



**Hacı Ömer Sabancı Holding A.Ş.
Communication on Progress
2013**

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 fourth report we have published.

MESSAGE FROM CEO

Dear Stakeholders,

It gives us great honor and pleasure to share with you our Group's fourth Communication on Progress Report to the United Nations Global Compact for the year 2013.

Global economy has seen shifts in 2013 that have been a constant reminder of the critical importance of risk management, transparency, accountability, prudent corporate governance, as well as economic sustainability. Following US Federal Reserve Bank's decision to taper quantitative easing program, developing economies including Turkey, faced a challenging economic landscape in the latter half of 2013. As investors withdrew from developing economies in favor of investing in developed economies, local currencies devaluated and interest rates rose.

Sabancı Group, a leading conglomerate of Turkey, is composed of 72 companies many of which are recognized market leaders in their respective sectors. As of December 2013, 11 listed Sabancı companies represent 11% of Istanbul Stock Exchange Market Capitalization. Despite the aforementioned unfavorable conditions, Sabancı Group achieved its growth ambitions in 2013. Our consolidated sales increased 15 percent to 24.2 billion TL, and our net income is around 1.7 billion TL.

During this time we remained committed to Global Compact's principles. We continued to align our business operations and strategies with these principles and pursued our social and environmental sustainability initiatives, responsibly.

As Sabancı Group we remain committed to improving the quality of life of the communities that we are a part of. We have shaped our corporate strategies and policies to deliver exceptional quality in our products and services to our

customers, offer high returns to our shareholders, enhance Turkey's natural heritage, and increase its community value.

As Turkey's leading industrial and financial conglomerate, the Sabancı Group is aware of the fact that across its companies, the Group has a responsibility to contribute to the sustainable economic development, environment and community of Turkey. In this sense, we attach a great deal of importance to environmental protection, our human resources as well as our corporate and social responsibilities. Our vision is "to create sustainable advantage through differentiation" in the societies in which we operate. In this sense, we support a number of projects in the areas of culture, the arts and education. We believe that we are one of the most prestigious and trusted conglomerates in Turkey thanks to our corporate and social responsibility practices.

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

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

We address environmental sustainability beyond the requirements of legal obligations.

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

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

As a responsible corporate citizen, the Sabancı Group is committed to economic, social and environmental sustainability and to serve as a model for best practices not just in Turkey but also around the world. 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

In 2013, 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 985 branches and a workforce of 16,249 employees, Akbank operates from its Istanbul Head Office and 23 regional directorates throughout Turkey. In addition to branches, the Bank's traditional delivery channel, Akbank also offers banking services to customers through its consumer and corporate Internet branches as well as its Telephone Banking Center, 4,100 ATMs and more than 340,000 POS terminals, along with other high-technology distribution channels.

As a pioneer in the field of digital banking in Turkey, Akbank Direct serves the needs of its customers in the most appropriate points of contact with the best customer experience. While today's technology goes full throttle and the needs of customers increase rapidly, Akbank Direct serves the customers' needs without the limitation of time and location and acts as a pioneer in the usage of most innovative

technologies in Turkey. In accordance with Akbank's agreement with Western Union, money transactions can now be done via Akbank branches, Akbank ATMs and Akbank Direct.

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 its strategic partnership by acquiring 20% of Akbank's 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.

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 2013, Akbank reported consolidated net profit of TL 3,077 million (approximately US\$

1,444 million) and total consolidated assets of approximately TL 195.5 billion (approximately US\$ 92 billion). The consolidated capital adequacy ratio of Akbank, standing at 14.7%, 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 27.8% and reached TL 118.0 billion in 2013. As a result of effective risk management policies implemented by Akbank, the Bank's non-performing loan ratio of 1.4% remained below the sector average.

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

Akbank became the "Most Valuable Banking Brand in Turkey" for the third time in a row according to "Banking 500-2014" report prepared by Brand Finance and In 2013, The Banker, Euromoney, World Finance, Global Banking & Finance Review named Akbank as the Best Bank in Turkey.

With successful practices and long term strategic management, the innovative power of Turkey, Akbank, received the "Best Use of CRM in EMEA/APAC Region" award from GARTNER and "the Best Information Security Initiatives in Europe" award from Global Finance in 2013.

Established as a 100% 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; a wholly-owned subsidiary of Akbank was established in 2000 to provide asset management services in capital markets to institutional and individual investors. AK Asset Management manages 24 mutual funds chartered by Akbank and AK Securities, 23 Capital Protected Investment Funds launched by Akbank, 20 pension investment funds for AvivaSA Pension and Life Insurance Company, 12 pension investment funds for Groupama Pension Company, and 2 Akbank SICAV funds. AK Asset Management also provides discretionary asset management services for large institutional investors as well as individuals, tailored to their financial expectations and risk profiles. AK Asset Management continued to be the pioneer in many segments of the asset management market with its performance and innovative product design. AK Asset Management has established itself as the sector leader with the gold and precious metals investment fund, BRIC countries mutual fund, capital protected investment funds, composite commodity basket mutual fund and the Akbank Franklin Templeton umbrella fund investing in different regions of the globe as well as the Corporate Bond Fund.

In October 2013, Ak Asset Management has initiated its ties to Japan; one of the major financial markets globally, by becoming the fund manager of the first TL denominated money market fund incorporated by Sompo Japan Nipponkoa Asset Management. In addition, In November 2013, it has become the fund manager of Turkish Equity Fund incorporated by Mizuho Financial Group. Ak Asset Management continued to develop its risk management, investment processes, new product development and sustainable performance practices. AK Asset Management was awarded by Structured Products

Magazine owned by Incisivemedia Group with “The Best in Turkey” prize in Structured Products category thanks to its successful, innovative and broad spectrum offering of capital-protected funds, Turkish equities, commodities, exploring European & Asian indices.

As a pioneer in its sector AK Lease continued to execute and focus on its strategy based on healthy growth for 25 years, trust and success in 2013. AK Lease, a wholly owned subsidiary of Akbank, has provided creative, fast and customized leasing solutions to SME, commercial and corporate segment customers that contribute to the development of Turkey.

A total of 41.2% 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\$ 12.6 billion on December 31, 2013.

AVIVASA

AvivaSA joint venture came into being when Ak Emeklilik, subsidiary of Sabancı Holding and Aviva Hayat ve Emeklilik, subsidiary of UK insurance giant Aviva operating in Turkey combined forces in 2007. It has stepped among the leading private pension and life insurance companies in Turkey under the name of AvivaSA Emeklilik ve Hayat.

Conducting its operations through the channels of direct sale, bancassurance, corporate projects, agencies, and telesales, AvivaSA serves an audience of nearly 2 million customers in the private pension and life insurance sectors. AvivaSA’s 1.460-

strong work force includes more than 900 financial advisors and branch insurance managers.

In the bancassurance channel which has gained greater importance in the new era that began on 1 January 2013 in the private pension sector, AvivaSA is strengthening its already powerful position in the sector daily thanks to its strategic union and integration with Akbank, another Group Company. In this channel, AvivaSA's private pension products are also available at the branches of Burgan Bank, Odeabank, and Abank all of which are major players.

In the direct sale channel, AvivaSA serves non-banking customers of varying socioeconomic standings through its financial advisors. As the existing operations are expanded via the agencies, the corporate projects channel introduces private pension and life insurance products to Turkey's leading organizations. It also plays a pioneering role in transferring the trust funds to the private pension system. The telesales channel reaches different customer layers by offering more affordable products.

AKSIGORTA

Established on April 28, 1960, Aksigorta A.Ş. serves customers across Turkey with 961 Akbank branches, 700 employees, more than 1,900 agents, 63 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 surveys.

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 1.5 billion in premiums, a profitable structure and financial strength with approximately TL 533 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 packages to liability insurance. It operates from 10 regional offices, of which four are located in Istanbul and with 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. This partnership focuses on the development of the sector and broadening public awareness about insurance as well as serving society and becoming the leader insurance company.

