



# Eser Contracting and Industry Co. Inc.

## Comunication On Progress Report

### 2013-2014



**ESER TAAHHÜT VE SANAYİ A.Ş.**  
ESER Contracting & Industry Co. Inc.



This is our Communication on Progress  
in implementing the principles of the  
United Nations Global Compact.

We welcome feedback on its contents.

## CORPORATE SOCIAL RESPONSIBILITY REPORT

### Statement of Continued Support

#### Letter from our CEO

Eser Contracting and Industry Co. Inc. has joined the United Nations Global Compact since 2008. Eser Contracting and Industry Co. Inc. is committed to supporting and enacting the ten principles of the UN Global Compact, in the areas of human rights, labor standards, the environment and anti-corruption. Eser Contracting and Industry Co. Inc. has formally adhered to the UN Global Compact last year and has always been strongly committed to Corporate Social Responsibility (CSR).

Eser Contracting and Industry Co. Inc. is reporting the Communication of Progress (COP) in accordance to the UN Global requirements. This report describes the progress of meeting the 24 criteria of this level in the areas as follows:

Strategy, Governance and Engagement;

UN Goals and Issues;

Implementation of the UN Global Compact Principles;

Value Chain Implementation; and

Verification and Disclosure.

The last year was a challenging one for us in Eser Contracting and Industry Co. Inc. Thanks to the passion and the commitment of our people and to the growing trust of our Consumers.

This means that our business model allows us to grow and to invest in the communities where we operate, while diminishing our impacts on the environment. That's what sustainability is all about!

This is closely linked to our mission, which is to satisfy consumers' expectations everywhere through shared Eser Contracting and Industry Co. Inc. values: passion for excellence, loyalty, respect, responsibility and integrity.

Strong values for a shared responsibility at global and at local level. Global because we serve markets all over the world, and because we have principles, plans and

goals that apply everywhere in the same way. Local because we are passionate about our roots, and because we are proud of investing in local communities, empowering people wherever we operate.

Our global CSR strategy is described in this Report, including: Eser Contracting and Industry Co. Inc.'s goals for 2020, the objectives we have already reached, the challenges we face, ongoing reassessment based on accurate monitoring and measurement.

Being a good corporate citizen is an ambition enthusiastically embraced at all levels within our company. As a member of the Global Compact, we believe that our business policies incorporate the ten principles. Our board fully supports our actions in working towards sustainability goals - in particular those contained in the UN Global Compact - and endorses the future priorities and specific targets we set out in our report.

Through our support of the United Nations Global Compact, we also aim to move the agenda forward on performance related to human rights, labour rights, the environment and the fight against bribery and corruption. In our annual report, we have summarized the progress we have made against each of these principles and we will continue to follow them up in future reports. In this fifth annual Communication on Progress we provide an index to our performance with cross-references to the related GC principles in 2013 and 2014.

## Company Details

**Company name:** Eser Contracting and Industry Co. Inc.

**Address:** Turan Gunes Bul. Cezayir Cad. 718. Sk. No: 14 Çankaya Ankara Turkey

**Contact name:** Can Adiloglu

**Contact position:** Vice Chairman

**Contact Phone . Number:** 00 90 312 408 00 00

**Period Covered:** 20/10/2012 - 20/10/2013

**Membership date:** 03/10/2007

**No. of employees:** 170

**Sector:** Construction & Property

Eser Contracting and Industry Co. Inc. is a worldwide leading Contractor in engineering, project management, manufacturing and installation of architectural systems and upper and understructure systems. Eser Contracting and Industry Co. Inc. brings its Know-How and expertise to all projects, in particular when dealing with Special Features Buildings, beginning with the design development phases all the way to the successful completion, achieving the customer's expectations.

Eser Contracting and Industry Co. Inc.'s history goes back to 2004. During 2008 the Group started an international expansion in the Saudi Arabia, markets.

