



**UNITED NATIONS GLOBAL COMPACT
&
SERKA INSAAT VE TICARET A.S**

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UN GLOBAL COMPACT
SERKA INSAAT VE TICARET A.S
INTRODUCTION TO COMMUNICATION ON PROGRESS



SERKA Insaat & Ticaret A.S (SERKA) is proud to be a member of the United Nations Global Compact, a worldwide corporate citizenship initiative encompassing 10 universal principles and involving hundreds of companies around the world. (SERKA) was selected to have an agreement. In 2010, (SERKA) signed the United Nations Global Compact agreement and declared that it would adhere by the ten primary principles pertaining to human rights, labor, the environment and corruption.

- **Labor Rights/Human Rights** - (SERKA) is in a knowledge-based business. Our human resources policies are therefore tailored to a global workforce that is highly educated and professional. Our services to clients – strategic and tactical communications counsel – require a highly motivated workforce performing in optimum working environments. Many of the Compact principles on human rights and labor standards are not directly relevant to our operations. However, several SERKA labor policies, a few of them amended recently, implicitly relate to Compact principles.
- **Harassment and Discrimination Policy** - All employees should be able to enjoy a work environment that is free from harassment, including sexual harassment; and free from discrimination of race, color, national origin, ancestry, religion, disability, medical condition, marital or veteran status, sexual orientation, age or gender. Any harassment or discrimination of employees or others at SERKA undermines the integrity of our employment and our relationships. This conduct is unacceptable and will not be tolerated. SERKA expects its vendors and clients to support these guidelines.
- **Equal Employment Opportunity Policy** - SERKA is an equal opportunity employer with individuals hired and promoted solely on the basis of ability, training and experience. The company will make every reasonable accommodation to the known physical or mental limitations of qualified employees with disabilities unless the accommodation would impose an undue hardship on other employees or inhibit the efficient service of our clients.
- **Non-Disclosure, Non-Solicitation and Code of Business Ethics Agreement** - At the request of the SERKA Chief Executive Officer, this policy document is formally acknowledged by each employee. It provides standards for virtually all operations of the company, including truth and accuracy in communications; record-keeping; gifts and entertainment; union agreements; conflicts of interest; and privacy.
- **Workplace Violence** - It is SERKA's intent to provide a safe workplace for all employees. Threats or any other implied or actual act of aggression made to, or by, any employee will not be tolerated. Reports of threats may be made anonymously and will be investigated promptly. A brochure on workplace violence is made available for all employees.
- **Anti-Corruption/Transparency** - SERKA is acutely aware of its responsibility as an active participant in the free flow of information and ideas in our society. The integrity of independent media is a cornerstone of this vital process. A national debate on the public relations-media interface convinced SERKA to restudy its policies in this area. As a result, SERKA has issued a new policy document, "SERKA Disclosure Guidelines," to better ensure that all information we distribute will identify the client or other entities as sources of the information.

The Objective of Sustainability Report

This Communicating on Progress report is written with the aim of disclosing the anticipated actions planned to mitigate the potential adverse economic, environmental and social effects of any operation and service in connection with the activities of (SERKA).

This is SERKA's first report which details the sustainability performance of the company, to include the local economic, environmental and social activities completed by SERKA. Moreover, it also includes the aim of measuring, monitoring and improving the actions with respect to sustainability.

In this report, the specific subjects covered all the areas to which the SERKA gives precedence in which it is involved within the scope of sustainability. Together with the SERKA's precedence, the reports to be prepared in the future will also cover sustainability issues which are considered as vital by SERKA.

The COP also includes employees, suppliers, clients, local management / local society, financial institutions and public who are affected by the SERKA's economic, social and environmental activities as well as all those who have direct influence on such activities.

We have prepared this report which includes data herein that (SERKA) has obtained from financial statements and environmental inspection reports in the recent years.

Letter from Chairman of Board of Directors

Mr. Sevki ADALI

Sustainability Path at SERKA

Climate change, sustainability and corporate responsibility broadly defined are now core parts of business strategy for all globally successful businesses. The traditional definition of sustainability calls for policies and strategies that meet society's present needs without compromising the ability of future generations to meet their own needs & requirements.



Denotation of the word “sustainability” is defined as the operation of any system without interruption or breakdown, nor depletion from over-consumption or the overloading of the main life support systems. Sustainability, the term has been adopted by the international community. In 1987 the word “sustainability” became the basis of the United Nations Environment and Development Report, stemming from the following sentence: “Humanity is capable of development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” Therefore, sustainable development became known as the management of the methods supporting economic growth as well as prosperity while protecting the environments and life quality of everyone on earth.

The concept of sustainable development was described in a 1981 White House Council on Environmental Quality report: “The key concept here is sustainable development. If economic development is to be successful over the long term, it must proceed in a way that protects the natural resource base of developing countries.”

Over the past 30 years, the concept of sustainability has evolved to reflect perspectives of both the public and private sectors. A public policy perspective would define sustainability as the satisfaction of basic economic, social, and security needs now and in the future without undermining the natural resource base and environmental quality on which life depends. From a business perspective, the goal of sustainability is to increase long-term shareholder and social value, while decreasing industry's use of materials and reducing negative impacts on the environment.

Common to both the public policy and business perspectives is recognition of the need to support a growing economy while reducing the social and economic costs of economic growth. Sustainable development can foster policies that integrate environmental, economic, and social values in decision making. From a business perspective, sustainable development favors an approach based on capturing system dynamics, building resilient and adaptive systems, anticipating and managing variability and risk, and earning a profit. Sustainable development reflects not the trade-off between business and the environment but the synergy between them.

In 2010, SERKA became a part of the United Nations Global Compact and started to implement of ten articles covering topics sorting from human rights and work standards to protecting the environment and measures designed to combat corruption. As a result of this UN enterprise, which commenced in 1999 and presently holds 1,500 companies around the world, we made a corporate commitment that the “SERKA Path” would lead our goals.

Sevki Adali
Chairman
SERKA INSAAT VE TICARET A.S

**"We thrive and survive on planet earth
as a single human family.**

**And one of our main responsibilities is
to leave to successor generations a
sustainable future."**

General Kofi A. Annan



Letter from Board of Directors

Mr. Serdal ADALI

SERKA Pathway & 2011 Goals

SERKA perceived her goals and in order to attain these goals we delineated the principles of the game once again, as generating our growth ideas for the past and recent years. As a result of this process the principles we defined, for Profitable Growth, Operational Excellence and Strategic Market Positioning, which helped us define what we now call the SERKA Pathway.”

The elements of the “SERKA Pathway” serve to direct us in these preferential areas and not only let us to have access to the business methodologies of the global economy’s most modern, progressive and prosperous companies, but also inspire us with assurance concerning our future.

Our growing and strong financial position was encountered by acquiring property from an ancestor that grew to be the most important heritage and saving for future generations which formed the basis of our policies relating to “sustainability.” Even though, we are facing Global Economic Crisis, the concept of passing on the values of our past 50 years to future generation is an aim we will not resign.

“SERKA Pathway,” elicits us to perfect our implementation of doing business by following the below listed points under the major sustainability headings of Profitable Growth, Operational Excellence and Strategic Market Positioning:

- Long term planning that includes adaptation to the changing environment and/or market
- The coordination of activities and concurrent growth with our established global business partners in the sectors in which we are actively involved.
- The assessment of new business areas which will create synergy with current ones, plus capturing potential opportunities based on advantageous conditions
- Maintaining market sustainability
- Complete transparency with respect to corporate governance and relations with our clients and/or customers
- The preparation of a high quality and devoted management and workforce; that emphasizes on providing long term learning opportunities and on the job training .

These components of the “SERKA Pathway” will guarantee our sustained growth. Thus, this report is based on our enthusiasm to stabilize sustainable growth by demonstrating high standard performance, being a good corporate citizen and by excelling our abilities to obtain maximum efficiency as we achieve our responsibilities by our environment, society and nation.

The development performance presented in this report has been carefully prepared on the basis of the internationally accepted Global Reporting Initiative (GRI) G3 global sustainability reporting guidelines and is likely to become one of our most important success criteria in the years ahead. SERKA is currently viewed as a model Turkish company because of her sustainability ideology; we are so sure that we will stand out.

COMPANY PROFILE

SERKA is a Turkish based Design/Build Construction Company providing a wide range of Engineering, Construction, O&M, Logistics and Life Support Services to clients in both the Middle East and Europe. Founded almost 50-years ago as a small, civil works contractor primarily serving the U.S. Air force at Incirlik AFB in Adana Turkey; SERKA is known today as a full service general contractor; providing Turnkey Construction Solutions and complete Life Support Services to Coalition Forces.

SERKA was one of the first major construction companies to enter Iraq at the inception of the war in March 2003, since been awarded projects in excess of \$400M as a Prime Contractor for USACE and KBR in support of the LOGCAP III program, SERKA was one of the few companies chosen to sign a teaming agreement with KBR to provide Labor Services and Camp Support Services in Northern Iraq.

SERKA Corporate offices are located in Istanbul Turkey, with regional support offices in Adana, Ankara, Amman and Jordan. Our logistical support center in Zaho, Iraq at the Turkish/Iraqi border includes a 20,000 m2 material staging warehouse. The "Forward Operations Base" (FOB) in Mosul, Iraq (Site H-4 Marez) serves as our HQ for Iraq operations. The FOB at Bagram Air Base serves as our HQ for Afghanistan operations.