With global bankassurance experience, Ageas will contribute to Aksigorta's unique power coming from its stakeholder, Akbank, whose impact in the sector is gaining significance. . In 2013, the Company coordinated its field personnel and IT structure with innovative bankassurance sector solutions and increased the production of the banking channel by 26%.

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 beginning as soon as it receives claim notification via contracted auto repair and health services associations.

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 55 provinces and 174 districts on the Disaster Training convoy; 5.4 million individuals have received training about natural disasters and insurance awareness.

Aksigorta, with investments in IT infrastructure and human resources, differentiated itself with profitable results in the market in 2013 with its focus on profitable channels and products. Utilizing these strategies, Aksigorta plans to maintain its sustainable profitability in 2014.

ENERJİSA

Enerjisa was founded in 1996 as an autoproducer company for supplying electricity needs of Sabancı Group Companies and became one of the leading players of growing and developing Turkish electricity market by its integrated structure targeting value creation along the electricity value chain, customer and market oriented business models, efficiency and technology focused generation and distribution investments, and competitive strategies.

Sabancı Holding signed a partnership agreement with E.ON, one of the largest private electricity and natural gas companies, in December 2012 following Verbund's strategic decision to transfer its share in Enerjisa to E.ON. E.ON became 50% shareholder of Enerjisa in April 2013.

Enerjisa has commissioned seven hydroelectric power plants and brought its Balıkesir wind power plant to full capacity in 2013 and reached to 2,437 MW operational installed capacity.

With its power plants under construction and generation projects in engineering stages, Enerjisa has secured a generation portfolio of 5000 MW. Enerjisa aims at increasing its generation capacity to 7,500 MW through a diversified, highly efficient and competitive portfolio composition strategy.

Enerjisa has been a pioneer in electricity distribution since the acquisition of Bařkent Electricity Distribution Company in 2009, the first distribution privatization tender realized in the Turkish electricity sector. Enerjisa has reached to 9 million distribution customers and over 20% share in total electricity distribution in Turkey by takeovers of Istanbul Anatolian Side Electricity Distribution Company (AYEDAŐ) and Toroslar Electricity Distribution Company in 2013 privatizations tenders. Enerjisa, Pursuing technology and efficiency focused investments and customer oriented, pioneering approaches, provides electricity distribution services to a population of nearly 20 million in 14 provinces.

Efficient and environmentally sound generation capacities, carbon offset opportunities provided by renewable energy power plants, technology and efficiency focused electricity distribution investments and operations of Enerjisa are among the key contributions to sustainability.

Business scope of Enerjisa as an integrated player in the electricity market has been extended to include natural gas imports, wholesale and trading, for becoming a player in the natural gas sector of Turkey.

The activities for electricity generation, trading, distribution, sales and natural gas are carried out by companies under the parent company, Enerjisa Enerji A.Ő.

Enerjisa aims at pursuing opportunities in the sector to continue creating value for its shareholders, customers, employees, suppliers and the whole society. Strengthening and sustaining its competitive position in the market by continuously improving processes and systems are among the main objectives of Enerjisa. Enerjisa aims to become the preferred supplier in its all operations.

Enerjisa reached over 3% market share in electricity generation and over 10% in final electricity consumption in 2013. Consolidated sales of Enerjisa companies totaled nearly TL 6.7 billion.

Enerjisa became one of the leading players in growing and developing Turkish electricity market by its efficiency and technology focused generation and distribution investments and competitive strategies.

Enerjisa has commissioned seven hydroelectric power plants and brought its Balıkesir wind power plant to full capacity in 2013 and reached to 2,437 MW operational installed capacity.

Enerjisa has reached to 9 million distribution customers and provides electricity distribution services to a population of nearly 20 million in 14 provinces

ELECTRICITY GENERATION ACTIVITIES

Enerjisa was established in 1996 to explore new business opportunities in the energy sector and to operate as a reliable and capable supplier of energy. The portfolio of Enerjisa Power Generation, that has rapidly grown since 2006, reached to total installed capacity of 2.437 MW by the end of 2013, composed of five natural gas combined cycle power plants operating in Kocaeli, Adana, Çanakkale, İçel and Bandırma with a total installed capacity of 1,306 MW; hydroelectric power plants operating in Adana, Antalya, Kahramanmaraş, İçel and Trabzon with a total installed capacity of 919 MW; and wind energy power plants operating in Balıkesir, Çanakkale and İçel with a total installed capacity of 212 MW.

Creating value by its diversified, efficient and competitive generation portfolio, Enerjisa has secured its target of reaching over 5000 MW of installed capacity with power plants under construction and generation projects in engineering stages.

Enerjisa provides important contribution to secure, efficient and competitive electricity supply for Turkey.

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ELECTRICITY TRADING ACTIVITIES

Enerjisa protects the value of its electricity generation and optimizes its portfolio by operations in the over-the-counter (OTC) market, spot market and balancing market, using different segments of the market.

Focusing on the trading opportunities in the electricity market, Enerjisa performs electricity wholesale activities and also creates value with cross border electricity trade activities and developing carbon offset certificates. In addition to these activities, Enerjisa also provides risk management solutions to its clients and business partners.

Enerjisa optimizes its portfolio by operations in the over-the-counter (OTC) market, spot market and balancing market, using different segments of the market.

ELECTRICITY SALES ACTIVITIES

Enerjisa conducts its sales activities towards end user customers through its companies with supplier licenses.

Enerjisa provides electricity sales, as the authorized supplier to non-eligible customers in the Başkent Distribution Region covering the provinces of Ankara, Zonguldak, Bartın, Karabük, Kırıkkale, Çankırı, and Kastamonu, AYEDAŞ Distribution Region covering İstanbul Anatolian side and Toroslar Distribution Region covering the provinces of Adana, Mersin, Hatay, Gaziantep, Kilis ve Osmaniye and as the Last Resort Supplier to eligible consumers in these regions.

Enerjisa provides electricity sales to eligible customers, who are free to choose their supplier in the competitive electricity market, through bilateral agreements with the terms completely determined based on liberal market conditions. Enerjisa conducts its sales activities targeting the highest level of customer satisfaction.

Enerjisa creates value by its innovative applications in electricity sales and differentiates itself through its market and customer focused business model and approach, sales infrastructure utilizing high technology, as well as products, services and solutions it has developed in order for addressing customer needs and requests. Enerjisa sales team develops through platforms such as the Retail Academy developed jointly with Sabancı University.

ELECTRICITY DISTRIBUTION ACTIVITIES

Enerjisa targets leadership in the Turkish electricity sector with an integrated strategy in electricity generation, distribution, trading and sales.

In line with this strategic target, Enerjisa performed the first electricity distribution privatization in the sector, with take over of Başkent Electricity Distribution Co. Inc. (Başkent EDAŞ) in 2009. With acquisition of Istanbul Anatolian Side Electricity Distribution Company (AYEDAŞ) and Toroslar Electricity Distribution Company in 2013, Enerjisa reached over 20% market share in Turkish electricity distribution sector.

Enerjisa provides electricity distribution services to around 20 million people in 14 provinces and pursues its pioneer role in electricity distribution with its technology and efficiency focused investments and distribution operations targeting improved service quality.

Başkent Electricity Distribution Company

In terms of the size of the distribution grid and the geographic area served, the Başkent Electricity Distribution region is the largest electricity distribution region in Turkey with its distribution grid representing over 100,000 km in 2013. It provides the infrastructure to enable around 7 million people to have access to electricity. Enerjisa plans to make 1.5 billion TL investment within the 2011-2015 tariff period, which equals to 2 times increase compared with the previous five-year tariff period. Capital expenditures of nearly TL 275 million was made in 2013 for expansion, refurbishment and improvement of the distribution network.