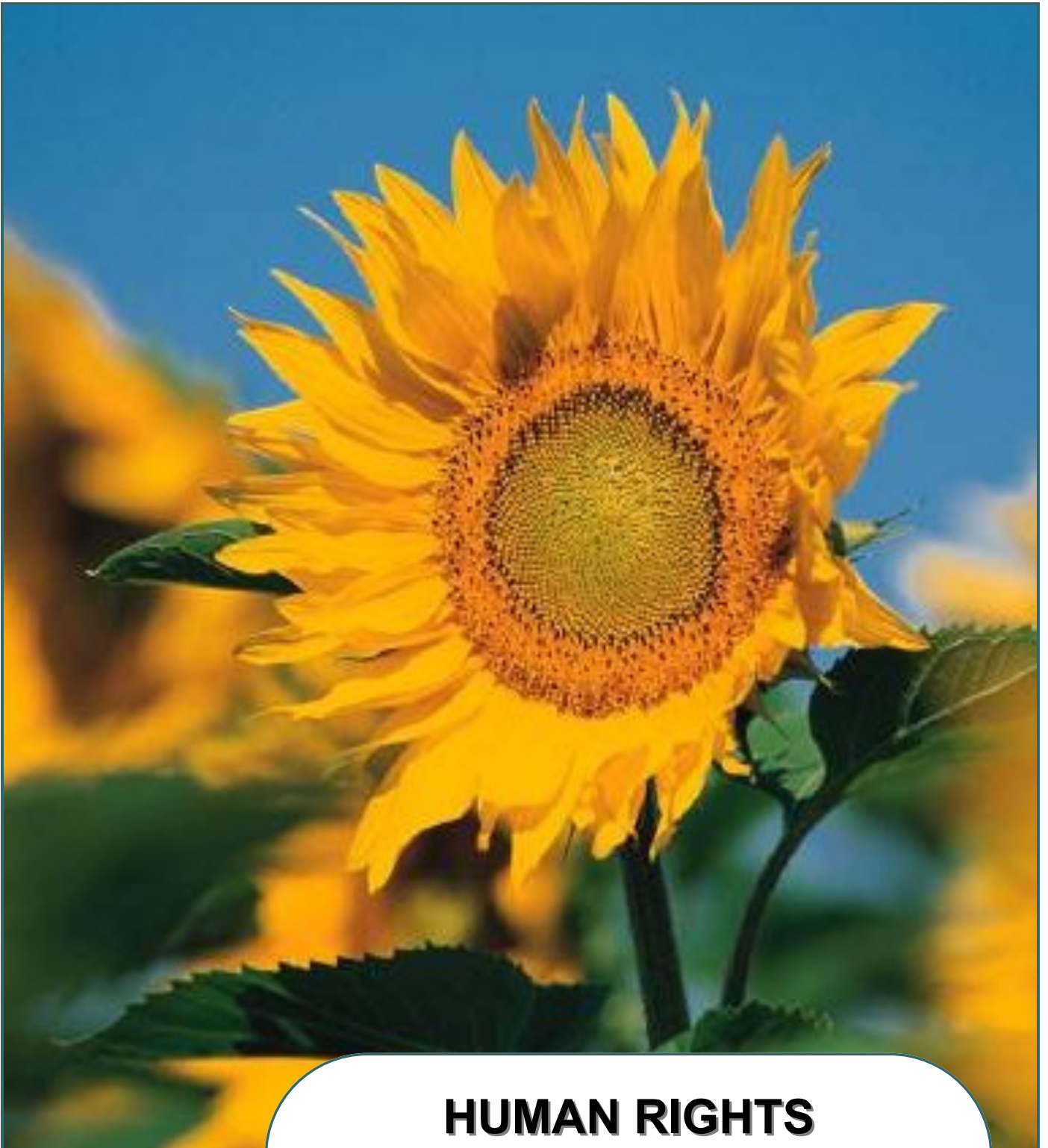
Today, Eser Contracting and Industry Co. Inc. is a global integrated Group present in two continents with a network of over 8 companies in more than 5 countries, generating a total turnover of around 500 million dollars a year. The Group employs around 1,000 people worldwide in its Engineering & Design centers and in the 5 construction sites equipped with the most modern and advanced technologies.

The mission of the Eser Contracting and Industry Co. Inc. is to build innovative and avant-garde architectural works alongside the world's greatest in contemporary architecture solutions. The quality of our works is guaranteed by our rigorous quality control system. Besides, it's constantly improved through R&D in new design and construction technologies and through the use of innovative materials. The use of environmentally friendly materials and eco-sustainable processes, and our commitment in energy saving, protect the environment and make the buildings themselves more comfortable and efficient.

Among Eser Contracting and Industry Co. Inc.'s projects are some world-renowned contemporary architectural works, such as the Eser Green Building (the first platinum certified green building in the Turkey).







**HUMAN RIGHTS  
COMMITMENT**

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## 1. BUSINESS SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS

Eser Contracting and Industry Co. Inc. recognizes the rule of business community in supporting and respecting human rights, that is not to infringe human rights in the context of their own activities and their business relationships.