SERKA is fully mobilized and currently providing a complete range of Construction and Life Support Services to Coalition Forces and LOGCAP III & IV personnel at nine different military bases in Iraq currently employing over 6,000 skilled and unskilled labor.

SERKA specializes in medium to large size Turnkey Construction / Renovation Projects, Heavy Excavation and Concrete Works - as well as a full range of Life Support Services:

- Building Construction / Renovation / Refurbishment – Site Prep / Heavy Excavation
- Infrastructure Construction – Treatment Plants, Water and Sewage Network Systems
- Roadways (Concrete / Asphalt)
- Foundations (Aircraft Aprons, Landing Pads, Generator Pads)
- Force Protection Products (T-Wall Barriers, Overhead Protection Systems, Bunkers)
- Operation and Maintenance (O&M) Services
- Heavy Equipment Leasing
- Dining Facility (DFAC) Operations & Construction
- Skilled and Unskilled Labor Force Provider
- Solid Waste and Grey Water Collection / Disposal
- Dumpster and Chemical Toilet Leasing
- Transportation / Logistics / Bulk Material Supply
- Complete Shipping Services

Our expertise however is not limited to war zone construction and logistical support. Our Energy Services group is currently executing RENEWABLE Energy projects in excess of 300MW at various locations. These projects include Hydro-Power plant construction, as well as Wind and Geothermal projects; ALL renewable and sustainable energy sources for the future.

SERKA purchases and provides a wide array of materials and equipment. With long term blanket agreements in place with established key suppliers throughout Turkey and other countries. SERKA is positioned to obtain quantity discounts in order to reduce overall project costs, and can often obtain preferential treatment from

THE REACH OF OUR GLOBAL LIVING



SERKA MILESTONES

1962

SERKA respective owner, Hasan ADALI commenced his business life.

1963

Hasan ADALI's first major contract was a road construction project in Malatya, Diyarbakır and Adana.

1964

The company was awarded perimeter security fence and service road constructions in Malatya Radar Base by NATO. Construction of Radar Facilities and Social Facilities at Diyarbakır Pirinçlik and Malatya Karahangedigi Bases was successfully completed.

1965 - 1969

Personnel transportation contract for US Air Forces at Incirlik Air Base was awarded and continues to be executed by SERKA till today, 2011.

1977

The company was awarded the construction and renovation contract for Life Support Facilities at Incirlik Air Base, Adana. Construction of Officers Club and Restaurants at Incirlik Air Base was completed with success.

1985

Operation of the first gravel and sand quarry at Ceyhan region of Adana commenced.

1988

Served TEKFEN INSAAT in support of their Tarsus-Gaziantep Motorway Project; provided aggregate and ready-mix concrete and was the main subcontractor for soil works.

1991

Served TEKFEN INSAAT in support of their Tarsus-Gaziantep Motorway Project; provided aggregate and ready-mix concrete and was the main subcontractor for soil works.

1992

Construction of water transmission lines and distribution networks was completed at several cities in the North of Iraq. The number of aggregate and sand quarries increased to 4 and production capacity of 1 million mt/p.a was achieved.

MILESTONES

1996

Adana Cimento A.S (presently Oyak Cimento) awarded SERKA the operation of 6 ready- mix concrete plants in Mediterranean Region of Turkey.

1998

The ready mix concrete production and distribution reached 1.5 milion m³/p.a and the annual aggregate production exceeded 2 million m/tons p.a.

2001

The Truck Fleet reached 50, Heavy Equipment to 15 and aggregate production up to 3 million tons p.a. The company was awarded a new Subcontract for construction of Nigde-Pozantı motorway's infrastructural works.

2002

Runway & apron extension works were completed in Incirlik Air Base, Adana.

2004

Heavy Equipment Fleet exceeded to 100 units. New branches were established in Romania & Jordan.

2006

SERKA ISTANBUL office building acquisition completed.

2008

SERKA grew over 300% since 1964, established many ready mixed concrete installation plants, increased Heavy Equipment and Truck fleet.

2009-2010

SERKA, whose annual turnover today exceeds USD \$240,000,000 today; has been providing the Coalition Forces and US Military in the Middle East and Europe with Life Support Services to include Facilities Maintenance Services; General construction, Project Management, Design and Build, Project Development Services and Shipping Operations. SERKA, together with this portfolio, and current ongoing projects in the Services and Construction fields has been carrying out her projects at top speed with the objective of achieving greater successes in the future.

SERKA INSAAT VE TICARET A.S

Products and Services:

- *Building Construction / Renovation / Refurbishment, Site Prep / Heavy Excavation*
- *Infrastructure Construction, Treatment Plants, Water and Sewage Network Systems*
- *Roadways (Concrete / Asphalt)*
- *Foundations (Aircraft Aprons, Landing Pads, Generator Pads)*
- *Force Protection Products (T-Wall Barriers, Overhead Protection Systems, Bunkers)*

Location: Headquarters is on the European Side of Istanbul. Adana Branch office is in Southern Turkey.

Sectors: Construction

Other Corporate Information: Our Contracting Group operates as a general contractor in Turkey & abroad and carries out large scale of infrastructure & construction works, our range includes Industrial Plants, Business & Education Centers, Hotels, Hospitals and other major projects to include Airport Runways.

Contracting is the leading sector in which the world's larger scale companies compete. Despite the increasing job opportunities in the world, acquiring contracts is becoming more and more difficult under tough competition & world market conditions. Therefore, completing started projects rapidly with maximum profit while increasing market and customer variety is becoming a must in the competitive atmosphere.

The most important field of activity of our company is the construction sector. It took its first step by under taking a road project works around Malatya, Diyarbakır and Adiyaman in 1963, and successfully completed the project that was undertaken. In a short time the project distinguished itself in the construction industry by providing services based on its values; trust, safety, responsibility,

stewardship that was established via great effort and teamwork.

SERKA completed 300.000m2 Transportation Centre of TTM which became the main logistic center for the U.S. Military.

SERKA was also the contracting company of the additional runway required at Incirlik Air Base during the gulf war; this Project required high technical capability and held a short deadline. The project was completed in an efficient manner; and was delivered within two months.

SERKA increased her experience in airfield construction projects by undertaking contracts of Kyrgyzstan Manas Airbase and Bagram Airbase taxi runways in Afghanistan.

Work place safety ranks high on the list of goals for SERKA, as she is committed to satisfying each client by delivering projects within budget and within a timely manner.

At present, project activities in progress spread over to 4 countries in Middle East and Europe and cover various Construction Projects from Aircraft Runways to Offices, from Social Facilities to Accommodation and Education Facilities. Diligence and care has been placed in order to consummate these projects on time and precisely without distinguishing between small and large projects of which volumes change between 1-120 million dollars.

SERKA employees believe that success can be achieved in the Construction Sector Only by blending basic values such as knowledge, skill and experience; and by adhering to the safety concept at every stage of the project.

Selection of technical staff starting from top level Executives to Architects, Engineers, Field Technician Teams, to selecting Business Partners & Sub-contractors and even the materials used, is diligently acquired in the direction of these principles

In only 10 months, in Iraq Al Asad Airbase Electrical infrastructure with 11 transformer stations and 40 km medium voltage cable laying was completed successfully.

SERKA INSAAT VE TICARET A.S ONGOING

&

COMPLETED PROJECTS

1. Project Name: USACE Bulk Fuel Storage Phase V & VIII

Location: Bagram, Afghanistan

Macro:

- SERKA Construction is the prime contractor in the project.
- The project was awarded 18 Jun 2009.

Brief description of the contract; Includes TWO PHASES:

1. BULK FUEL STORAGE AND SUPPLY, PHASE 5



- a. Construct One (1) 25,000 Barrel TS-1 Storage Tank with Pump Facility
- b. Construct Filter Building with Controls, Fill & Issue Lines
- c. Construct 3 Vehicle Fueling Points
- d. Construct POL Pipeline Underground (including 3000 meters of 8" internal and external coated pipes)
- e. Site Improvement and Demolition

2. BULK FUEL STORAGE AND SUPPLY, PHASE 8

- a. Construct two (2) 25,000 Barrel TS-1 Fuel Storage Tank with Pump Facilities
- b. Construct POL Pipeline Underground (including 250 meters 8" internal and external coated pipes)
- c. Site Improvement and Demolition



2. Project Name: Strategic Airlift Ramp and Hot Cargo Pad

Location: Manas Airbase, KRYGYZSTAN

Macro: SERKA Construction is the prime contractor in the project.



3. Project Name: Adana SERKA Hotel (5 Star) in Adana, Turkey

Location: Adana, Turkey

Macro:

- SERKA Turizm A.S.is the owner.
- SERKA is the prime contractor.

Other Corporate Information: SERKA observes the tourism potential in Turkey and notices the insufficiency of the 5 star hotel capacities in Adana, being in the Tourism sector since 2007 SERKA decides to execute a hotel project that is currently under construction, expected completion date 2012.



Brief description of the contract; Located in The Centrum of Adana city; the Hotel is designed for a capacity of 242 beds and a total construction area of 54.000m2, design was completed just in 5 months, the required licenses were acquired. Negotiations were made with the worlds' leading Hotel Chains; the operation of this hotel which will create employment opportunities in the Tourism and Hotel Sector will increase the prestige of the City of Adana. The hotel amenities include congress and ball saloons, restaurants and bars, fitness center, open-covered swimming pools besides 227-232 rooms.