Enerjisa performs technology focused investments and innovative applications to improve the quality of service in the Başkent Electricity Distribution Area. The first SCADA automation infrastructure in electricity distribution in Turkey was put into operation in the Başkent Electricity Distribution Area. Furthermore, the modules of the SAP ISU software application, oriented towards distribution operations, were launched. Thus, Başkent Electricity Distribution became the first distribution company to integrate the distribution processes in Turkey with its enterprise resource planning software to establish a holistic infrastructure of information systems. The SAP based "Work Force Management" system was put into place and improves the service quality. There are also ongoing studies relating to various advanced automation projects such as Geographic Information Systems and projects for remote meter reading.

Istanbul Anatolian Side Electricity Distribution Company

Enerjisa won the distribution tender, with the highest offer, to take over 100% shares of Ayedaş Electricity Distribution Company that performs electricity distribution in Anatolian part of İstanbul; the take over process was completed in 31.07.2013.

Access to electricity is provided for approximately 5 million people in Anatolian Part of İstanbul, with an approximately 18,500 km long distribution grid.

Toroslar Electricity Distribution Company

Enerjisa won the distribution tender, with the highest offer, to take over 100% shares of Toroslar EDAŞ that performs electricity distribution in Adana, Gaziantep, Hatay, Kilis, Mersin and Osmaniye provinces; the take over process was completed in 30.09.2013.

Access to electricity is provided for approximately 8 million people with an approximately 76,000 km long distribution grid.

Enerjisa aims to provide distribution services in Ayedaş and Toroslar distribution regions at European standards and will realize SCADA, GIS, AMRS, Workforce Management System as well as SAP based new information systems infrastructures.

Enerjisa performed the first electricity distribution privatization in the sector, with take over of Başkent Electricity Distribution Co. Inc. (Başkent EDAŞ) in 2009; with acquisition of İstanbul Anatolian Side Electricity Distribution Company (AYEDAŞ) and Toroslar Electricity Distribution Company in 2013, Enerjisa reached over 20% market share in Turkish electricity distribution sector.

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 İstanbul, 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 the formation of a partnership between Karabük Demir Çelik İşletmeleri (49%) and Akçansa (51%).

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 2013 met 12% of Turkey's total cement consumption. Akçansa's domestic cement and clinker sales amounted to 5,9 million tons in 2013. By adding clinker and cement exports of 1.8 million tons, total revenue was TL 1,236 million in 2013.

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. Annual ready-mixed concrete sales have reached 5 million cubic meters.

Akçansa, the leader building materials company of Turkey, included the third bridge on Bosphorus in Istanbul to the list of significant projects it was involved as a solution partner to date. Akçansa produced special concrete and cement for the longest reinforced concrete bridge of Turkey, which is the widest of the world and second highest in Europe and which the foundation was laid on May 29.

The cement produced by Akçansa for the third bridge on Bosphorus, which will be the second highest bridge of Europe with an abutment height of 330 meters, is resistant against any kind of physical and chemical action and is able to prepare the concrete with a project life of 120 years. With impermeability feature as proved in all tests, the concrete has C50 strength class and prevents the corrosion caused on the structure by the chlorine ions in the sea. 100+ Beton product, which Akçansa will supply with Betonsa brand that has a high technical strength, is distinguished with its high durability and resistance against environmental factors.

Leading Turkey with its operations in alternative fuel and raw material use, which is vital for protecting the environment and natural resources, Akçansa has maintained these efforts during 2013. Alternative Fuel Preparation and Feeding Facility commissioned in Çanakkale for an investment of TL 11 million in 2013 is the first and only facility of Turkey that is able to shiver and burn rubber. In this context, 37.000 tons of petroleum coke coal will be substituted with the use of alternative fuel for the furnace.

Akçansa continues with all efforts it has implemented on sustainability. In the report results of Carbon Disclosure Project (CDP), the most prestigious and spread environmental initiative of the world, Akçansa has become one of the leading companies of Turkey by voluntarily responding to CDP, as it does for the last three years. Akçansa has taken its place among the most transparent companies with a score of 71 this year. In addition to this, ISO 50001 Energy Management Certificate has been received for all three factories and Çanakkale Port in 2013. Environmental Product Declaration has been obtained from IBU for CEMI 42.5R and CEMII 42.5 A/S

products and these products are started to be supplied for Green Building projects.

In an industry where the distinguishing features of differences are low, Akçansa aims to be the company with the highest quality in production and service to meet the demands of its customers and to compete beyond price.

As a first in the Turkish cement industry and heavy industry, Akçansa has published a sustainability report for the public.

Ranked 75th in “Turkey’s Top 500 Industrial Enterprises” prepared by Istanbul Chamber of Industry, Akçansa has been awarded as the “Most Admired Company” for 12th time in its industry by Capital Magazine in 2013.

Akçansa has been awarded in most environmentalist and innovative product category by Istanbul Chamber of Industry for its Pure Cement product. Akçansa has also been awarded in Blue Barrette Occupational Safety Contest by the Turkish Ready Mixed Concrete Association for its ready mixed concrete facilities in Büyükçekmece, Kemerburgaz and Samsun.

ÇİMSA

Started its operations in 1972, Çimsa is an international cement and building materials company continuously growing by creating a difference in the industry with an experience of more than 40 years, broad product range, innovative employees and a human and environment conscious approach.

Çimsa meets the product and service needs of its customers with its market oriented approach and wide distribution network. Recognized as one of the leading companies in the Turkish industry, Çimsa carries out its activities with five

integrated plants in Mersin, Eskişehir, Kayseri, Niğde and Afyonkarahisar, one grinding facility in Ankara, Marmara terminal and Malatya Cement Packaging facility.

With special products such as white cement and aluminat cement in addition to gray cement in its portfolio, Çimsa is one of the two major brands in white cement worldwide. The company leads the Turkish cement and ready-mixed concrete industry with its achievements in innovation.

In today's business world, the new opportunities arise with the continuous change in competitive conditions and customer expectations. Çimsa evaluates these for building living areas and required infrastructure needed by the next generations and assumes responsibility for the future as it does today.

Considering sustainability management as an integral part of its business culture, Çimsa transparently shares its progress with the public. The company has published its Sustainability Report 2012 in Global Reporting Initiative (GRI) A+ level, where it shares the concrete results of the projects implemented to date and has led the way for the cement industry in this regard.

In line with its sustainability understanding, Çimsa is the first Turkish company joining the Cement Sustainability Initiative (CSI) operating under the auspices of the World Business Council for Sustainable Development (WBCSD) and has made a total environmental investment of TL 115 million during the last five years. Electricity Production from Waste Gas Project in first and second production facilities in Mersin, Hot Disc Automatic Waste Feeding System established in second production line and RDF (Refuse Derived Fuel) Preparation Facility in Eskişehir, Kayseri plant rotary furnace electrofilter transformation into bag filters, dedusting in our cement, ready-mixed concrete and aggregate facilities and environmental investments are among the main investments.

Setting its target for the next three years as "growing profitably and to becoming an international cement and construction materials company leading the industry for a livable future",

Çimsa aims to create value for all of its stakeholders with products and services developed in line with the changing expectations and needs of its customers.

TEKNOSA

Established in 2000 with 100% Sabancı Holding and Sabancı Family capital, TeknoSA is guided by its slogan, "Technology for Everyone". Currently holding the top spot among technology retailers in Turkey, TeknoSA has grown into 294 stores in 77 provinces, from its humble beginning of 5 stores back in 2000.

TeknoSA offers a distinctive and enjoyable shopping experience with a total net sales area of more than 166,000 square meters with 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 4,000 employees, TeknoSA closed 2013 with sales of TL 3 billion excluding VAT.

On May 17, 2012, IPO of TeknoSA has been completed with a free float rate of 10%. Since its IPO, TeknoSA shares have been among the strong market outperformers in the BIST universe.