At this purpose Eser Contracting and Industry Co. Inc. issued a Group Code of Ethics in line with the international standard of Corporate Social Responsibility, that clearly and transparently defines the values that Eser Contracting and Industry Co. Inc. embraces in pursuing the Group's business goals, and the responsibilities Eser Contracting and Industry Co. Inc. assumes within and outside the Subsidiaries. The core principles of the Code inspire the management of its business are described, amongst which the following principles are cited:

“Employee care and development” -

Eser Contracting and Industry Co. Inc. values its human resources and strives to instill a climate of loyalty and mutual respect by providing suitable tools and opportunities for professional growth.

Eser Contracting and Industry Co. Inc. cares about its employees' health and wellbeing, ensuring dignified working conditions and a safe and healthy workplace.

Relations between Eser Contracting and Industry Co. Inc. and its employees must be based on the principles of civil coexistence and respect for personal rights and freedoms.

“Hygiene, safety” -

Personal health and wellbeing, the safety of all work environments, and of our products are top priorities for the Eser Contracting and Industry Co. Inc. and inform all of our interactions with employees, suppliers, customers, partners, subcontractors, and third parties involved in our business.

Eser Contracting and Industry Co. Inc. works hard to ensure that its working environments, services and projects fully comply with all applicable laws. This commitment applies to all areas of work and every phase of a project: from engineering to procurement to final construction.

Eser Contracting and Industry Co. Inc. clearly expresses and notifies the key principles and criteria underlying any decision taken at any level concerning health and safety in the workplace.

These principles and criteria may be so identified:

- a) Risk avoidance;
- b) Measuring risks that cannot be avoided;
- c) Fighting risks at their source;
- d) Adapting work to men, especially with regard to the creation of jobs and the choice of work tools and methods and production, in particular to alleviate monotonous and repetitive tasks and reduce the effects of such tasks on staff's health;
- e) Keeping account of the degree of evolution of technique;
- f) Replacing what is harmful with what is not harmful or less harmful;
- g) Planning prevention, aiming at a coherent set that integrates the same technique, work organization, work conditions, social relations and the influence of work environment factors;
- h) Give priority to collective protection measures as opposed to individual protection measures;
- i) Give workers adequate instructions.

These principles are used by Eser Contracting and Industry Co. Inc. and by those who, on its behalf, manage hygiene and safety in the workplace - to take the necessary measures to safeguard the health and safety of workers, including the prevention of professional, information and training risks as well as the setting up of an organization and the necessary means.

Eser Contracting and Industry Co. Inc. complies with these principles, especially when decisions or choices must be made and, afterwards, when these must be implemented. rules concerning health and safety in the workplace in force in the Countries where the Group operates.

Eser Contracting and Industry Co. Inc. understands that the environment is a precious asset and strictly observes all environmental legislation, while promoting the proper use of resources in the operation of its business. Eser Contracting and Industry Co. Inc. undertakes to continue to promote strong awareness of environmental issues with a view to optimizing the eco-friendliness of its activities.

#### “Suppliers”

All suppliers working with Eser Contracting and Industry Co. Inc. must follow business practices that respect human rights, workers' rights and the environment.

Eser Contracting and Industry Co. Inc. requires its contact persons, customers and suppliers, other than its employees, to subscribe to and therefore respect its Code of Ethics. Specific clauses are provided for in the contracts.

#### Health & Safety Policy

Eser Contracting and Industry Co. Inc. are committed to improve the health and safety of the workers in compliance with the sector regulations of each Country. At this scope a Quality Assurance Manager has been nominated.

In Eser Contracting and Industry Co. Inc. web site [www.eser.com](http://www.eser.com) is clearly defined the Health & Safety Policy:

- v Forms a creative working environment for its employees, and priorities their career developments and participation into the production,
- v Aims to keep the hardware and human resources necessary for its production, to develop these resources frequently, and to be the leader in its sector,
- v Follows the production continuously, solves the problems on time, before turning them into customer complaints.
- v Trying to prevent pollution
- v Providing training for the employees with information on environmental issues
- v Creating a positive environmental culture within the Company
- v Taking action with appropriate control measures, when environmental hazards are identified
- v Welcoming constructive comments from third party organizations on aspects that may improve environmental issues.
- v The health of the workers will be in the first priority under any circumstances. For that purpose all necessary precautions should be taken by work crews and also by the sub-contractors.