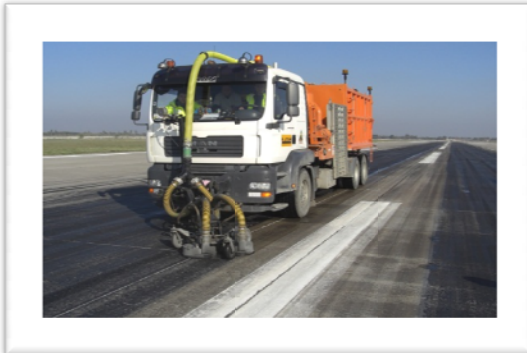
Opening its door in 2012 as a 5 star hotel in Adana City Center, SERKA will not only supplement to regions tourism potential, but also it will furnish employment opportunities to the young developing generation.

Besides traditional foods of the region, international foods shall also be made available at the restaurants of the hotel.

4. Project Name: Rubber Removal and Paint Marking

Location: Manas Airbase, Kyrgyzstan

Macro:



- The project was awarded on 9 Oct 2010.
- Rubber removal work was successfully completed.



5. Project Name: Heavy Equipment Lease

Location: Manas Airbase, Kyrgyzstan

Macro:

- The project was awarded on 18 Sep 2010.

6. Project Name: Fluor Warrior East LSA

Location: Bagram Air Field, Afghanistan

Macro:

- The project was awarded 12 March 2010.

Brief description of the contract:

Supply all adequate competent & labor, supervision, tools, equipment, install and provide consumable materials, services, testing devices and warehousing and each and every item of expense necessary for furnishing, fabrication, field erection, application, handling, hauling, unloading and receiving, installation, construction, assembly, testing, evaluation, and quality assurance of Warrior East – Fluor CMO and LSA.

Areal View



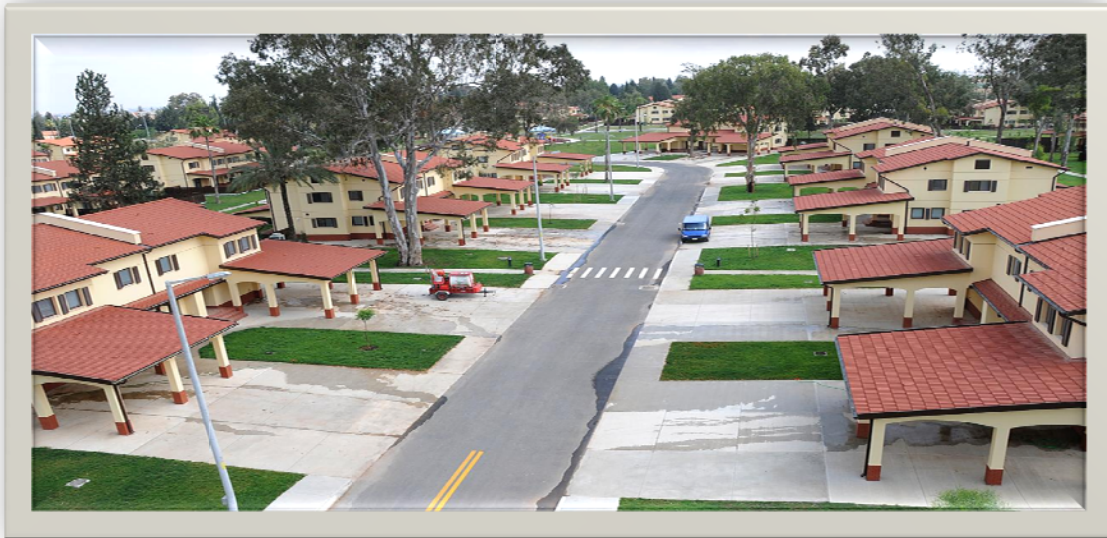
3. Project Name: Eagle Housing Phase III

Macro:

- The project was awarded to SERKA 6 December 2009

Brief description of the contract: Design Build Eagle Family Housing Phase 3 project which was consisting of 44 housing unit which was a concrete skeleton system, CMU insulated block walls, exterior thermal insulation and special plastering, aluminum exterior windows, solid wood doors,

laminated kitchen cabinets and linen closets, ceramic wall and floor coverings, all common and power systems as per Military Housing Guide and Base standards with all recent codes such as NFPA, NEC, UFC, SMACNA, ADAAG and USACE specification regulations. Eagle Family Housing has 80,000 2m of green areas established with grass, landscaping, sidewalks, community walkways, running track which stretches 1 mile, twin tennis courts, mini soccer field, mini golf and recreation areas which have been turned over to the Government.



SERKA INSAAT VE TICARET A.S
OTHER PROJECTS

1. Products and Services: Aggregate and Sand Production

Location: The head office, Adana - Turkey.

Sectors: Aggregate and Sand Production

Other Corporate Information: **SERKA** provides aggregate with a full line of graded stone in various sizes, to include a concrete and masonry sand, gravel and slag aggregates, for a broad range of construction applications including projects that require specialized performance characteristics and delivery terms.

Being one of the biggest suppliers delivering more than 5 million m3 of material annually in Southern Turkey and Iraq, **SERKA** mines and extracts stones, sand and gravel.

SERKA's Geologists direct mining to prime areas of natural deposit, which provide customers with the quality of stone required.

Stone is crushed to sizes desired by the market, washed and loaded for transportation. Specialty products, such as chemical and industrial stone are also produced and sold to the steel and lime industries and are subject to very precise physical and chemical requirements.

SERKA offers a broad range of aggregate featuring tightly monitored specifications. Our quality professionals have lab facilities at each quarry where they provide technical support and consultation to customers.





2. Products and Services: Ready-Mix Concrete Production

Location: Head Office, Adana, Turkey

Sectors: Ready-Mix Concrete Production

Other Corporate Information:

For the first time, **SERKA** entered the ready mix concrete sector by commencing operations of ready-mixed concrete plants of ÇİMSA A.Ş in 1991. Now as a subcontractor to Oyak Beton with 12 batch plants, **SERKA** operates two fully equipped ready-mixed concrete plants in Afghanistan and 4 in Iraq, with 2 million m³ concrete productions annually.

Today, it carries on classic concrete production by supporting it with innovative products such as pattern-printed, colored, foamy, super plasticized, self-positioning concretes.

The wide distribution fleet of **SERKA** is a big asset to deliver the concrete produced at 18 batch plants to the construction sites in the shortest time by protecting its quality.

1. Arpacbahsis Ready Concrete Plant
2. Mersin Ready-mixed Concrete Plant
- 3 Tarsus O.S.B. Ready-mixed Concrete Plant
- 4 Nigde Ready-mixed Concrete Plant-LİMAK
- 5 Pozantı Highway Ready-mixed Concrete Plant-NCKY
- 6 A.C.S.Inter- Factory Ready-mixed Concrete Plant
- 7 Barkal Rady-mixed Concrete Plant
- 8 Misis O.S.B . Ready-mixed Concrete Plant
- 9 Sambayadı Ready-mixed Concrete Plant
- 10 Osmaniye Ready-mixed Concrete Plant
- 11 Iskenderun,İsdemir Ready-mixed Concrete Plant
- 12 Al-Asad Ready-mixed Concrete Plant
- 13 Al Taqaddum Ready-mixed Concrete Plant
- 14 Q-west Ready-mixed Concrete Plant
- 15 Mosul Ready-mixed Concrete Plant
- 16 Bagram Air Base Concrete Plant(I&II)
- 17 Enova Ready-mixed Concrete Plant



Heavy Equipment List

In order to meet the demands of the construction sector, SERKA possesses a wide range of heavy-duty work machine fleet comprising state-of-art vehicles. This fleet, are capable of easily performing sub-structure works in the construction projects of the companies own structure or for its customers, provides services as a separate company together with a wide staffing capability to include qualified engineers, supervisors, operators and maintenance teams.

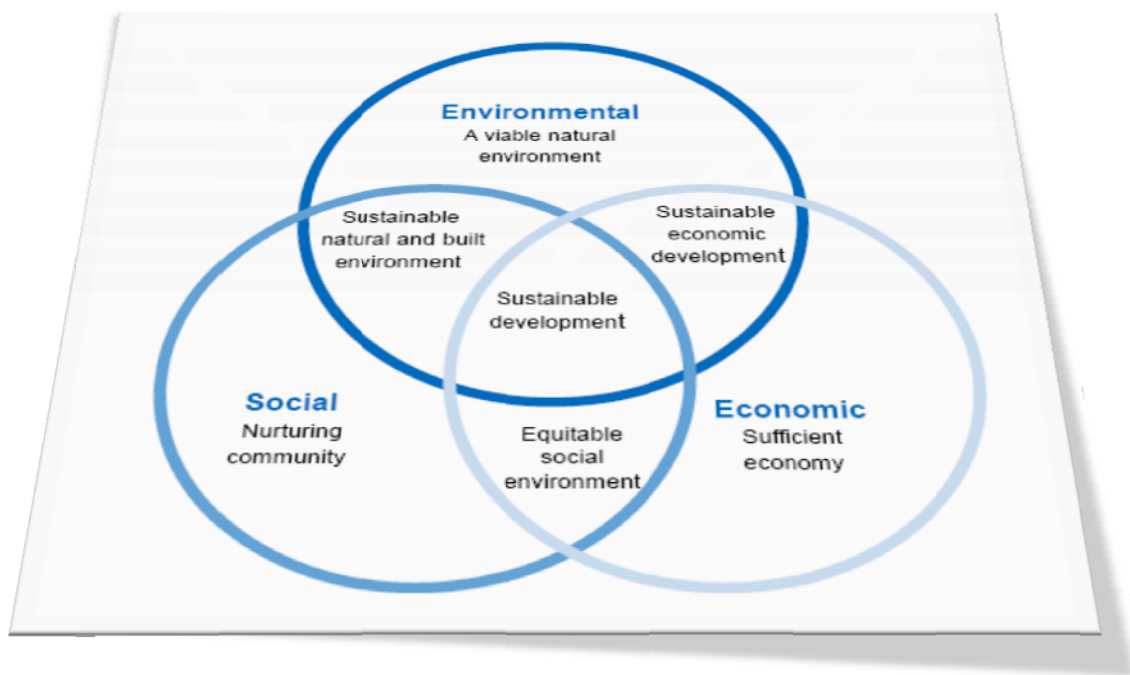
By its deep knowledge, this experienced staff produces turn-key solutions for many excavation projects in Turkey, Middle East and Eastern Europe. Besides the project-based services offered, the Company can also provide short term leases on daily, weekly or monthly basis, by the provision of on-site support and construction equipment