TeknoSA continues investing in TeknoSA Academy, established in 2005, and targets to create a platform for career planning and supplying a qualified labor force. The objective of TeknoSA Academy is to train the retailers of the future by informing its employees of new developments in retail sector, and help them to hone their skills. In addition to the management training programs, education for professional and personal development is also provided. TeknoSA Academy is the first educational institution in the sector; it has graduated approximately 10,000 trainees since its establishment. TeknoSA founded the first Assessment Center in the industry in 2007 within TeknoSA Academy. It provides employees with efficient and appropriate career planning opportunities starting from their first day at work.

Leading the industry, TeknoSA runs its operations utilizing a customer-oriented scientific retailing approach. The Company meets its customers' after-sales needs and expectations with services provided by TeknoAsist. Customer requests are fielded at TeknoAsist service points in the stores, as well as through the 444 55 99 24/7 Hot Line. TeknoSA also provides 24/7 services and wide range of technology products to its customers through the www.teknosa.com online store.

Tekno Garanti is another service provided by TeknoSA to its customers, enhancing the warranty period of products purchased from TeknoSA up to five years. The Company provides many additional benefits such as insurance against accidental damages and theft, unlimited repair service at home and immediate replacement in order to ensure customer satisfaction.

TeknoSA also provides after-sales services on customer premises (whether office or home) via the "TeknoSA Service Packages" for many product groups including TVs, projectors, computers, home entertainment systems, satellite receivers and cellular phones. The company continues to introduce new packages based on consumer needs.

Orange Card, a customer relationship management (CRM) activity by TeknoSA, enables a customer database to obtain information about customer expectations and purchasing habits. Customers are segmented based on their shopping habits. As of year-end 2013, TeknoSA Card holders have reached 3.8 million. The card utilization rate on sales reached 65% by the end of its fifth year. The TeknoSA Card program has achieved an incomparable success within the retail market with the respective usage ratio.

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. An additional 10,000 square meters of warehouse area is also allocated for İklimSA in 2013. The logistics center is connected to all stores and manage their activities 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 1.7 million people and the number of Twitter followers reached more than 165,000 as of the end of December 2013.

In tandem with the ascending profile of Teknosa.com, e-commerce company KlikSA has recorded rapid growth since its foundation on March 2012, concluding the year with a six-fold growth rate. KlikSA has consolidated its position on the market by reaching to 23 million individual users in 2013. Currently, over 250,000 products are on display at Kliksa.com including the categories of consumer electronics, mother-baby products, toys, automotive accessories, sports-outdoor, watches and glasses. The Company is committed to its target of maintaining its rapid growth in 2014 by increasing the number of categories, as well as broadening its product range with a fast delivery system.

TeknoSA is ranked 46th among the 500 companies included in the "Turkey's Largest Companies" list prepared by Fortune Turkey in 2013, while reaching the 51st place on a similar list prepared by the Capital 500 magazine. TeknoSA also gained the 7th spot in "Top 500 Information Companies Research" organized by Interpromedya. In addition to these awards, TeknoSA has also received "Corporate Social Responsibility" award given by the European Commission, CSR Europe and the Business in the Community with its "Technology for Women"

project, "Master Owl" award given by the Turkish Researchers Association's (TUAD) "Owl Rewards" with its "Technology Market Store Design Research" project, the grand prize in "Viral Project – Consumer Goods" category and the silver reward in "Retail, sales and e-commerce" in Film&TV category and bronze reward in "Digital on-line video" category with its "My Mom – The latest technology" commercial in the "Crystal Apple Creativity Rewards". The same commercial has also won the first places on "Retail and e-commerce" and "The most creative viral project" categories on "Medicat Felis Rewards". TeknoSA has also won the award for "The Most Preferred Brands by the Customers" in a research undertaken by GFK and "Shopping Center Investors Association" under the Electronic Retail category.

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 and the arts. Free-of-charge computer training programs are conducted for women in various provinces around Turkey within the context of the Technology for Women Project, ongoing since 2007. Technology for Women training programs were conducted in Sivas, Bartın, Bayburt, Kayseri, Bitlis and Tokat in 2013. Since its beginning, the number of trainees exceeded 13,000 in 49 provinces. TeknoSA deeply believes that these training programs will encourage women, and help them build self-esteem in their adaptation to social and business life. In that regard, TeknoSA has opened stores where only women work called "TeknoSA's Angels" in order to increase women's interest for technology in the technology retail sector, where men is thought to have the expertise.

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 onto 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 the sector, with its approach and activities toward environmental responsibility. The Company introduced a "first" in the 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 2013.

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 29-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) and A/C Systems, Sharp refrigerators. İklimSA offers nearly 200 models under five 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 2014 and aims to expand its

store chain throughout Turkey. In 2014, the Company will accelerate efforts regarding the new store investments, enrichment of its after-sales services and enhancement of its infrastructure, and conduct its operations in accordance with its growth targets.

CARREFOURSA

CarrefourSA is a joint venture between Sabancı Holding and Carrefour, the top retailer in Europe and the second largest in the world; with approximately 10,000 stores in 34 countries. Sabancı Holding signed a Share Purchase Agreement in April 2013 with respect to the acquisition of 12% shares of Carrefour Group in CarrefourSA. Following the completion of the transfer of shares in July 2013, Sabancı's shareholding in CarrefourSA reached to 50.79% and Sabancı undertook the management of CarrefourSA. Sabancı Holding raised its stake in CarrefourSA from 50.79% to 50.93% after a mandatory tender call in October 2013.

The mission of CarrefourSA is to be a retailer that puts its customers at the very heart of its activities, creates value for all its stakeholders and achieves sustainable profitability and growth.

The flagship format hypermarkets operating under the roof of CarrefourSA with sales areas ranging from 2,000 to 15,000 square meters, carry a wide 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 generated sales revenue of TL 2,6 billion in 2013 from its store network of 28 hypermarkets and 216 supermarkets operating a total sales area of 368 thousand square meters. Nearly 90 million consumers shopped at CarrefourSA stores throughout the year.

CarrefourSA which began the extension project of Maltepe Park Shopping mall in 2011, relaunched the mall in September 2013 following its completion. With its new tenant mix and doubled retail size, Maltepe Park Shopping Mall serves almost 2 million customers monthly after this extension. Furthermore, CarrefourSA Plaza, built concurrently with Maltepe Park extension project, serves as the new headquarters of CarrefourSA with its 15 thousand square meters office area since July 2013.

CarrefourSA started to review the sub-formats of its supermarkets during 2013 in order to improve its product and service differentiation. CarrefourSA plans to launch new supermarket formats to satisfy different customer expectations and reach varied customer segments in 2014. 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.

Along with the managerial change, CarrefourSA backed by the power of Sabancı Holding and worldwide know-how of Carrefour Group will continue its investments, realize new projects and be the address for convenient, pleasant and value-creating shopping for consumers.

KORDSA GLOBAL

As the world leader in industrial nylon yarn and leading polyester yarn, tire cord fabric supplier, Kordsa Global serves the tire reinforcement and mechanical rubber market.

Kordsa Global's success story started with the tire cord fabric investment in 1973 in İzmit. Within the last 41 years, the company became a global leader through strategic acquisitions and ventures together with strong business partners. With its 9 production plants in 9 countries across 5 continents and a workforce of 4.000 employees, today, Kordsa Global continues its Global leadership.

Headquarters located in İstanbul, Kordsa Global manages its operations in the following 4 regions and countries.

Europa, Middle East and Africa Region
Turkey, Germany, Egypt

North America Region

Laurel Hill; North Carolina, USA Chattanooga; Tennessee, USA

South America Region

Brasil, Argentina

Asia Pasific Region

Indonesia, Thailand and China (Sales Office)

Despite the volatility in global economy and tough market conditions, 2013 was a successful year for Kordsa Global focusing on the efficiency of internal processes with improvements on profitability.

Despite increasing pressure from Asia oriented competitive market conditions, Kordsa Global maintained its leadership in tire reinforcement materials sector with 36% share in industrial nylon 6.6 yarn market. PET-HMLS market share increased by 2% compared to last year reaching 10%.