Take the necessary safety measures before start of any work done by our crew or by the sub-contractors

Improvement - We will ensure continual improvement.

Consistency - We will establish and maintain transparent and effective safety management systems and minimum operational standards for the good management of health, safety throughout the Group and engage all our employees.

Accountability, responsibility and competence - We will define and communicate everyone's health and safety responsibilities and required competencies clearly.

Monitoring - We will monitor our health, safety performance and review our system for managing performance regularly be affected are properly assessed and controlled, including our contractors and suppliers.

Education and training - We will consult our employees and ensure that competent advice and suitable training and resources are made available to assist them in performing their duties to promote health and safety."

## ACTIONS & OUTCOMES

In the following the details of some actions taken by Eser Contracting and Industry Co. Inc. Subsidiaries.

At the purpose of guarantee the economic livelihood of its employees Eser Contracting and Industry Co. Inc. set in place the following actions:

1. Health & Safety.
2. Training.
3. Privacy.

1. Health & Safety.

Eser Contracting and Industry Co. Inc. set in place:

actions in matter of Health and Safety, actions to improve the level of knowledge with specific training and actions to protect the economic livelihood of local communities with convention in favour of the employees.

Follow some example of actions taken:

Employees Health

Eser Contracting and Industry Co. Inc. provides two health projects in order to sensitize the employees regarding the illnesses prevention.

- Prevention is Life

Eser Contracting and Industry Co. Inc. initiated the prevention project totally free eye and vision Check-up for employees.

- Anti-influence vaccination

Eser Contracting and Industry Co. Inc. offers the possibility of having a free anti-influence vaccination to all its employees who will go to work for Africa region.







#### Safety at work

Eser Contracting and Industry Co. Inc.'s corporate management considers that health and safety at work (HSW) is an aspect of fundamental importance within the correct operating and planning of the resources employed and respect of a human being in all its meaning.

For that purpose the management has activated a health and safety at work management system as an integral part of its business, promoting strong awareness of safety at every level of the corporate hierarchy

in a continuous perspective of prevention and improvement. Eser Contracting and Industry Co. Inc. is committed to improving the health and safety of the workers in compliance with the sector regulations. The companies have decided to establish an office dedicated to work exclusively on safety in the work environment.

#### 2. Training.

In 2013-2014 Eser Contracting and Industry Co. Inc. developed the following training projects:

##### - Safety Training

Eser Contracting and Industry Co. Inc. periodically organize training courses in relation to the matters of prevention, protection and safety at work. In the bi-annual period 2013-2014 the training courses involved 120 Eser Contracting and Industry Co. Inc. employees in Turkey. Training courses continued during the course of 2014 in a manner aimed more at the individual work categories. Specific courses were proposed to the office staff on.

- First aid
- Environmental management system
- Environmental Consolidated Act - etc.

With regard to the production employees, the training courses were developed on themes strictly connected to the activities of an industrial factory, for example:

- First aid
- Fire prevention
- Utilization of machinery (gantry cranes, fork lifts, etc.)
- Waste management - etc.

In 2013, general safety courses were organized for white collars and specific courses for blue collars (use of forklift and bridge crane courses, first aid and fire) for a total of 250 hours.

In 2014, 450 hours of training course have been issued.

#### 3. Privacy.

Eser Contracting and Industry Co. Inc. protects the personal data of its employees. The processing of the employees' personal data takes place in observance of the Italian legislation on Privacy. Access is reserved only to the staff involved in the function concerned. Paper documents with the sensitive data are conserved in protected areas, locked cupboards or offices.



LABOUR



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### 3. BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING



#### COMMITMENT

Eser Contracting and Industry Co. Inc. recognizes the right to collective bargaining, which supports the freedom of association of workers.

#### ACTIONS & OUTCOMES

Where admitted by the local law, the Eser Contracting and Industry Co. Inc. recognizes the right to collective bargaining and allows the periodical meetings. There is no such outcomes for the 2013-2014.



#### 4. BUSINESSES SHOULD UPHOLD THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR COMMITMENT

Eser Contracting and Industry Co. Inc. recognizes the importance of respect for the psycho-physical and cultural integrity of people, guaranteeing working conditions that respect human dignity and a safe and healthy working environment. Eser Contracting and Industry Co. Inc. also recognizes its own "social responsibility" in ensuring the basic rights of workers on the job.