THE FINISHERS	Quantity	HIGH CRANES	Quantity
Guntert & Zimmerman S 850	1	High Up 50t	1
Gomaco GHP 280	1	High Up 30t	2
BULLDOZERS		High Up 55t	1
Dozer Cat D6r	2	BEKO LODER LOADERS	
Dozer Cat D8r	13	Backhoe Cat 424d	1
LOADERS		Backhoe Cat 428d	4
Loader Cat 962g	1	Backhoe Cat 432d	6
Loader Cat 966g	16	Backhoe Cat 442	1
Loader Cat 973	1	Backhoe Cukurova 883	1
Loader Komatsu Wa420	4	FORKLIFT TRUCKS	
EXCAVATORS		Forklift Rough Terrain	4
Excavator Cat 320l	2	Forklift Telescopic	4
Excavator Cat 325cl	2	LOADERS	
Excavator Cat 330b	2	Linkbent	2

Excavator Cat M318c	2	Ruston	2
Excavator Cat M320	4	Vesserite	2
Excavator Komatsu Pc300	6	OUR TRAILER/ TRUCK FLEET	
Excavator Liebherr 914	1	Flatbed Trucks	20
ROAD ROLLER		Lowbed Trucks	3
Roller Cat Cp563c	1	Dump Trucks	67
Roller Cat Cp573 E	1	Concrete Pumps	14
Roller Cat Cp663e	1	Transmixer	86
Roller Cat Cs533e	8	Water Trucks	22
Roller Cat Cs583e	1	Waste Trucks	16
Roller Dynapac C51	1	SST	28
Roller Vibromax 1805	1	Fuel Trucks	8
GRADER		Frigo Trucks	5
Grader Cat 12h	4	Bus / Midi-bus / Mini-bus	64
Grader Cat 140h	5	MOBILE CRANES	
Grader Cat 160h	2	Crane Liebherr 55t	1
Grader Volvo 740	2	Crane Liebherr 60t	1
Grader Volvo G710b	3	Crane Liebherr 45t	2
BOBCATS		Crane Liebherr 30t	3
Bobcat 763	4	Crane Liebherr 50t	1
Bobcat Cat 246b	4	Crane Terex 50t	2
FUEL TRUCKS	17		

SERKA SUSTAINABILTY CIRCLE

In theory, sustainability is an easy concept. To be sustainable, a system must simply find a balance of resources, so that the system's processes or states may be continued indefinitely over time. Over the past few years, in particular, increased awareness of sustainability principles has given rise to an entirely new sub-discipline of design, known as sustainable design. The diagram that we present below introduces the concept of the Three Spheres of Sustainability - a guiding principle of sustainable design. As the diagram illustrates, sustainability of a system is achieved when the three essential aspects of responsible design - economic, social and environmental - are adequately balanced with one another.



In today's economic world, the importance attached to the concept of sustainability has surpassed that usually enjoyed by financial profitability. Corporate sustainability is a process of continuous development for SERKA. This process contains our entire social and physical environment. The objectives we have determined in order to continuously better understand our scopes of influence within SERKA's life cycle form the basis of our sustainability circle. The corporate values and vision of SERKA, which aspire to increase the environmental, social and economic wellbeing of future generations as well as present generations, also support our sustainability circle.

To achieve balance in the sustainability circle, we all must be equally sensitive to social-environmental, environmental-economic, and economic-social issues, and must be willing and able to address difficult concerns, such as natural resource stewardship, energy efficiency, business ethics and worker's rights.

SERKA COMMITMENT TO THE ECONOMY

In 2009, SERKA increased her EBITDA to \$39 million and profit before taxes to \$ 35 million over the earnings from the previous year, which stood at \$ 24 million and \$ 18 million. Parallel with SERKA.'s growth in the volume of business and high investment levels, our total assets increased to \$ 128 million in 2009.

Additionally in 2009, SERKA's total capital expenditures reached a record of \$25 million, the highest level in the Company's history while \$ 5 million was applied to our rental fleet investments for the earth moving equipment, power systems.

Further \$ 20 million was funded for an investment of a Renewable Energy Licenses and construction of 25.5 MW Rize Incirli Hydro Electricity Power Plant. At the end of 2006, as part of its strategic direction, the Board of Directors of SERKA decided to invest in the energy sector and City Hotel in Adana.

Our primary objective is to invest in renewable energy sources such as wind and hydro, as well as exploring the opportunities in alternative energy resources and to develop City Hotels with international hotel chains.

Moreover, we aim to fully recognize the importance of creating a well balanced portfolio for the purpose of serving key customers to achieve these goals as SERKA Insaat ve Ticaret A.S.

Financial Highlights (USD Millions)

	2008	2009
Sales	179,985,443.00	207,072,954.00
Export	162,810,371.00	170,225,967.00
Capex	15,000,000.00	25,000,000.00
Net Financial Debt	1,494,894.00	2,967,873.00
Net Working Capital	18,439,967.00	35,506,280.00
Total Assets	130,485,223.00	128,410,665.00
Profit Before Tax	18,439,967.00	35,506,280.00

SERKA Pathway

SERKA has persistently managed to perform its growth goals in consequence of SERKA's widespread gain recognition of the disciplined management approach. Within the principles of sustainable growth, SERKA Pathway encloses such targets as respecting the environment while growing as part of the company, contributing to society, respecting human rights and working efficiently; adopting the standards stated in the United Nations Global Compact agreement, which we proudly endorsed last year. Since that time SERKA has fully adhered to the commitments in that regard. SERKA grouped our corporate targets into the main headings and our performance is evaluated within the framework of the components of the SERKA Pathway.

Profitable Growth

- ***Long-Term Perspective and Creating Value Approach***

As SERKA recurrently monitoring the value of the company by managing duties in a high spirited manner, SERKA concurrently gives priority to making long-term plans for all her business areas. An important step has been conducted towards ensuring Economic Sustainability by planning a comprehensive strategy for our company to cover the periods between 2009- 2010.

- ***Becoming an International Player***

SERKA's income is generated from its currently ongoing projects over Turkey and third world countries such as Iraq & Afghanistan, where projects are either subcontracted from Coalition forces and/or its prime contractors. The company provides the opportunity for personnel growth and endorses high value & quality. The company intends to continue important investments in Turkey to add to her current, such as The Hydro-Electric Power Plant – renewable energy investment, Concrete Batch Plants & Hotel. SERKA foresees opportunities not only in Turkey but worldwide, adapting to market & environmental changes; to include market needs. Today, SERKA continues to expand its business activities into other regions as America, Europe and Middle East by entering the Shipping Management & Services sector.

- ***Investing in New Business Areas***

In order to create value for its employees and to maximize the value of its portfolio the SERKA strategically entered other business areas where it could utilize its competencies. Consequently, the decision was taken to invest in the Energy sector. The company not only intends to invest in renewable energy sources such as wind and hydro but has developed plans to evaluate opportunities in other alternative energy.

- ***Growth***

SERKA believes in the principle of creating mutual value through cooperating with customers & clients. Where applicable, SERKA is ready to cooperate with companies that initiate projects which offer advancement opportunities in present business areas as well as new ones; to initiate the potential of creating added value and share a common vision, SERKA is ready to take further steps to accomplish business goals. Our ethics, transparency and hard work has been made SERKA the preferred business partner by some of the global giants such as KBR, FLUOR & DYNACORP.

Strategic Market Positioning

- ***Focusing on the Customer***

SERKA makes it a priority to offer solutions to its corporate clients. Therefore, strong management and problem solving skills are utilized via experienced experts in their areas, to plan, schedule and execute the most extensive projects in the harshest conditions. SERKA realizes that finalizing projects within the set schedule overcoming limitations; to include unfortunate conditions & unforeseen setbacks is the key to her success, and the only reason why SERKA is almost always the preferred team partner in its field.

- ***Market Positioning***

SERKA generally tries to focus on business sectors which it does best or that has the potential of becoming the best. In line with our slogan of 'Delivering the Best' our company strives to secure contracts that are versatile, and within SERKA's ability to include financial capability. Our performance & experience has always been a reference for further projects; becoming the chosen team partner by the global leaders proves that SERKA has already established the trust of the global leaders; hence this will carry SERKA to better positions in the global market; where ever trusted services are needed.