In line with the market shift, Kordsa Global continued its expansion in Asia. As another new investment in Indonesia, the groundbreaking ceremony of tire cord fabric and polyester yarn expansion project was realised.

Following the global market trends, Nylon 6.6 capacity expansion project in Izmit plant in Turkey was completed with zero incidents.

With the priority to create value to its customers, Kordsa Global successfully introduced three new brands in 2013 following their commercialisation in 2012 and generated a revenue of US\$ 26 million from these new products.

For Kordsa Global, 2013 was a year with emphasis on growth projects in value added business areas.

The company aims to continue its profitable growth in 2014 through developments focusing composites industry with increasing usage in automotive, aero, wind power sectors and production of reinforcement materials for construction industry.

BRISA

Brisa was founded with the attempts of Sabancı Group and its partners in 1974 and by the year 1978 it started tyre production under the brand of Lassa. In parallel with the developments in the global tyre industry, in 1988 the company was named Brisa with the partnership signed between Bridgestone Corporation and Sabancı Group. After recording significant growth in the 1990s, Brisa took its place among the leading companies of Turkish industry. In 1993, Brisa won Turkey's first National Quality Award, and then in 1996 collected the EFQM European Quality Award for its superior performance in pursuing business excellence. Today, Brisa is one of the world's biggest tyre manufacturers under one roof

and the seventh largest tyre producer in Europe. Under the Bridgestone and Lassa brands, it manufactures around 1300 tyre models for cars, light commercial vehicles, buses, trucks, agricultural and industrial machinery, at international standards in terms of quality and safety. The Company also imports Bridgestone motorcycle tyres.

In 2010, the Company acquired the Turkish operations of Bandag, an American-based tyre treading company from Bandag AG, the European subsidiary of Bridgestone Corporation and extended its service portfolio while offering a cost advantage to the transport sector. This service also contributes to increase a tyre's life and environmental protection.

Aimed to providing vehicle owners with balanced products in both brands, Brisa enjoys prominent recognition of Bridgestone brand for performance and safety, whereas it offers car owners economy, comfort and durability parameters with Lassa brand. The Company has a well-established position in the domestic market and its international operations with its brands. Today, tyres produced under the Lassa brand with Brisa manpower reach vehicle owners in more than 60 countries. The Company carries out retail sales and aftersales service activities through a network of 930 authorized sales points throughout Turkey. In addition, the Company provides car manufacturers such as Renault, Toyota, Ford, Fiat, Honda, Hyundai, Mercedes Benz, BMC, Temsa, Isuzu, Otokar, Karsan, Türk Traktör and MAN with Lassa and Bridgestone products as original equipment.

Brisa adds value to the journeys by implementing lots of services which ensure significant competitive advantages in terms of service as a result of customer focus and innovation approaches which are also among the values of the company.

The Company meets the main needs of passenger car and light commercial vehicle customers by gathering different products and services at a single point. The lastik.com.tr website offers to supply the tyres of choice at the requested location by fixing an appointment. To store the summer or winter tyres during the unused season under suitable conditions and guarantee is offered by "Tyre Hotel" service.

Brisa offers solutions for either the heavy commercial vehicle individual users or fleets. The Company provides the availability of the products, Bandag tyre treading, main vehicle and tyre maintenance services under the roof of the first ProPratik store, opened in 2013. Brisa adds economical and environmental value to fleets by implementing the Profleet fleet management solutions, the gathering of the products and services which completely meet the needs of the commercial fleet for the first time in Turkey with 360 degree consultancy approach. Brisa won the "Customer Focused Service Innovation Award" with its "Mobilfix" service, which allows vehicle owners to save time and money, help them preserve sustainability and offer on site heavy commercial vehicles' maintenance service.

By signing distributorship agreement with the globally leading battery brand Energizer and the Italian accessory brand Bottari in 2013, Brisa aimed to widen its product range and offer vehicle owners varied products to meet their needs.

Adopting sustainability principle in every field, in order to share its commitment of contribution with the public in the years to come, Brisa presented its sustainability activities in the year 2012 and the previous five years with an A level report in accordance with the GRI(Global Reporting Initiative) system. The company not only signed "The Global Impact" but also has

been carrying on “Let The Cranes Fly Forever” project in cooperation with WWF-Turkey (World Wildlife Fund Turkey) in order to preserve the Anatolian Crane Species and add on to biological diversity.

Differentiating itself by innovative approaches and leading the Turkish tyre market, Brisa announced the establishment of the construction of the second plant within Aksaray Province Organized Industrial Zone with approximately 300 million USD investment in addition to İzmit plant with an annual production capacity of 11 million units of tire in order to meet the future tire demand. The Company, which will produce tires for passenger cars and light commercial vehicles in the Aksaray plant, having an annual production capacity of almost 4.2 million tires, plans to start production at the beginning of 2018.

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, approximately 1,200 qualified employees and a Research and Development Center that was founded in 2002. Sasa’s manufacturing facilities are located in Adana, Turkey. The main operations are situated on an area approximately of 850 thousand square meters.

Provided with electricity through a directly connected facility, Sasa also has a DMT, its own raw material, production plant. Starting operations in 1977 with an annual capacity of 60,000 tons, the DMT Plant currently 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 has run at full manufacturing capacity in both specialty polymers and textile segments. The capacity expansions based on market studies for fibers and specialties polymers businesses were completed. 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). Sasa's total production capacity, including PTA-based production is 350,000 tons per year.

YÜNSA

Combining technology and the aesthetics of artistic expression in its textiles, Yünsa vies for world leadership in the worsted wool fabric market and is Turkey's and 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.

Founded in 1973, the company began production in 1976. In 1980, the company started men's woolen fabrics and carpet production and has established design office in Çerkezköy in 1989. Which went public in 1990, Yünsa added women's apparel segments to its portfolio in 1998. In 2002, second design office opened in Italy-Biella, Yünsa started to open overseas offices in England, America and Germany since 2007. The Company is eligible to enter Turquality Program in 2009. Yünsa continued to its investments and established the R&D Center in 2010. Today, with the vision of world leadership in woolen fabrics, Yünsa is Turkey's and Europe's largest manufacturer of woolen fabric.

Yünsa is a trend setter for menswear and with its both menswear and ladieswear 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 cotton, linen, cashmere, silk, lycra, polyester 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 50 countries, the Company has sales offices in the United Kingdom and Germany and design offices in Italy and Turkey and almost has 20 agencies all over the World.

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; it also undertakes important initiatives and continues to invest in sustainable growth. To this end, the Company focused on research and development activities with its R&D Center which was opened in 2010. Yünsa is also a participant in the Turquality® project, a government sponsored program that supports companies in creating global brands. In 2013 Yünsa has adopted ISO 50001 Energy Management System, thus the Company has proved its efficient energy management. Also Yünsa has adopted ISO 9001 Quality Management System and Yünsa products were certified by the Hohenstein Institute in Germany with the Eko-Tex 100, as not-hazardous to health or the environment.

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 main differentiator of Sabancı University is its unique educational system.

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 of 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 13 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. In 2013, Sabancı University increased its score from 84 in 2012 to 85.8 and became the most entrepreneurial and innovative foundation university in Turkey. The University Entrepreneurship and Innovation Index includes 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 Energy Technologies and Management, Nanotechnology, 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 and Psychology 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, European Studies and International 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 Southeast Europe and Middle East regions, where Turkey is located. Sabancı University School of Management is also accredited by the AACSB International, proof of its high global standards. Sabancı University School of Management ranked 42nd in Executive MBA Programs and 77th in faculty in the Financial Times 2012 ranking for Europe's best management schools.

The Executive Development Unit (EDU) offers executive development programs for professionals. Brand Practice Platform founded by Sabancı University and the Foundation of Advertising was established to support the development of the brand economy in our country. Brand Practice Graduate Program, the first and the most important product of this platform will accept its first students in February 2014.