##### ACTIONS & OUTCOMES

Eser Contracting and Industry Co. Inc. disapproves of the use of any form of coercion against staff, as well as the use of concealed labour. At this scope Eser Contracting and Industry Co. Inc. set in place policies and internal rules to impede it.

Each Group company is obliged not to use forced labour, and to respect the working hours required by national legislation in the countries in which its individual subsidiaries operate.

Eser Contracting and Industry Co. Inc. recognizes the right to overtime pay where required by law. The Companies also are required to ask to subcontractors (ex. Installation companies), before starting any kind of activities or business, evidences of tax, salaries, insurance and social security positions for their employees.

## 5. BUSINESS SHOULD UPLOAD THE EFFECTIVE ABOLITION OF CHILD LABOUR COMMITMENT

In compliance with the laws of the country in which it operates and with international law, Eser Contracting and Industry Co. Inc. respects and promotes the abolition of child labour.



### ACTIONS & OUTCOMES

In adopting the Code of Ethics, Eser Contracting and Industry Co. Inc. companies undertake to respect the principle of abolition of child labour for children of non-working age.

Eser Contracting and Industry Co. Inc. does not hire children of non-working age



## 6. BUSINESSES SHOULD UPHOLD THE ELIMINATION OF DISCRIMINATION OF EMPLOYMENT AND OCCUPATION COMMITMENT



Eser Contracting and Industry Co. Inc. is also working to ensure equal opportunity hiring, and to act with impartiality towards its employees.

### ACTIONS & OUTCOMES

Eser Contracting and Industry Co. Inc. formalized internal hiring and personnel management procedures/policies to mitigate the risk of discrimination based on age, race and ethnic origin, nationality, the political opinions, religious beliefs, gender or health

status of its employment candidates. Follow some example:

#### ALL PROJECTS:

Eser Contracting and Industry Co. Inc. formalized internal hiring and personnel management procedures to mitigate the risk of discrimination based on age, race and ethnic origin, nationality, the political opinions, religious beliefs, gender or health status of its employment candidates.

These corporate procedures are applied to all candidates and employees without regard to race, age or gender.

Eser Contracting and Industry Co. Inc. select candidates focusing on the skills of the individual in relation to the job sought. Staff management follows rules established by Staff Regulations and in internal procedures, also without regard to race, age or gender.

#### TURKMENISTAN ROAD PROJECT

The Company has a diverse workforce comprising of employees of various nationalities from Asia and Africa. The Company follows a structured interview process whilst selecting the employees. The initial interviews are conducted by the Department/Line Managers and the final interview is conducted by HR. Candidates are selected solely on the basis of their merits by matching the requirements described on the Job Description to the skills/competencies of the individual.

# ENVIRONMENT

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## 7. BUSINESS SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES COMMITMENT

Eser Contracting and Industry Co. Inc. recognizes the environment as a primary asset that must be safeguarded, and undertakes to comply with current regulations regarding environmental protection and conservation, promoting a running of its business centered on the proper use of resources.

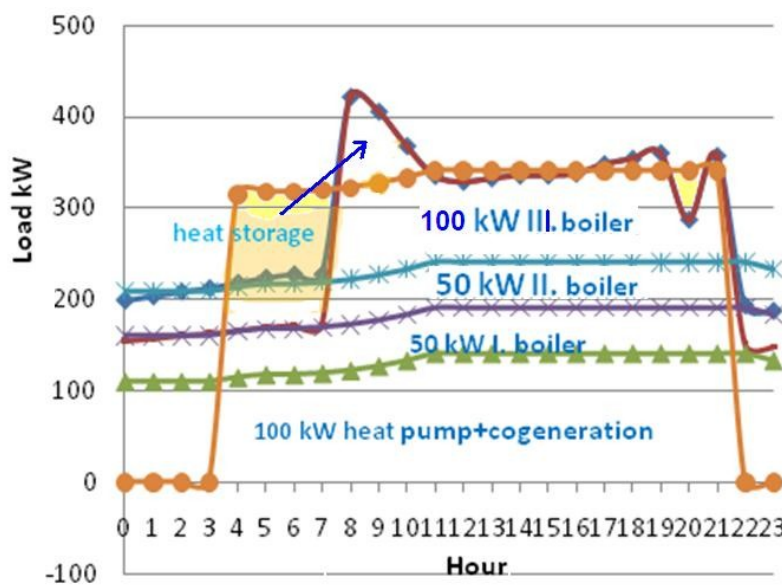
### ACTIONS & OUTCOMES

Eser Contracting and Industry Co. Inc. is committed to reducing consumption of energy and material, especially as regards sources of energy. Follow the description of some actions improved:

