After realizing many sustainable practices in order to minimize energy consumption, Elif, implemented world's first large-scaled compressor heat recovery project in 2012. With the accomplished new heat recovery project, Elif started to recover the heat rejected by the compressors used in its global benchmark production facility in Istanbul and reuse this energy in the production cycle again.

The project was the first large scaled heat recovery project not only in Turkey but also around the world. The new system provides reduction in the total energy consumption of the production facility by recovering the heat rejected by the compressors and reusing this energy in the production cycle again.

As an outcome of the project, Elif deactivated one of the existing hot water boiler systems, which resulted in

shortening the return time of capital investment made for this project under 1 year, when all economic factors considered. According to the first year results of the project, the newly implemented system provided 30% energy saving from March 2012 to March 2013 when compared to the previous year. With this pioneer and benchmark project, Elif reduced CO₂ emissions by 330 tons meaning saving amenity of around 1,000 trees against global warming every year.

Projects dedicated to positive impact on environment

Tracking its sustainability management performance to create long term value for sustainability. Elif designs all of its projects with objective of minimum use of natural resources.

Elif's sustainability activities in different scales to minimize natural resource use, water consumption and waste to landfill can be listed as:

- Re-use of extrusion process heat: With the implementation of purpose to build system, the heat released from extrusion process is started to be used to maintain warehouse temperature between desired limits.

- Energy saving in drying units of printer lines: Elif exchanged the on-off electrical system with rata ignition system in hot oil and water boilers for drying purpose in printing lines in order to minimize energy consumption.

- Extrusion area air circulation enhancement: Elif modified roof system of extrusion area in order to maximize air circulation and minimize energy used to maintain optimum air conditions.

- Compressor heat recovery system: Heat recovery and concurrent aging systems are effectuated for compressors.

- Printing area ventilation system enhancement: Elif make enhancements on the ventilation system performing in printing area to provide better working conditions and optimum air conditions for printing process.

- Environmental-friendly systems for cooling and drying systems in printing area: Elif implemented in new cooling and drying systems to prevent release of gases hazardous to the ozone. The new cooling and drying systems use ozone-friendly gases and prevent the potential pollution of natural resources on top of reducing energy consumption. .



- Frequency converter for chiller evap pumps: Elif integrated frequency converter system to chiller evap pumps, resulting in 62% reduction of energy consumption.
- Compressor unit enhancements: Additional ventilation brackets for energy efficiency. Oil transfer pumps to vanish oil waste to land. Renewal of compressor system installation to minimize energy losses due to pressure losses. Renewal of drying units with environment-friendly systems.
- Solvent recovery and distillation system: Elif integrated a new solvent recovery and distillation system to minimize waste solvent removed by authorized waste removal plants. Special cleaning liquids rather than solvent is also being used in the plate cleaning process.
- New water treatment system: Recovery discharge water is being used in cooling towers for further energy saving and reuse of water in closed loop. Various water treatment systems designed for different purposes in the aim to reuse the water in a close circle. The excess of the treated waste water is used for irrigation.
- Drip irrigation: Start of drip irrigation system for green area watering resulted in 8% saving in water consumption.

Environment Permit

Elif achieved to be the first company in packaging sector by fulfilling the competencies for renewal of the Environment Permit according to the new EU compliant regulation. Within the context of the Regulation regarding Compulsory Permits and Licenses according to the new Environment Law, Elif has been documented by Environment Permit on 15.03.2012.

UN Global Compact

Elif sent the Letter of Commitment to the United Nations Global Compact in order to make its corporate environment and social responsibility official on global platform in July 2012.

Environmental Sustainability Award

Elif is announced among the companies that earned the highest score possible in Supplier Environmental Sustainability Scorecard of Procter & Gamble.

Towards “Green factory”

Elif started its studies for energy management system and carbon footprint reporting in order to obtain ISO 50 001 and ISO 14 064 standards parallel to its sustainable growth strategy.

GHG emissions

27.3% ↓

direct waste to landfill

0 ✓

water consumption

4.4% ↓

Anti-corruption - Actions

Elif works together with its customers, suppliers and co-workers parallel to its Code of Conduct and Ethics Policy, in order to improve products in marketplace and develop new solutions that will add value to the economy, environment and culture of the marketplaces and geographies it reaches.

Marketplace Approach

Elif intends to be a worldwide international trademark by providing products and services of high quality and value, helping customers and societies, articulate their goals, charting a course which navigates them from where they are today to where they want to be tomorrow and beyond. Elif upholds the values and principles of cultures it operates and serves, as well as its customers, in every action and decision by treating their assets as its own and behaving with their long-term development in mind.

Code of Conduct and Ethics Policy Implementation for New Marketplaces

Elif has started to invest for a new start of the art flexible packaging plant in Egypt, which will be the hub of Middle East and Africa operations of the company.

Elif is not only an investor who provides new job opportunities and creates added value for the African Economy, but also, by using the latest technology and bringing its know-how to the region, Elif's Code of Conduct and Ethics Policy will be implemented as well in its new facility and organization.

Responsible and Ethical Sourcing and Procurement

Elif is a member of Sedex (Supplier Ethical Data Exchange) since 2010. Sedex is a not-for-profit membership organization that enables the sharing of ethical performance information between companies and their suppliers. Sedex membership means that Elif provides access to its ethical performance information to its customers and can request the same from its suppliers. More than 400 global brands, 17,000 suppliers and more than 21,000 sites in 160 countries currently participate in Sedex.

As a member of Sedex, Elif is being audited periodically according to SMETA (Sedex Members Ethical Trade Audit) and completed SSAQ (Sedex Self-Assessment Questionnaire) for improvements of its sustainability and ethical policies. The increased demand for sustainability information about Elif's operations from customers is met by the registered information in the Sedex database and, during 2012, 10 customers requested access to Sedex information relating Elif sites.



NO corrupt activities (or potential corruption) during or before our membership to the Global Compact.

2 years of SEDEX membership

Implementation of Code of Conduct and Ethics Policy in new production facility



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