Operational Excellence

- ***The Corporate***

The Corporate Management of the SERKA is based on the principles of high ethical standards, transparency and integrity. The Board of Director's at SERKA have taken on the responsibility of monitoring how management takes care of Clients & Customers interest. Corporate governance principles have been adopted both at the senior management level, & corporate level. Evidence of SERKA's commitment to professionalism and corporate governance is seen in its implementation of measures such as family constitution and family agreements, operating principles for the Board of Directors, the mandatory 360 performance evaluation for all Board members and complete transparency in financial reports in line with international accounting standards.

- ***Leaders of Growth***

In order to have a high quality management team, along with a dedicated labor force, additionally, to develop leaders for the future, SERKA takes great emphasis into developing people with the relevant skill sets & qualifications by investing in career oriented business courses, as well as courses on specific subjects, in the aim of providing guidance and self discipline to those who have the potential of becoming team leaders, and project coordinators; thus providing opportunities for self advancement & growth.

- ***Financial Discipline***

Healthy and strong financial position is an important inheritance from our past; SERKA has worked diligently to maintain her prestige which was also inherited. Company foundation has

been built on solid grounds such as Trust and Transparency; we see this to be a main factor carrying our company to success and growth both operationally & financially. In order to sustain the profitable growth of the company, SERKA endeavors to establish financial discipline by implementing lean balance sheet management and the effective management of expenses; but at the same time ensuring that funding in the relevant areas are not subjected to cut backs.

- **Corporate Governance Principles**

The implementation of good and responsible corporate management principles strengthens the trust, thereby increasing the sustainability and value of our Company. SERKA makes a point of adhering to corporate governance values with respect to the management of its company.

- **Board of Directors**

SERKA views the Board of Directors as the primary body responsible for determining the strategy and evaluating the activities of the Company. Furthermore, the Board determines the vision and the mission of the Company through seeking various reports from her advisories. The Board ensures the responsible bodies monitor performance, empowers them and provides them with the proper environment to execute their operations. It does not, however, interfere in their operation; The Boards duty is not to micro-manage; but to merely take part in decision making and path forward. The Chairman of the Board of Directors does not take part in the execution of the daily processes; he ensures that all processes are being carried out with the utmost care by department managers. In order to make an objective and appropriate decision he encourages and ensures the appointment of independent managers who are experts in their field. The Board of Directors initiates the setup and implementation of warning mechanisms for potential risks. The Board also ensures that all the activities of the company are performed in accordance with the established rules of ethics. Total of 7 independent members currently serve on the Board of Directors with 3 advisors, representing SERKA and her activities.

- **Transparency**

Transparency has become one of SERKA's main principles. Therefore, the company has maintained a strong working relationship with her clients & customers. SERKA's name is respected in the marketplace for these principles of trustworthiness and transparency. Since 1964 SERKA has been implementing case by case projects; self performing on nearly all projects; hence providing the client and customer the ease of SERKA's operational know how and assurance gained through first hand experiences. Reliability is one of the main factors that SERKA continues to grow.

- **Interest Groups**

At SERKA, the top priority interest groups are employees. Diversified enterprises geared for the development and satisfaction of SERKA employees are implemented on a regular basis. Details pertaining to such activities are provided in this report under the section below entitled "Our Responsibility to the Employees." Other important interest groups of SERKA include Clients, Customers, Suppliers and Banks with which we do business. Close relations are established with these parts to create mutually beneficial results; and satisfaction is measured and the successful outcome of all projects completed by our company since we are in the markets.

SERKA is currently a member of various business sector institutions including TÜSİAD (Turkish Industrialists' and Businessmen's Association), TKYD (Turkish Corporate Governance Association).

CODE OF ETHICS

SERKA stands for uncompromising integrity and the highest ethical conduct. In a service business, the integrity that our brand represents is one of our most valuable assets, which we are committed to protect. We adhere to a range of policies that everyone who does business on our behalf must understand and always follow. We are committed to a corporate culture that embraces and promotes strong principles of business and professional ethics at every level.

Ethical practices are inherent in our values, mission and strategy, and must guide all of our interactions with clients, customers, vendors and employees. Our Board of Directors and senior management take these responsibilities seriously, both for themselves and the rest of the organization.

The SERKA Code of Business Ethics contains the ethics policies that all our people, and everyone who does business on behalf of our company, must follow. Employees review and commit to follow the Code annually. We have processes in place to identify and report possible violations under the code.

Growing rapidly in our field, we recognize that we have to set the very highest standards for ethical business practice. Every individual employee shares a responsibility to uphold these standards and to conduct our business in a professional, safe, ethical and responsible manner.

Our Code of Ethics sets out the clear standards of behavior that we expect all of our people to demonstrate in dealing with colleagues and those outside the company such as customers, suppliers. These are reflected in the four sections of the Code:

- 1. Relations with our employees*
- 2. Relations with our customers*
- 3. Corporate Governance and Accountability*
- 4. Relations with our suppliers and subcontractors*
- 5. Relations with governments and the wider community*

The Code underpins our social, ethical and environmental commitments and sends a powerful message to all our stakeholders of SERKA commitment to responsible business practice.

The 10 principles of the United Nations (UN) Global Compact, to which we are a signatory, are integral to our own Code of Ethics. This UN initiative encourages companies to commit to make human rights, labor standards, environmental responsibility and anti-corruption part of the business agenda whilst maintaining competitive advantage.

1. Relations with our employees

As a constructing and contracting company, our people are keys to the success of our business. We respect and value the individuality and diversity that every employee brings to the business and seek to create a positive, open, working environment wherever we operate.

- *We are committed to basing relations with our employees on respect for the dignity of the individual and fair treatment for all.*
- *We aim to recruit and promote employees on the basis of their suitability for the job, without discrimination.*
- *We aim to foster effective communication to enable all our employees to perform their work effectively. This will include encouraging and helping employees to develop relevant skills to progress their careers.*
- *We place the highest priority on the health and safety of our employees and the safety of the environment in which they work.*
- *We do not tolerate any form of discrimination or sexual, physical, mental or other harassment of any kind toward our employees, whether from our own staff or others.*
- *We operate fair and just remuneration policies.*
- *We require any employee with a potential conflict of interest to disclose it to their line manager.*
- *We operate in an environment of trust and as such we do not tolerate any fraudulent or dishonest behavior by our employees either within the company or in dealing with clients.*

2. Relations with our customers

We are passionate about delivering superior quality, service and choice to our clients and customers: our reputation and the loyalty of our clients and customers depend upon it.

- *The quality and safety of the food and services we provide, and that of our products and processes, is paramount and must never be compromised.*
- *We aim to provide a high level of client and customer service at all times. All feedback on our service is recorded and given prompt consideration.*
- *All customer and client information is treated as confidential.*
- *We never deliberately give inadequate or misleading descriptions of our products or services.*
- *No employee may offer or receive – or influence others to offer or receive – any money or material gift that could be construed as a bribe.*

3. Corporate Governance and Accountability

The company's success in the marketplace is built upon the trust and confidence. We are committed to a high standard of corporate governance and accountability.

- *Our accounting statements will be true, timely, complete material and available in an easily understandable form.*

4. Relations with our suppliers and subcontractors

We seek to establish mutually beneficial relationships with all our suppliers, and encourage them to match our high standards in respect of quality, food safety, working conditions, trading practices, health and safety and environmental protection.

- *We treat our suppliers and subcontractors honestly and fairly.*
- *No employee may offer or receive – or influence others to offer or receive – any money or material gift that could be construed as a bribe or influence.*
- *We endeavor to ensure we are not exploited directly or indirectly by requests to make facilitation payments.*
- *All information concerning the company and its suppliers is to be treated as confidential.*
- *We do not work with companies that infringe the law or endanger SERKA's reputation.*

5. Relations with governments and the wider community

Success in business is dependent on compliance with legal constraints, together with sensitivity to local customs and conventions governing business relationships. The communities in which we operate (and from which we draw our employees) are important to us.

- *We are committed to making a positive contribution to the sustainable development of the communities in which we operate.*
- *We take into account the concerns of the wider community – including national and local interests – in all our operations. We use our expertise to contribute to the wellbeing of the community in a manner appropriate to our business objectives.*
- *We endeavor to ensure that we are not exploited for the purpose of money laundering, drug trafficking or tax evasion.*
- *We support the rights of human beings as set out in the UN Declaration of Human Rights. We consider carefully before doing business in countries that do not adhere to the UN Declaration.*
- *We do not make donations to political party funds or candidates.*
- *We respect the law, traditions and cultures of the countries in which we operate. When there is an apparent conflict between local custom and the principles and values set out in this Code, employees acting on our behalf must be guided by this Code.*
- *We are committed to doing our business in a way that's as environmentally friendly as possible. SERKA Environmental Policy and Guidelines*

Quality Control



SERKA has a commitment to Quality and has implemented a Quality Control program meeting the requirements of ISO 9001-2000 and ISO 14001-2004. Quality control involves insuring compliance with minimum standards of material and workmanship in order to insure the performance of the project according to the design. This is accomplished by SERKA through a monitoring system for each project with an objective to provide assurance that the QC policies and procedures are suitably designed for the particular project and are being effectively applied.

SERKA Quality Control manual provides for setting quality objectives and specifying necessary operational processes and related resources to fulfill those objectives.

We continually monitor and verify the status of our procedures, methods, conditions, products, processes and services, to ensure that requirements for quality are being met.