#### ESER GREEN BUILDING

To increase the energy performance of the building the precautions mentioned below are necessary;

- suitability of the projects to the codes and standards,
- selecting of high energy performance devices in the building,
- following the projects strictly,
- establishing automation scenarios and providing the system operations in according to the projects



and scenarios,

In addition to the energy efficiency in building performance, the effects of internal air quality, day lighting, and noise are also important issues. For these aspects, Table 1 has been used. For the purposes of increasing energy performance of the building the insulation thicknesses of 80 mm (walls), 120 mm (roof) and 60 mm (floor) have been used. Solar controlled triple-panes fenestration with  $U=1,8 \text{ W/m}^2\text{K}$

and  $SGF=0.46$  has been selected. To minimize the solar heat gains in summer, shading devices and internal curtains applied. To improve the internal air quality AHU's (air handling Units) with 100% outside air, and frequency converter and with fan and coils, having two way controls.

In addition, renewable energy resources and trigeneration system also have been used for the purpose of increasing the energy performance of the building. The typical daily heat loads of the building for winter and summer months have been shown in Figure 3a and 3b. These variable loads are satisfied by a base-load CHP and GSHP system, three NG condensing boilers, and TES systems year-round. 100 kW GSHP+CHP combination operates above 7500 hours in a year on a base load both in heating and cooling mode. Boilers are operated in tandem thus permitting to maintain their maximum thermal efficiencies. The same is also true for GSHP+CHP combination.

Hybrid Tri-Generation System



The most important parameter in reducing carbon emissions effectively in high-performance buildings is to match the source exergy with the demand exergy of the building. In this respect, the first fold in this quest is to reduce the exergy demand of a building. If this can be achieved, the building becomes a low-exergy building. While the building approaches a low-exergy condition, solar, wind, waste heat and similar sustainable energy resources, which are also low-exergy type, become feasible to match with the building demand. In this case the so-called Rational Exergy Management Model Efficiency increases and consequently the direct and avoidable carbon emissions reduce substantially [4]. In a typical office building heated by a natural-gas boiler system and air-conditioned with a conventional chiller system, this efficiency is not greater than 6%. This is due to the fact that the high exergy natural gas and

Figure 3a. Load profile of the building-winter.

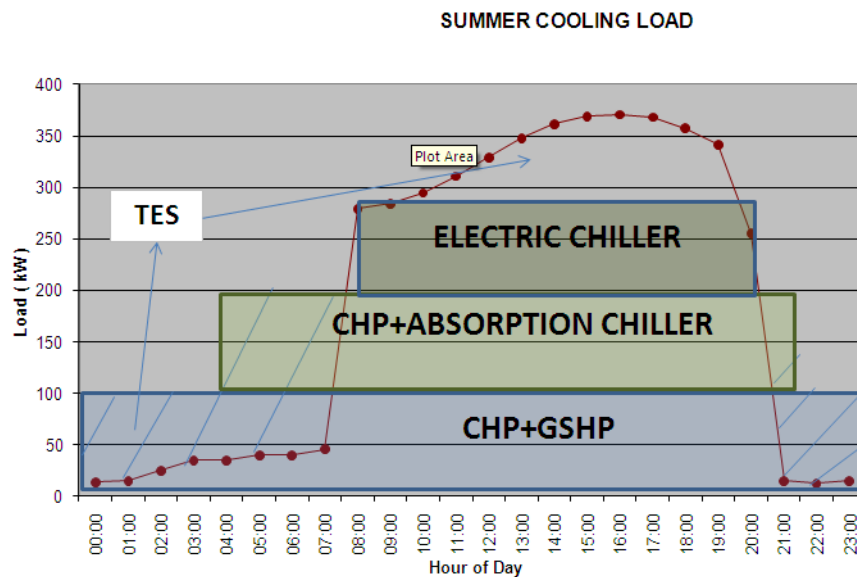


Figure 3b. Load profile of the building-summer.