Graduates

A total of 6,234 students, 4,081 undergraduate and 2,153 graduate, have graduated from Sabancı University since 2000. To date, 74% of Sabancı graduates have already started working and another 18% continued their education at graduate and postgraduate levels. 86% 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)

SSM represents an up-to-date and versatile approach to museology.

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; it also hosts temporary international exhibitions. The facility 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. In 2012, the Arts of the Book and Calligraphy Collection was re-launched with a new design and a contemporary display approach. 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 valuable and rare manuscripts, page by page.

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. The history of Turkish painting is presented in coherence through selected iconic art works from the collection along with the furniture and decorative objects in family rooms.

The rooms on the ground floor of 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. 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”, the “Jameel Prize 2009” exhibition organized by the Victoria and

Albert Museum (V&A) of London in 2010 and "Across - The Cyclades and Western Anatolia during the Third Millennium BC", "Sophie Calle - For the Last and First Time" in 2011. The Museum maintained its distinctive and innovative exhibition program in its 10th year in 2012 and hosted "Rembrandt and His Contemporaries - The Golden Age of Dutch Art", "Cobra - 1000 Days of Free Art" and "Monet's Garden".

In 2013, SSM hosted "1001 Faces of Orientalism", "Fan From Past to Present" and "Anish Kapoor in Istanbul" exhibitions. SSM studied the 19th century Orientalism analysing its effects on diversified areas such as literature, archaeology, painting, architecture, universal exhibitions, photography and fashion with the first exhibition of 2013, "1001 Faces of Orientalism". After, SSM presented art lovers a private collection of around 120 rare fans, dating from 1720 to 1900, along with oil paintings that reflect the importance of fans with "Fan From Past to Present" exhibition. The final exhibition of the year, "Anish Kapoor in Istanbul", hosted by SSM, sponsored by Akbank on the occasion of their 65th year, introduced the first major exhibition in Turkey by leading international artist Anish Kapoor. The exhibition, curated by Sir Norman Rosenthal, was the first to focus on the artist's stone sculptures in marble, alabaster and other materials. The exhibition also included iconic works such as *Sky Mirror* and *Yellow*.

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 works 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 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, 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.

In 2013, Dilek Sabancı Art Gallery hosted "An Orientalist in Mardin: Marius Bauer" exhibition. The exhibition presented works of the Dutch painter Marius Bauer for four months to art lovers. Following, "Photographs of the East as Viewed from the West" exhibition was open to visit.

Sakıp Sabancı Mardin City Museum and Dilek Sabancı Art Gallery have welcomed close to 350,000 visitors as of the end of 2013.

SSM Educational Activities and Events

Children's Education

The extensive educational programs initiated during the "Picasso in Istanbul" exhibition, organized parallel to museum collections and temporary exhibitions continued in 2013 and have increased in number, variety and content. Special workshops were held for children during the year. A total of 12,108 students attended the workshops held in 2013.

Adult Education

Adult education which began to be held at the SSM since 2011, continued in 2013 as well.

In 2013, Prof. Dr. Uşun Tükel lectured on "Western Art – Modern Times" and "Iconography in Western Art", Prof. Dr. Ali Akay lectured on "Modern? Contemporary?", and Prof. Dr. Zühre İndirkaş lectured on "Mythology and Its Place in Art".

Events

In 2013, symposium, panel and conferences were held at the SSM in parallel with the museum collections and temporary exhibitions. Gallery talks with students of Sabancı University and guided tours were organized and Neighbor Day events were held in 2013 as well.

Conference, Panel, Seminars

Parallel to "1001 Faces of Orientalism" a conference series was organized to analyze the 19th century Orientalism through varied disciplines. Conferences organized entitled: "Behind and beyond Orientalism: The Challenge of the Ottoman World with Easternization", "Orientalist Reviews on Ottoman Architecture", "Orientalism on European Music", "Understanding the colony: Cinema as deferent of the Orientalist language", "Orientalist painting: Between the real and the imaginary", " Even more East in the paintings of John Friedrich Lewis on Istanbul and Cairo", "Orientalism studies in Europe", "Orientalism and the innate Orientalism within us", "Neo-Orientalism"

Parallel to "Anish Kapoor in Istanbul" exhibition, an intensive panel and conference program was carried out. The first event was "The Role of Contemporary Art in Classical Art Museums", which featured international museum directors and curators, including Sir Norman Rosenthal, curator of the exhibit "Anish Kapoor in Istanbul", Prof. Dr. Martin Roth, Director of V&A, Dr. Glenn D. Lowry, Director of MoMA, Prof. Dr. Jean-François Jarrige, member of the board of directors at the Condé Museum in Château de Chantilly, Dr. Thomas W. Lentz, director of the Harvard University Art Museum, Prof. Dr. Claus-Peter Haase former director of Museum of Islamic Art at the Pergamon Museum, Berlin and art critic and independent curator Deepak Ananth. The panel was moderated by Prof. Dr. Hasan Bülent Kahraman. Further, Anish Kapoor gave a public lecture about his art to art lovers. Turner Prize winner British sculptor Richard Deacon enrolled the panel entitled "Why Does Sculpture Matter" and a day-long workshop with young artists. SSM also hosted "Art in a Global World", "Beyond Sculpture: Anish Kapoor", "Infinite Curves of Anish Kapoor Sculpture" and "Looking at Darkness within us through Anish Kapoor's Work" organized in collaboration with Psike Istanbul Association.

Furthermore, SSM Conservation Department in collaboration with Universidad Politécnica de Valencia, Dept. Conservación y

Restauración de Bienes Culturales organized "Anatomy of Cultural Materials" seminar.

Screenings

In 2013, SSM initiated "Cinema at SSM" event. Atilla Dorsay coordinated the screenings of films directed by Zeki Demirkubuz, Reis Çelik and Yeşim Ustaoglu at SSM. Following the screenings, panels were hosted with the participation of the directors, actors, and Atilla Dorsay.

Further, film and documentary screenings continued all through 2013 to support the current exhibitions.

Concerts

In 2013, SSM "the Seed" continued to house the masters of classical music with "Istanbul Recitals". SSM also hosted the "China Moses" concert as part of Istanbul Jazz Festival in collaboration with Istanbul Foundation for Culture and Arts. Finally, "Jazz in Ramadan" concert series and "Bach Days" concert was held at the SSM.

Projects

SSM in collaboration with Sabancı University Information Centre launched "DigitalSSM" in 2013. The contents of the Arts of the Book and Calligraphy Collection, the Painting Collection, the Abidin Dino Archives and the Emirgan Archives are now on the *digisu.sabanciuniv.edu* website, together with more than 77 thousand high resolution visuals.

The same year, SSM completed the inventory of all the trees and plant species within its grounds in collaboration with the Istanbul University's Faculty of Forestry and presented its garden to all garden lovers. The study revealed that the SSM garden hosts 115 plant species including rare plants from the Far East, America, Australia, North Africa and the Caucasus. Within the scope of "SSM Garden" project, conferences on nature were also organized.

In 2013 summer, yoga sessions were held at the SSM garden.

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 care, 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 gained from this land with its 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 create impact and lasting change in people's lives. 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 39 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, teachers' centers, social facilities and the Sabancı University - one of its most significant investments.

In 2013, the Sabancı Foundation continued to support the collaboration between the Perkins School for the Blind and Türkan Sabancı Primary and Vocational School for the Visually Impaired. Also this year, Hacı Ömer Sabancı Primary and Secondary Education School, which was decided to be rebuilt taking into consideration the reconstruction of the province following the Van earthquake and Sabancı Mardin Dormitory for Girls were added among the institutions bestowed by the Foundation.

In 2013, more than 1,400 students, including 380 new students, benefited from Sabancı Foundation scholarships. Since establishment, nearly 40,000 scholarships were provided 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. More than 1,000 awards were given to date.