Adherence to Quality Control procedures is not an option, but a necessary requirement for each and every project, in order to assure the quality of our works and the satisfaction of our clients.

SERKA COMMITMENT TO THE ENVIRONMENT

We are committed to being the leader in the construction industry in environmental sustainability and energy management, both for our clients and within our own organization. We maintain a global leadership position in developing and implementing sustainability solutions that benefit our clients, our top priority, as well as our employees and the world around us.

Our Environmental Sustainability Policy is a high-level statement of our beliefs about sustainability and how we intend to promote them: “A healthy environment is good for business and essential to the well-being of everyone on our planet. We recognize that buildings can have a significant impact on the environment. SERKA can play a meaningful role in addressing environmental challenges through the advice we give our clients about construction development, investment and occupancy.

We aim to develop leading standards and improvement practices in our own offices and then help our employees do the same in their own atmosphere.

SERKA provides solutions for natural resources management, recycling and waste management and is therefore able to offer environmentally conscious products.

SERKA manages their activities in accordance with legal requirements and benefits safe methods to prevent to harm to the environment and/or the health of individuals. Companies act in a responsible manner not only to maintain the environment around them clean but also to do everything needed to conserve it. While making its investment plans SERKA always abides by the principle of respect for the environment and human beings.

We use the latest and most appropriate methods to minimize the environmental effects of our waste and products, as well as to reduce our dependency on natural resources.

Health, security and environmental regulations are closely followed and implemented in executing our operation. In fact, we have set higher standards than the above-mentioned regulations require.

Operations where we serve are executed in secure and environmentally friendly surroundings completely suitable to the social conditions of the region and the needs of our workers.

We perpetually inform all the groups we are in contact with about environmental and health issues.

Sensitivity to environmental issues was determined in light of strategies developed by SERKA management abiding by ISO 14001 requirements.

SERKA and the Environment



We are dedicated to provide a safe and healthful environment for employees and customers, protect the public, and preserve SERKA assets and property.

At SERKA, our most valuable resources are the people who work for us. Injuries can be prevented. To achieve this objective, SERKA make all reasonable efforts to comply with all government regulations pertaining to safety and health issues with a set and approved HSE Plan.

Our company, SERKA has fully committed itself to respond to the environment-related requirements of its customers,

comply with legal and other environmental regulations and to raise awareness about environmental issues with its suppliers and ensure their full-support of its environmental policy.

Since its establishment SERKA has always aimed to improve its environmental performance with relation to its activities and services. In 2008, SERKA received the ISO 14001 Environmental Management Systems Certification and has successfully passed all subsequent audits over the past years. By obtaining the ISO 14001 Environmental Management Systems Certificate SERKA has made a commitment to fully comply with laws designed to control adverse environmental effect by adhering to all legal regulations and the monitoring and auditing of all environmental regulations is handled within scope of the quality control system. According to SERKA's environmental policy and its philosophy of continuous improvement, an Environmental Management Program is prepared at the beginning of each year.

SERKA is dedicated as a company to taking on the responsibility of preventing ecological pollution around the world, improving the environmental-awareness of its staff and continuously improving its system in line with its quality policy.



COLLECTION OF USED BATTERIES

Taking a united approach to battery recycling

SERKA is an environment and green friendly company who is already aware of the recycling process of used batteries in Turkey.

SERKA closely monitors its battery liability limits, which have been deemed by the Ministry of Environment to fulfill collection requirements. All used batteries collected are given to TAP.

As SERKA, we fully agree with the introduction of voluntary agreements with producers for collection and recycling of spent batteries placed on the market, and with the use of alternative methods.

-Collection:

***Arouse attention with TAP's colorful box**

***Bring together all spent batteries in TAP boxes.
(As seen in the right pictures)**

***Call the TAP and they come to pick all the batteries for us to recycle.**

While SERKA builds its future through its competent, well-educated, energetic and valuable employees, it also cares about future of the world; SERKA believes that value given to human protects the value of the earth.



<http://www.tap.org.tr/> (For more information)

Waste Management

As is seen in the whole globe, rapid urbanization and population growth in parallel with technological developments and industrialization is increasing the pressure of human activities on environment in Turkey.

As the growth in production and marketing during this process makes excessive use of natural resources inevitable, wastes produced due to increasing trend of consumption have reached to threatening levels due to their quantity and hazardous contents. In this respect; in parallel with the environment consciousness rising all over the world, the protection of environment has become one of the major priority policies of countries and waste management has taken a major field among the environmental protection policies of all countries.

Aiming to prevent rapid consumption of natural resources and to settle the problem of wastes resulting from production, marketing and consumption activities through converting them to economic asset, the waste management strategies form the basis of “sustainable development” approach that has been gradually adopted all over the world as a prioritized policy objective.

At Waste Management, we do care about the planet. We feel a responsibility to leave it to future generations in better shape than we were given it.

In doing so, we are contributing to a more sustainable world by:

- Following advancing technologies to reduce waste disposal
- Increasing recycling and reuse
- Implementing safer treatment and disposal options
- Searching for renewable energy sources
- Sharing the benefits of our learning and innovation with our clients and employees

We think of a world...

- Where there are so many clean, alternative ways to produce power that the threat of exhausting our natural resources is forever put to rest.
- Where “reduce, reuse, and recycle” become the motto of every company across the globe.
- Where companies take a leadership position by investing in cleaner technologies so that air pollution becomes a thing of the past.
- Where the environment is respected and every action is aimed at recovery and restoration for the sake of this world.
- Where Waste Management partners with its customers to use our knowledge and experience to their benefit and the benefit of the planet, leading them to new, sustainable solutions
- Where Waste Management’s commitment to excellence and leadership has positioned us to deliver lasting solutions to the environmental challenges our planet will face in the 21st century.

Occupational Health and Safety at SERKA

Health, Safety and Environment (HSE) is our number one operational priority; we place it first in everything we do.

Safeguarding the health and safety of our people and clients/customers is our moral responsibility and essential to the success of the business. We set out to establish a safety culture where our people take individual and collective responsibility for their own safety and that of those around them, and act accordingly.

Equally important is minimizing the environmental impact of our operations on the local communities in which work and the global one we are part of.

Our aim is to set construction leading standards that set the benchmark on health, safety and the environment performance and provide our customers with the assurance that we are constantly striving to achieve the highest possible standards.

To achieve this we have a SERKA-wide policy and standards framework which, supported by comprehensive communications and training, is designed to ensure that processes and practice within each of our operating units fully comply with local legislation as the minimum requirement, and policies.

SERKA has a fully integrated HSE program that is certified in accordance with OHSAS 18000. At SERKA, we believe that every accident, and therefore every injury, is preventable, and we embed that philosophy into every SERKA project through a combination of technical field procedures and ongoing training programs for our employees. Our commitment to zero accidents extends to every aspect of a project, from planning to completion. We also ask our subcontractors and partners to adopt our commitment to safety and health. The result is exceptional safety performance, even in hazardous work environments, severe weather, and remote locations. Our dedication to safety helps keep workers safe and it also pays off for our clients. Their operating costs go down and productivity goes up because less time is lost to accidents.

From the day it was founded SERKA has always given precedence to the content of “occupational safety” in terms of its services and the technological developments it benefits from. In 2008 SERKA obtained its OHSAS 18001 certification and successfully passed all inspections. As per requirements set forth in the OHSAS 18001 Quality Management Systems certification process, SERKA has made a commitment of full compliance with all legal regulations adhering to rules. All of the monitoring and inspection of job safety regulations is handled through its quality system. In keeping with its job safety policies and philosophy of continual improvement training and drills are systematically conducted every year at SERKA. SERKA aims to attain its goal of “Zero Job Accidents” by establishing job safety management systems which will ensure compliance to all job safety regulations.

As SERKA, we planned a specific project for this purpose in order to highlight the significance of occupational health and safety. The main objectives of the project are:

- Having a way to reach “Zero Job Accidents” goal and providing all the required support for its accomplishment
- Setting up an effective system that will prevent all accidents and occupation related illnesses
- Holding the number of workdays missed at the lowest level
- Providing a healthy and safe working environment for employees
- Reducing company’s expenses and increasing efficiency
- Making ready for legal inspections
- Taking all required actions to ensure the safety of all employees by providing them personal

- protective equipments who have an access to our place of business
- Abiding by the all applicable laws and rules
- Establishing measurable performance indicators to monitor our development in health and safety at work through regular inspections and reports
- Training each employees to safely perform their job in the work area

SERKA is committed to environmental excellence. Each of our projects, whether it is the construction of a new office building, a new road, an aircraft hanger or during the operation of our DFAC facilities, has the potential to affect people, animals, plants, and the land. Our goal always is to protect the environment during a project, and to build in safeguards that will keep protecting it long after the project is complete.

Sample Safety Records for SERKA Projects

Projects	Total Man-Hours without a lost-time accidents
Construction of Parallel Taxiway and Aprons in Bagram Airbase, Afghanistan	1,000,000 (certified)
Strategic Airlift Ramp & Hot Cargo Pad at Manas Airbase	516,243
Bagram Fuel Storage and Supply	666,408
Warrior East – Fluor CMO and LSA (USACE), Bagram, Afghanistan	84,256
Construction of TMC Expansion on Site H3	45,606





SERKA COMMITMENT TO THE EMPLOYEES

SERKA Human Resources Policy

SERKA believes that all personnel are considered as a part of SERKA's most valuable corporate asset. Thus, the human resource play a significant and leading role in the long-term achievement of compliance with legal requirement related to employee rights, privacy, equal employment opportunity, safety, security and health are considered as milestones of SERKA human resource policy.