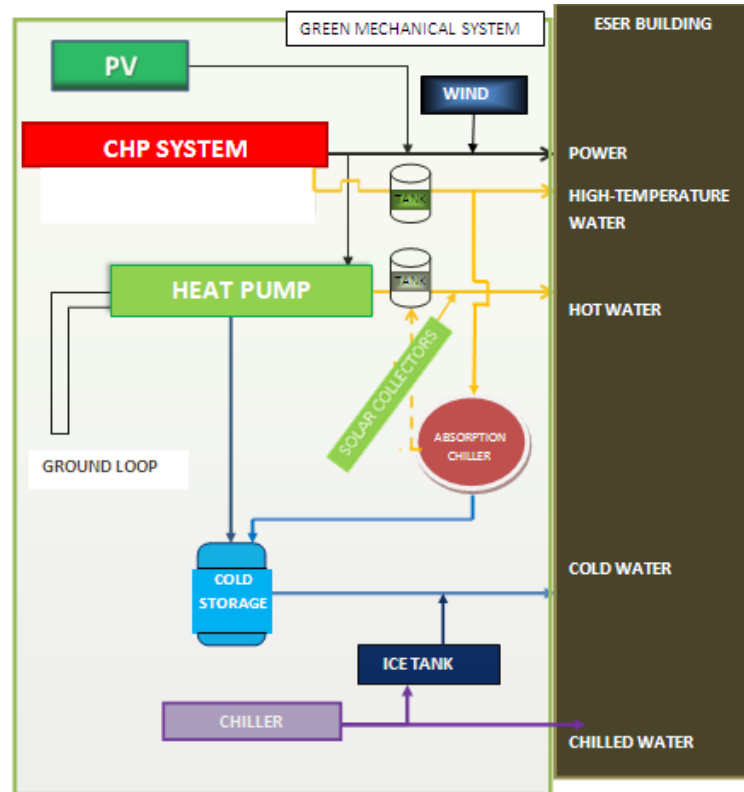


Figure 4. Exergy balancing act in ESER Building in terms of temperature cascaded applications.

According to Figure 4, the core of the supply system is a natural-gas CHP unit with a natural gas motor. Electric power produced is complemented by solar and wind energies. Power is partly used to drive the ground-source heat pump (GSHP).

#### Annual Energy Consumption

Winter Operation: The average hourly heating energy needed is approximately 200 kWh (Figure 3a). This valued includes the heating energy of fresh outside air too

Summer Operation: Hourly cooling energy has been accounted as 200 kW from Figure 3, with a safety factor.

Study of total energy consumption: The annually total energy consumption of the building, ventilating included, is approximately 80 kWh/m<sup>2</sup>year. This figure is 50% less than the similar buildings in Ankara.

#### Operating Performance Control of Air Quality

Until the contamination in the space is lowered to an acceptable level, air-handling units are operated in 100% rpm. Then, when the VAV dampers are moved to close position depending on the signals from CO<sub>2</sub> sensors, the rpm's of the fans are reduced by frequency converters and maximum energy savings are obtained partly closing the 2-way valve of heating and cooling coils. Here, 2-way valves of the air handling units (AHU's) are positioned in according to the temperature of blowing air.

#### Energy Monitoring, Measuring And Modeling

These instruments have been used for the purpose defining the progressing of energy savings, understanding the building base load, reducing the operating expenses and developing the load profile. For this purpose, various points of the installations energy analyzers, temperature and pressure sensors gas and water meters, air quality sensing elements have been placed and linked to the automation system. From the data obtained from these instruments, the efficiency of the devices and systems; energy consumption per m<sup>2</sup> and water consumption per capital can be calculated and monitored. In the plant, the saving potentials of these areas can be investigated and if there is, the necessary precautions will be taken.

#### Heating and Cooling Systems in Building

As noted above, the in-building installations that the heating and cooling systems served are; a) VRV system)the coils of AHU's, c) Floor heating circuit, d) domestic hot water system.

#### Boiler Plant and Central Cooling Systems

Heating systems: a) Heat pump, b) cogeneration unit, c) boilers, d) thermal storage, e) solar collectors.

Cooling Systems: a) Heat pump, b) cogeneration (or trigeneration) unit, c) absorption cooling machine, d) air-cooled cooling unit e) thermal storage (ice and chilled water).

#### Plumbing Systems

The solar collectors have been used to generate domestic hot water and the boilers have been designed to support the system. Rain water has been collected and used in gardening activities. In addition, the grey waters from the lavatories have been purified and used in the reservoirs.

#### Lightening and Electricity

For the purposes of taking advantage of the natural lightening, day-lighting shafts have been constructed in the building. High efficiency bulbs and apparatus have been used in artificial lightening. The type of the lightening devices is of EFF1. The automation system and the electrical installation have been designed so that the air conditioning system can be operated efficiently.