With regard to the arts and culture, the Sabancı Foundation continued to support the State Theater - Sabancı International Adana Theater Festival in 2013. Mehtap Ar Children's Theater, which has received support from the Sabancı Foundation since September 2006, has traveled to 72 provinces and 213 districts in Anatolia, reaching nearly 650,000 children with more than 3,000 performances. In 2013, 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. Sakip Sabancı Mardin City Museum and Dilek Sabancı Art Gallery, restored by Sabancı Foundation, has attracted more than 320,000 visitors since its opening on October 1, 2009.

With respect to other 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:

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; and 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 (UNDP), 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 11 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. The Foundation granted a total of TL 6.8 million to

37 projects implemented in 72 provinces. Out of these projects, 27 were completed reaching more than 70,000 individuals throughout the country.

In 2013, 9 new projects were selected to be included under the Sabancı Foundation Grant Program. Project representatives convened on August 22, 2013 in Istanbul to meet with one another and share their experiences. On October 1, 2013, a meeting was organized under the theme "Sowing Season" to exchange information and experiences among the 7 grantees that completed their projects in 2013 with the support of the Sabancı Foundation Grant Program. Several representatives from NGOs, public institutions and the press members 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 2013, the Sabancı Foundation continued to support the project entitled "Turkey's Changemakers," highlighting the stories and efforts of individuals who make significant contributions to social development and inspire society. Out of more than 1,100 applications, 100 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 2.5 million viewings on domestic and international platforms. The stories of 100 Changemakers by the end of the 4th season were compiled in the book "Turkey's Changemakers" and largely distributed. The 5th season of the Program started in October 2013.

Every year, Sabancı Foundation brings together civil society, foundations, academic, private and public sector representatives with international experts to allow for information sharing on new trends in philanthropy and the civil society sector.

Supporting the works on child marriage issue since 2010, through its Social Development Grant Program, Sabancı Foundation hosted “We Can End Child Marriage Together: Sharing Lessons From Other Countries” workshop, organized by Girls Not Brides in Istanbul between February 11-13, 2013.

On December 12, 2013, the seventh annual Sabancı Foundation Philanthropy Seminar was held with the theme of “Challenging the Impossible” with guest speakers HRH Princess Mabel van Oranje (the Netherlands), the initiator and chair of Girls Not Brides platform; and Dr. Tererai Trent (Zimbabwe), the founder of Tinogona Foundation, who was married off at an early age but challenged the impossible conditions to find a way out through education.

Two important international awards were granted in 2013. Sabancı Foundation Chairman of the Board of Trustees Ms. Güler Sabancı was recognized and honored with the David Rockefeller Bridging Leadership Award, which is presented to exceptional leaders who work for social development. Named after the leading businessman and philanthropist David Rockefeller, this award was presented to Ms. Güler Sabancı for her leadership and impactful contributions to philanthropy. The award ceremony was held on October 8, 2013 in Geneva, Switzerland. In addition, Sabancı Foundation was recognized and honored with the International Gold Star for Quality, which is presented by Business Initiative Directions (BID) to leading institutions promoting quality culture and sustainable development. This award was presented to the General Manager of Sabancı Foundation, Ms. Zerrin Koyunsağan, at a ceremony which was held on October 27, 2013 in the World Quality Commitment Convention in Paris.

THE GLOBAL COMPACT PRINCIPLES & SABANCI

The highlights of 2013 are summarized below:

- ❖ Sabanci Holding Chairman Güler Sabancı gave a speech at the opening plenary of the Leaders' Summit of The United Nations Global Compact (UNGC) in New York in Sept 2013. Following an opening address by the UN Secretary General Ban Ki-Moon, the panel witnessed Güler Sabancı talk about sustainability, women's employment, and the Sabancı Group practices on these issues. Other speakers included Mathilde, Queen of the Belgians, former British Prime Minister Gordon Brown, and Nobel-prize winning economist Muhammad Yunus.
- ❖ Sabancı Holding Chairman Güler Sabancı was given the "Powerful Leader Empowering Our Women" award by the International Women's Solidarity Association in May 2013. The association stated that the award was given on account of Sabancı's leadership and her efforts in providing women opportunities for education, employment, empowerment and progress.
- ❖ Sabancı Holding supported the "Earth Hour" campaign again which is organized every year by WWF-Turkey to attract attention to global climate change. In this context, Sabancı Center's lights have been turned off between 20:30 and 21:30 on 23 March 2013.
- ❖ The Chairman of the Board of Trustees of the Sabancı Foundation, Ms. Guler Sabancı was recognized and honored with the "David Rockefeller Bridging Leadership Award" which is presented to exceptional leaders who work for social development. Named after the leading businessman and philanthropist David Rockefeller, this award was presented to Ms. Guler Sabancı for her

leadership and impactful contributions to philanthropy. The award ceremony was held on 8 October 2013 in Geneva, Switzerland.

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 2013, Sabanci Holding signed the declaration of Equity at Work which is led by Güler Sabanci.

Efforts have started by the "Equality at Work Platform," an initiative founded to achieve gender equality in the process of women's increasing contributions to Turkey's economy.

Leading companies in Turkey signed the "Declaration of Equality at Work"

These companies and Sabanci Group have committed themselves to comply voluntarily with the principles that will eliminate gender-based discrimination and to lead Turkey in spreading these principles over the whole country, promising to

establish reliable systems for this purpose and to be transparent in reporting the distance covered in reaching this goal. The articles of the declaration which the corporations have signed are the followings:

- We respect human rights.
- We uphold the basic principle of equality with respect to all our employees.
- We ensure the health, safety and wellbeing of all of our employees, regardless of gender.
- We especially support the participation of women in the work force.
- We define the criteria of equal opportunities for both men and women in all our Human Resources policies.
- We adhere to and pursue the policy of equal wage for equal jobs.
- We establish the necessary mechanisms so that career opportunities are equally available to all.
- We formulate training policies, monitor and take special care to ensure the participation of women.
- We create the working environment and practices that will maintain a balance between working and family life.
- We disclose our equality of opportunity plan and the developments regarding our gains in this respect through both internal and external communications.
- We make sure that this declaration is disseminated to our entire sphere of influence (our business partners, our suppliers).
- We assign a leadership team to follow up on the matters included in this declaration.

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.

30% of Sabancı Group executive team is women.

In 2013, 40% of total number of recruitment is women.

In 2013, 47% 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 2013, four Sabancı Group Companies have attended this program with 16 employees.

Furthermore, the SALT program, which has been designed to develop Group's leaders, has been running for the last nine years; and 192 executives have attended this program.

Again to another leadership development program which has been continuing for the last 6 years, 50 Mentors and 50 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 2013, 15, 12 and 16 applications have been made to the Innovation Category, Productivity Category and Synergy Category, respectively.

Our Group have over 58.900 employees in 2013.

We have recruited approximately 9.583 new employees in 2013.

We project to create an additional 3,000 new jobs in 2014.

- Retail, financial services, industrials and energy will recruit the most.
- 47% 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 30% in 2013.
- 38% of all our employees are women.
- In our insurance firm AvivaSA this number is 66%. 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 seven years.
- 140 executives received training in management coaching, while 50 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 37 hours.
- 192 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.

Akçansa maintains its pioneer position in Turkish cement industry in terms of commercial success as well as adhering to the sustainable and responsible business models. For Akçansa, sustainability is the main strategic aspect which structures our management philosophy including social, environmental and economic dimensions, our work culture and our future existence. Being the first company in the Turkish cement sector publishing a sustainability report is an indicator of our strategic approach to sustainability management and our motivation for steering our sector. Akçansa aims to increase regional market shares and to emphasize its leadership position throughout the sector by achieving further energy efficiencies in production, responding customer expectations via innovative products, logistics and distribution network optimization and vertical integration strategies.

As a responsible corporate citizen, for Akçansa, meeting stakeholder expectations is a priority. Our main objective is to enhance quality of life for the society by meeting these expectations via our management approach, operational performance, products and services. The sustainability understanding that we have structured in this direction, is comprised of various material business aspects branching in environmental, social and economic dimensions.