The top priority principles of our human resource policies consist of the recruitment of employees who have high potential, maintaining employee dedication to company, and ensuring the continuity of their career development.

SERKA Recruitment Process

The Recruitment Process at SERKA for employees being implemented is based on the strategy of the "Right Candidate for the Right Position." All potential candidates interested in fulltime, part-time or internship positions at any of the SERKA can visit our website for further information, as well as to submit an application. Job Seekers are able to apply for various positions via;

- ✘ *RETRIVING WALK-IN APPLICATIONS*
- ✘ *ONLINE APPLICATION SERKA OWN WEBSITE: www.adaliholding.com*
- ✘ *ONLINE JOB APPLICATION WEBSITE: www.kariyer.net and/or www.yenibiris.com*

Steps of Recruitment at SERKA:

In the employee selection process at SERKA, we utilize modern recruitment and evaluation techniques which enable us to select among professionals who are able to create a difference as a result of their performance. This system also helps us to find persons who are a perfect match in terms of the competencies required for the job. Depending on the specific requirements of the position, SERKA may also request candidates to take a foreign language exam, go through competency based interviews, a profile analysis.

- Amongst the applications, the candidate(s) that have the most appropriate skills are invited to interview.
- Meanwhile, HR will contact the referee stated in the application and make sure the information collaborated via the candidate is correct; & that he/she has the required capabilities to meet the requirements set forth in the Job Description related to the position.

- During the interview, candidate is given information about SERKA and Company Policies; exceptions are verbally discussed and job location information is provided. All the information relating to the position; risks involved; employee personal rights; etc are discussed with along with salary and other entitlements.
- After the candidate accepts and a mutual agreement is established the employee agreement will be signed and the deployment process will commence upon selection; SERKA HR Department will complete the process of hiring employees.

SERKA's goal is to become the employer of choice. In an atmosphere of increasing competition for qualified employees our company has adopted an effective recruitment process.

Performance Management System

The main objective of the Performance Management System is to provide an impartial evaluation of each employee's performance in order to reveal their potential since the employees play the most significant role in the gaining of SERKA's strategic targets. We conduct performance evaluation on a quarterly & annually.

Career Management

Our practices that are implemented by our human resource are played a significant to role on SERKA career management system. All of our recruitment processes, the delineation of organizational needs and training and development opportunities, as well as career planning needs, are designated through this schema. SERKA Employees at all levels are provided annual Management Review meetings detailed assessments. We seek to develop employees who successfully meet our needs / expectations or score their goals off, progress in their competency level, prepare themselves for the responsibilities of a higher chair, take charge of difficult tasks and create a noticeability difference with their attitude and personal qualities in a positive way.

SERKA Training and Development Programs

Having ISO 9001 Quality Management System, ISO 14001 Environmental Management System and ISO 18001 HSE Management System, training personnel is one of the most important aspects for SERKA. Besides the trainings instructed by the above mentioned quality systems four basic trainings will be provided to the new hires who will work for operation. These trainings are;

1-Orientation Training: The first step of SERKA's training and development process for all new employees is known as "SERKA Orientation Program." This training basically covers the basic information that the personnel to understand the living conditions in the base, the general expectations from them and general rules and regulation set forth by the Military. Orientation training will be provided once the personnel first arrives the location.

2-Health-First Aid Training: This training is given on monthly basis to help personnel to respond under critical circumstances when there is a health hazard etc. The very first training covers the first aid procedures. The subject area of training changes every month.

3-On-The-Job Training: On the job training Includes 3 days before Serka personnel commences their duty in their own position; in the related area; i.e Busses, Engines, Traffic rules, contractual rules & obligations, daily operational aspects etc. This training will be repeated once a month in the same manner.

4-Daily TSTI Training: Before the each shift begins every day, this training will be given by the supervisors to remind drivers the basics rules. SERKA’s personnel are trained on daily safety topics which are designed weekly by the main contractor to maintain the quality of performance.

The purpose of these trainings is to provide all employees with a general background concerning SERKA. All new employees are required to complete above mentioned trainings within a month of their employment.

Employee Satisfaction Survey

Our human resources system has been designed not only to recruit the most suitable candidate; but also to foster mutual satisfaction. At SERKA, we believe that satisfied employees create better business results, ensure higher customer satisfaction resulting in loyalty, and obtain better financial performance results. An employee satisfaction survey is implemented annually and the results are shared with the members of the organization. The insights gleaned from this study are used to form the basis of developmental action plans the progress of which is closely monitored.

Employee Suggestion System

At SERKA, every idea put forth by employees is evaluated as a suggestion. These concern such areas as employee and customer satisfaction, increasing efficiency and quality, decreasing costs, the improvement of processes and safety, as well as environmental and social responsibilities. Procedures have been prepared to define the basis of the suggestion system and its implementation methods. These include details about suggestions covering everything from collection and classifications to evaluation and rewards for positive contributions. The success of our suggestion system can be seen in the fact that has been a substantial increase in employee participation each year. With this valuable input from our people, the Company aims to increase both employee satisfaction and business success.

PERSONNEL BREAKDOWN AT SERKA INSAAT VE TICARET A.S

	FEMALE (WHITE COLLAR))	FEMALE (BLUE COLLAR)	MALE (WHITE COLLAR)	MALE (BLUE COLLAR)	FEMALE MANAGERS	MALE MANAGERS
SERKA Insaat ve Ticaret A.S	26	4	26	606	5	5
Total White Collar Employees	52					
Total Blue Collar Employees	640					
Total Employees	702					

SERKA COMMITMENT TO THE COMMUNITY & SOCIETY

With more than 700 employees in over 23 cities and 4 countries around the world (to include Europe, America and Middle East), SERKA is a global citizen. Wherever we operate, we are committed to being a responsible member of the community, supporting a range of programs and activities as a company and as individuals. As we do with workplace initiatives, we also intentionally leave community efforts and charitable activities decentralized so that they can address the local needs of the communities in which we operate and the talents and interests of our diverse workforce.

Our commitment to social responsibility stems from the belief that we are a part of the communities we serve, making us as committed to Corporate Social Responsibility (CSR) as we are dedicated to providing the best in communications. Giving back is a fundamental aspect of SERKA's identity and values.

We embrace causes that most affect people's lives every day, such as health, the environment, community development, cultural activities and education, while empowering people through offering career opportunities and continuous training. What could be more rewarding than making a positive contribution that makes a community smile!

CSR Principles

- We believe that social responsibility is not only a principle to uphold with our communities but also internally with our team members, and we encourage our employees and management to take part in our CSR initiatives.
- We are committed to upholding the highest standards of ethics in our business practices and in our dealings with all of our parts & clients.
- We are above all dedicated to social responsibility as a value that goes hand-in-hand with our strategic business objectives and that enhances the way we do business.



"The governments most creative and significant duty is education."

Mustafa Kemal Ataturk

The founder of Republic of Turkey, Ataturk regarded education as a force that would galvanize the nation into social and economic development. For this reason, he once said that, after the War of Independence, he would have liked to serve as Minister of Education. With pencil or chalk in hand, he personally instructed children and adults in schoolrooms, parks, and other places.

As SERKA, we are proud to follow his modernization path and pass it on to the future generations. SERKA is currently doing her best to contribute in the name of education and we have already started to plan to increase these contributions by providing scholarship to more students and taking an active role in the education field for the near future.

Scholarship

SERKA is committed to social responsibility, volunteerism and improving the livelihood of the communities in which we live and work. One way that SERKA practices social responsibility, is by investing in numerous programs focused on education, the environment and health. SERKA believes that everything starts with the education.

The Founder of SERKA, Hasan Adali always emphasized the importance of education for Turkey as the key for our nation to develop and reach the sophisticated cultural levels of other modern countries. For many years, he has supported the growth of the cultural and educational life of our nation both through personal efforts as well as financing from SERKA.

SERKA provided and keeps providing non-binding scholarships to students of disadvantaged families through donations originating from the Adali family and the SERKA. In total, we are currently offering scholarships to 28 college students since 2004.

HASAN ADALI HIGH SCHOOL



SERKA Insaat ve Ticaret A.S.

Hasan Adali High School

In order to benefit its resources more efficiently and ensure the long-term sustainability of its activities in the areas of education, SERKA has started the term of keeping alive its activities. With the aim of improving the effectiveness of its contributions, in the area of education, SERKA decided to construct a school and presented this school to the Government to run as a high school for the sake of education of bringing up promising youth who will be the masters of our future.

The Hasan Adali High School, highly qualified for setting pace to other existing schools, also comes to attention with emphasis on its educational infrastructure as well as its modern design and size of its individual utility rooms & building. Besides 28 classrooms, it contains a library, a conference hall, laboratories, infirmary and many other facilities. Having built through considering every need of an Education Facility, Hasan Adali High School appears to be one of the best educational institutions of Adana.