## 8- BUSINESS SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY COMMITMENT

Eser Contracting and Industry Co. Inc. supports initiatives for the promotion of greater energy savings.

### ACTIONS & OUTCOMES

Eser Contracting and Industry Co. Inc. take in place activities to promote a greater environmental responsibility, like for example the improving environmental and recycle rules.

Follows details of few initiatives:

#### ESER GREEN BUILDING

Eser Contracting and Industry Co. Inc. 's head quarter is located in Ankara and the Eser Green building has been a very important building in the area. This building has been opened to public excess and different projects has been implemented.

With the support of TUBITAK (The Scientific and Technological Research Council of Turkey) we are conducting "Energy-Efficient, High-Performance Buildings for Rational Exergy Management Based Automation Algorithm Development and Web-Based Benchmark for the creation of Green Building Automation project" With the help of this Project we plan to have some improvements fort he energy consumption of the building. In this context, our Green Building systems which are not working at full capacity for various reasons have been taken into account:

- Ice Storage Unit
- Absorption Chillers
- Grey Water Treatment System with parts missing and some other equipment deficiencies have been corrected, the necessary technical revisions have been made and commissioned.

In order to obtain accurate data, new building measuring devices are provided in addition to the required points.

- Two calorimeter,
- Three-card water meter,
- Meteorological station.

New separated water meters installed the building to measure, consumed in rain water, gray water and main water usage. A new meteorology station with automated algorithm to be used for current outdoor conditions (temperature and humidity, wind intensity and direction, per square meter of solar energy quantity) correctly aimed to opearte more acuraetly.



## 9- BUSINESS SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES

Eser Contracting and Industry Co. Inc. recognizes the importance of research and development regarding the environment. For this reason Eser Contracting and Industry Co. Inc. has joined projects to encourage energy saving.

### ACTIONS & OUTCOMES

Eser Contracting and Industry Co. Inc. is active in the development of new, eco-friendly technologies.

Eser Green Building Energy Optimization Project

Also known as "Energy-Efficient, High-Performance Buildings for Rational Exergy Management Based Automation Algorithm Development and Web-Based Benchmark for the creation of Green Building Automation project" In partnership with Baskent University and TUBITAK (The Scientific and Technological Research Council of Turkey)

With the help of the Project we plan to establish a green building optimum operating algorithm and web based control system.

## 10. CORRUPTION BUSINESS SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY COMMITMENT

Eser Contracting and Industry Co. Inc. the principle of impressing upon stakeholders relationships that are honest, fair, and have integrity, transparency and mutual respect. Honesty and transparency are fundamental principles in all Group activities and are essential elements in business management.

Regarding relationships with the Public Administration, all relationships between the Group and public institutions are arranged by associates entrusted for this purpose, and are based on the principles of lawfulness, fairness, transparency, cooperation and non-interference, with respect to their mutual roles. The Group does not exchange money or other means of payment with public officials to influence activities they perform as their official duties, neither directly nor through intermediaries.

Gifts, favours or conduct towards government representatives, public officials and public employees that are not transparent are not allowed.

All interactions between the Group and public institutions are handled by authorized personnel based on the principles of legality, integrity, transparency, cooperation and non-interference, within the scope of each party's roles and in accordance with the law.

Personnel must refrain from interfering in the decisions of civil servants: It is forbidden to give money or other forms of payment, directly or through intermediaries, to public officials, civil servants and their close relatives in order to influence them in the performance of their duties.

Gifts, favours, benefits or conduct lacking in transparency with respect to government representatives, public officials and civil servants in general are not allowed.

In any case, it is forbidden to give gifts, favours or benefits to civil servants or State-controlled companies or their relatives, unless the goods or services concerned are of reasonable price and it is traditional custom to do so.

Eser Contracting and Industry Co. Inc. allows to give gifts to civil servants or employees of Public Institutions this in those Countries where it is traditional custom to do so, provided that the gifts are of an appropriate nature and are reasonably priced, still in accordance with local legal regulations and cannot, in any case, bias – or appear as an attempt at biasing – the recipient in the performance of his duties.

Fraudulent conduct (omissions, false declarations, etc.) for the purpose of obtaining subsidies, grants or government loans is expressly forbidden. Financial resources obtained legitimately from government agencies and Public Institutions cannot be used for purposes other than those declared in the application.

Subject to approval from the CEO, Group companies may comply with requests for donations from non-profit entities and associations.