From our standpoint, climate change will be the most material issue in the near future as it is today. On top of this, deteriorating natural life and biodiversity creates a multiplier effect on the climate change problem which has deep social, economic and environmental risks and implications. Thus, biodiversity issues and the climate change pose operational, legal, commercial and reputational risks on the cement

production sector, which is energy intensive and highly depended on raw materials extracted from the quarries. Therefore we support combating the climate change with all our operational elements and by setting ambitious targets for ourselves; enhance our performance through investments; actively participate in various initiatives at national, international, sectoral or general scales. In that vein, we have invested 95 TL millions and increased our performance and emphasized our commitments by our voluntary participation in Carbon Disclosure Project (CDP). In order to reduce CO2 emissions, Akçansa adopts, as suggested by WBCSD Cement Sustainability Initiative, a tripartite strategy composed of energy efficiency in production, preferring alternative energy sources, focusing on low-clinker content products developed with alternative raw materials. While conducting all these studies, our purpose, with regard to our vision "sustainable growth beyond all limits", is to generate ultimate value for our stakeholders, to support establishing a safer and more prosperous future by enhancing the quality of life for the society we operate in.

Çimsa is an institution conscious of the fact that sustainability is not only economical but it is possible with complete management of risks born from environmental, social and administrative factors. Çimsa, in the same way, is aware that an institution's innovative power increases with integration of sustainability to company strategy and works in all functions and that sustainability understanding helps to reach targets.

Keeping our company's chain of value in mind, we continuously understand our social and environmental impacts resulting and will result from our past, current and future activities and we conduct studies to improve them. With the support of our main shareholder Sabanci Holding, we believe we made a significant headway regarding making our sustainability management

works that started since 2010 an inseparable part of our culture.

Çimsa is able to observe the positive development in sustainability subjects. Strategy department has also been included in the last period to our Sustainability Committee formed in 2010 with production, finance, human resources and corporate communication functions and has been active since 2011 under the leadership of our General Manager.

The first achievement of the Committee for this reporting period has been to determine our 2013 and 2020 corporate objectives within the frame of sustainability.

For all your inquiries related with Sustainability, you can send them to sustainability@cimsa.com.tr .

Energy

Enerjisa targets leadership with a strategy combining generation, distribution, wholesale and retail activities in Turkish electricity sector. Enerjisa's generation portfolio consists of roughly 2.4 GW of installed gas, hydro, and wind capacity, with 1.8 GW of conventional and renewables capacity under construction. We and our partner aim for Enerjisa to have about 7.5 GW of installed capacity in operation by 2020, which would give us at least a 10-percent share of Turkey's generation market. Enerjisa also supplies energy to 9 million customer accounts after the acquisitions of AYEDAŞ and Toroslar distribution and sales regions, in 2013.

Within the scope of "sustainability", Enerjisa is aware of its responsibilities for its employees, customers, communities and all its stakeholders. Along with its approach of continuous improvement, Enerjisa focuses on the efficient usage of

resources, minimizing the environmental impact and the sustainability of its relations with stakeholders. On the other hand, starting from the motto "Along with life", Enerjisa develops and implements corporate social responsibility (CSR) projects focusing on education, the environment, and energy. It conducts two types of CSR projects: those with a relatively short duration that are designed to have a quick positive impact and those with a longer duration that are designed to create enduring value in the communities and regions where Enerjisa operates. Whenever possible, Enerjisa engages its employees in these projects.

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.

Kordsa Global accepts the safety and health of its employees as a fundamental value and makes comprehensive local and national regulations to create a safe working environment. In case of any accident, which causes serious injury and even death of an employee, the government agencies make a thorough investigation. Comprehensive, constant training and regular safety controls, are necessary to understand safety rules and to act in compliance with them.

1. Highest Performance Standards, Work Perfection

Safe operation of Kordsa Global facilities, for the protection of environment, personnel, customers and the residents in the

vicinity, is bound to highest standards. The company deems the health and environmental protection issues as an integral part of all business activities and reinforces its business by constantly making efforts to maintain its operations in line with the expectations of the public.

2. Zero Injury, Illness and Accident Target

On the belief that all injuries, professional illnesses, worker health and environmental accidents are preventable, the goal for Kordsa Global for all these is zero. Kordsa Global assesses the effect of all facilities, proposed to be constructed on the environment. Designs, constructs, operates and maintains all facilities and transportation equipment, in a way, which is safe and acceptable for the settlement areas and which will protect environment.

Although Kordsa Global is ready for emergencies, it provides leadership to the settlements for their preparations against emergencies.

3. Zero Waste and Emission Goal

Kordsa Global operates in line with the goal of zero waste production in the source. To minimize the requirement for processing or disposal and to protect resources, it reuses material and designs them in recycleable way. Where wastes are produced, these wastes are processed and disposed in a safe and responsible manner. While the company has set a goal of progressing to zero emission, it prioritizes combat with emission, forming the largest potential risk for health or environment.

In case there are conditions, requiring correction in past applications, Kordsa Global aims to correct these.

4. Preservation of Energy and Natural Resources, Reinforcement of Living Areas

Kordsa Global pays due attention to efficient use of coal, oil, natural gas, minerals and other natural resources. Manages company assets to reinforce living environments for natural life.

The most important part of security culture in Kordsa Global is "what people do when no one is looking." This culture is a lifestyle. It goes beyond being a program and become a part of our existence

Brisa

For us, sustainability is not limited to profitable growth; it also includes our positive contributions to the society of which we are a part and to the future generations. Brisa is a company that focuses on its stakeholders and shapes its future by understanding stakeholders' expectations and generating value that exceeds those expectations.

The success of our commercial activities affects our shareholders, as well as an extensive network of stakeholders through the direct and indirect employment we provide and all of our value chain, from our suppliers to our business partners. For this reason, we act with the responsibility of this widespread economic network surrounding our activities, we plan and realize all our investments and commercial preferences in light of this responsibility.

At Brisa, we keep track of many environmental performance indicators and we materialize improvements by means of projects within the context of our environmental management system. With the awareness that climate change can affect our production efficiency and natural resource usage in a negative manner, we act along the goals that we have determined to minimize our environmental impact.

We fulfill our share in ensuring our employees' work-life balance with the practices we came to realize for the sake of social sustainability, while we ensure active participation to projects and practices that will help solve social issues.

As a responsible tyre manufacturer, we create and support national projects concerning traffic safety. In addition, we support education, culture and sport through projects and sponsorships, we try to create environments encouraging all our stakeholders, particularly our employees and business partners, to participate in these projects.

As a leading corporation in our industry, working to add value for Turkey since our establishment, we are very glad to submit our first sustainability report within last year. Our report meets the requirements of the 'A' application level of Global Reporting Initiative (GRI) Standard.

In our sustainability report, we share our progress and goals, our managerial approach, our commitments and performance results in three elemental aspects of sustainable contribution, namely environmental, economic and societal, which we take into consideration as the Brisa Family for the continuity of this structure and processes. This report, which we have prepared to present you the sustainability approach that directs Brisa's activities at every stage and the performance demonstrated in this direction, is a requirement of our principle of transparency and it constitutes one of the key links of our mission 'to provide superior values to society through sustainable growth'.

Sasa

There are four critical aspects in SASA's sustainability point of view. First one is **Research & Development**. SASA R&D Technology Center offers unique and modern facilities which were assembled in 2002 in Adana. 1.5% of SASA's revenue is

invested in research studies annually. Second, **six sigma** is another core issue. We have the philosophy of operational excellence by eliminating errors and determining weak points to be improved. SASA's journey with Six Sigma has brought a benefit of more than 60 million \$ in 120 completed projects since 2000.

Third, SASA follows **information technologies** very closely, and makes continuous investments in this field. Using information technologies in an extremely effective way in all business processes. And finally, we also believe that **Safety, Health** and protection of the **Environment** are fundamental to the success of our business. SHE is a critical part of every decision we make.

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.

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