Hasan Adali High School was built in 2007, was constructed in the Cukurova neighborhood of Adana on land area of 11,000 m² at a total cost of \$ 3.5 million. The school has following features;

- ✘ 28 classrooms,
- ✘ Music Labs
- ✘ Physics Labs ,
- ✘ Chemistry Lab
- ✘ Biology Lab
- ✘ Library
- ✘ Open Air and Covered Gymnasium
- ✘ Fully equipped Meeting Hall

SOCIAL CLUBS of HASAN ADALI LİSESİ:

- Culture and Literature Club
- Librarianship Club
- Civil defense Club
- Protecting Green and Environment Club
- Chess Club
- Sport Club
- Science and Technology Club
- Traffic Security and First Aid Club
- Conscious Consumption Club
- Job Publicity Club
- Publication and Communication Club
- Social Aid and Public Spirit Club





BESIKTAS

SERKA Board of Director, Mr. Serdal Adali is a Deputy Chairman, head of football committee of Besiktas which is one of the best known and successful soccer teams in Turkey. He was selected to Besiktas (BJK) last year through the voting system of committees as the Chairman of Transfer Committee, after the selection of, Mr. Yıldırım Demiroren, and his team. Mr. Adali made considerable amount of donations to the club; along with key transfers that have carried BJK to success. Mr. Adali was selected to undertake the main role of transferring many reputable soccer players around the world; such as Quaresma from Inter (Italy), Guti from Real Madrid, Fernandes from Valencia.



GUTI & SERDAL ADALI

FERNANDES & SERDAL ADALI

QUARESMA & SERDAL ADALI

In addition to transferring distinguished soccer players, BJK senior management and club fans have the social responsibility for the other people's lives high sensitivity is at stake when it comes to community responsibilities to include, disabled people, women and kids who are in need of help for their special needs. The Club is currently using some of the funds for the sake of the people whom are less fortunate & those who are facing poverty, BJK takes the initiative and makes generous contributions to the society and to those in need. The Club also helped to reconstruct one of the schools in Turkey which was demolished by earthquake disaster last year.

SERKA - Horse Cultivation and Horse Ranches

Founder of SERKA, Hasan Adali, first constructed his horse ranch in 1980. The horse farms are presently known as ADALI STUD in Turkey and are not-for-profit organization. Currently, SERKA has 4 different horse farms in the following locations in Turkey:

LOCATION OF RANCHES	SET UP YEAR	SIZE	SET UP BY
ADANA	1980	175000m2	Hasan Adali
	2003	145000m2	Serdal Adali
SAPANCA HENDEK	1985	330000m2	Hasan Adali
KONYA EREGLI	1985	50000m2	Hasan Adali

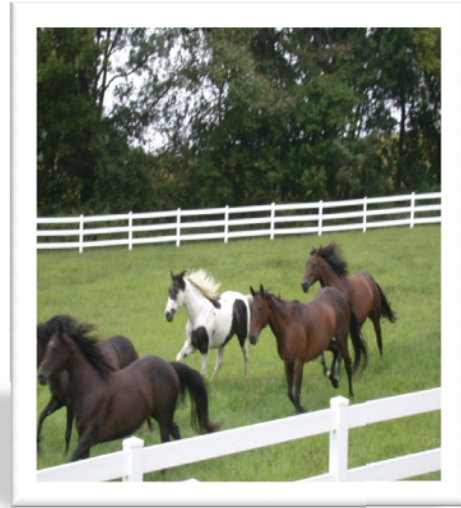
In addition to horses in Turkey, we have also horses in Ireland and England. At present, Adali Studs have around 230 horses. The horses in the existing farms can be sorted out as 56 broodmares and 4 studhorses. In the stated farms mentioned above; 120 personnel are employed for the purpose of horse cultivation. Moreover, SERKA is the distributor of fodder which is a well-known brand Baileys Horse Feed and also exclusive distributor of horseshoes, KERCKHAERT, in Turkey.

Some of the significant benefits we recognized from these ranches include:

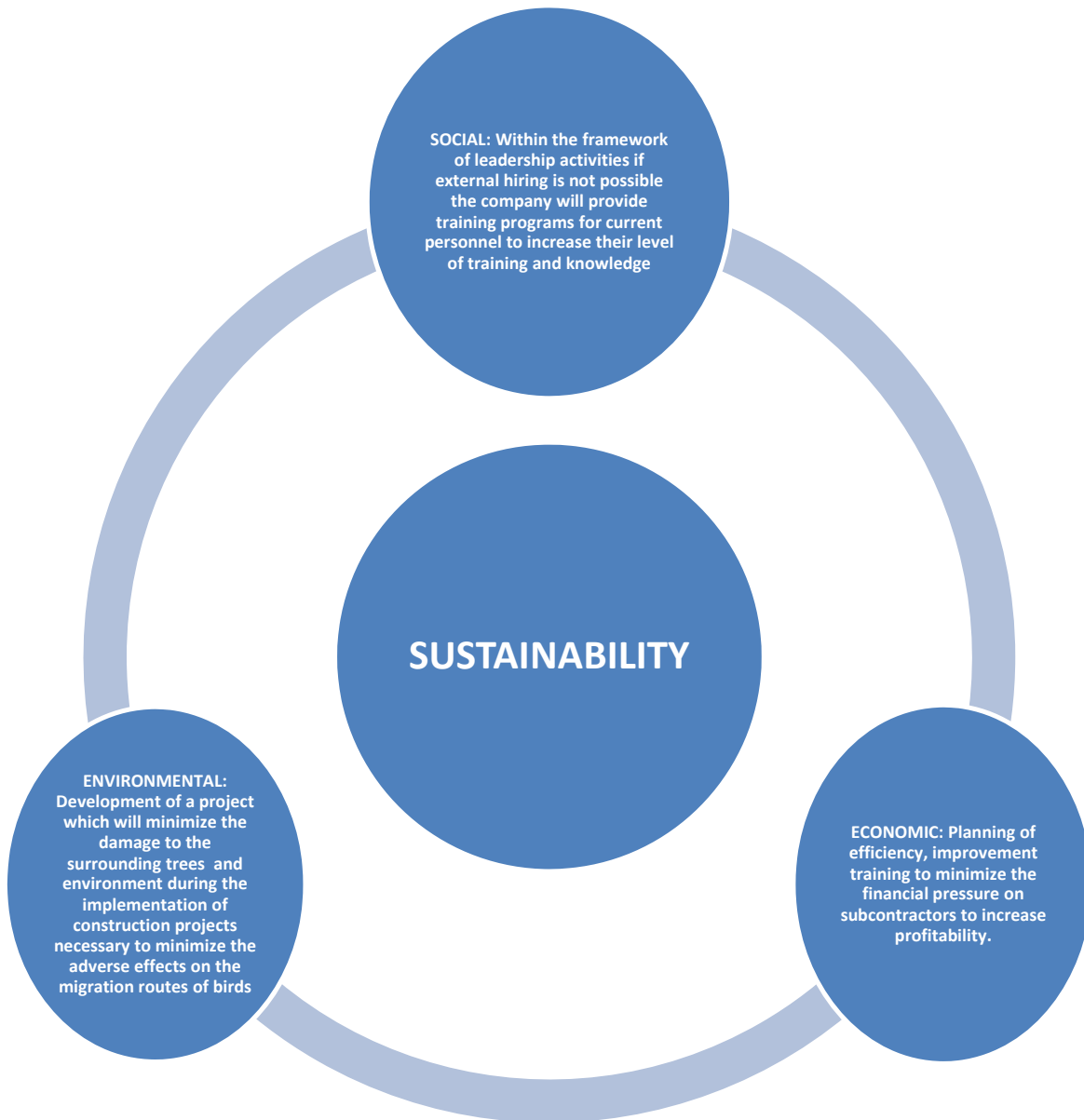
- *Alleviating some environmental issues, such as soil compaction, hydrocarbon air pollution, and nitrate groundwater pollution.*
- *Reducing off-farm inputs of diesel fuel and petro-chemicals, while adding to soil fertility.*
- *Additional business possibilities for using draft horses for such things as horse logging, hay and sleigh rides, and the like.*
- *The intrinsic joy and satisfaction derived from working with intelligent animals.*

Some practices in sustainable ranch management include using crop rotation for soil health, improving habitat for endangered species in the area, and managing animals better to reduce stress-related illness. Sustainable ranchers encourage their herds to graze densely in one area before moving onto another, allowing that land to recover naturally. By using nutrition and animal husbandry practices, ranchers can control disease and increase weight gain among livestock naturally. Sustainable management also eliminates the need for farming and hay production, allowing ranchers to have more free time to spend with their families.

On a sustainable ranch, ranchers develop an upland water source in order to protect riparian areas and water quality while providing water to livestock. They select livestock and crop species that are well-adapted to the conditions of the ranch property. Sustainable ranchers also prevent livestock waste from contaminating groundwater and surface water. By handling livestock carefully and providing them with fresh water, balanced feed rations, and suitable shelter, sustainable ranchers prevent stress-related illness among livestock and maintain their livestock's health.



SERKA Sustainability Aim for the year of 2011



About the Report

Reporting Scope and Cycle

This report covers SERKA's sustainability efforts in all areas which SERKA operates. The content of the report focuses on performance and results from our 2009 and 2010 fiscal years.

Reporting Approach

This report is our first report and we also use the Global Reporting Initiative (GRI) G3 Guidelines as a foundation for our reporting approach for the first time. This report also follows guidance from the United Nations Global Compact and serves as SERKA's first Communication on Progress. We will continue to refine our reporting and enhance our transparency.

Report Contact

ATILLA SANLI, SERKA Insaat ve Ticaret A.S, Chief Financial Officer

Photos

SERKA Insaat ve Ticaret A.S Archives & Other Sources