



**Hacı Ömer Sabancı Holding A.Ş.  
Communication on Progress  
2014**

## **ABOUT THIS REPORT**

**In this Communication on Progress (CoP), we describe our actions to continuously improve the integration of the universal principles of the UN Global Compact in our strategy, culture and daily operations.**

Our Report is published in parallel with the Annual Reports of Sabancı Holding and its subsidiaries, other associated publications and our corporate website.

This report focuses on the It is structured around five major strategic themes: Our Code of Business Ethics, our Employees, our Environment and our Social and Cultural activities.

Since signing the United Nations Global Compact in 2007, this is the fifth report we have published.

## MESSAGE FROM CEO

Dear Stakeholders,

It gives us great honor and pleasure to share with you our Group's Communication on Progress Report to the United Nations Global Compact for the year 2014.

2014 has been a year of increased volatility in global financial markets and growth rates deteriorated for most developing countries but it also remained low in Eurozone and Japan. The persisting policy divergence among major central banks, uncertainties regarding the Fed's policy normalization, and the external and balance sheet vulnerabilities created by the sharp fall in oil prices in oil exporting emerging economies have aggravated the volatility in global financial markets. This led the portfolio flows towards emerging economies including Turkey to fluctuate and the volatilities of exchange rates in these countries to increase. Under such circumstances growth in Turkish economy remained under its potential and inflation elevated with weaker TL and sticky food prices. However, the decrease in oil prices has created a window of opportunity for Turkish economy, as a net energy importer, to better manage account balances and decrease inflation and interest rates. Hence, the Turkish markets ended the year on a high note and inflation and interest rates started to fall. Beyond economic hardship the geopolitical tensions in the region extending from Middle East to Russia and Ukraine has been a constant reminder in 2014 of the value of harmony in our quest for advancement in growth and development.

Sabancı Group, a leading conglomerate of Turkey, is composed of 69 companies many of which are recognized market leaders in their respective sectors. 11 listed Sabancı companies represent 11% of Istanbul Stock Exchange Market Capitalization. Despite the aforementioned unfavorable conditions, Sabancı Group reached its business targets in 2014.

Our combined net sales increased 23 percent to over 44 billion TL, and our net income is around 2.1 billion TL.

Our Group gives great importance to risk management, transparency, accountability, prudent corporate governance and we adhere to Global Compact principles. We continued to align our business operations and strategies with these principles and pursued our social and environmental sustainability initiatives, responsibly.

As Sabancı Group we remain committed to improving the quality of life of the communities that we are a part of. We have shaped our corporate strategies and policies to deliver exceptional quality in our products and services to our customers, offer high returns to our shareholders, enhance Turkey's natural heritage, and increase its community value.

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

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

The Sabancı Group is one of the most preferred employers in all the geographies in which it operates in. The reason for this is

that we care for the rights of our employees and we provide a fair and fruitful working environment. While aiming to attract open-minded, ethical, entrepreneurial, strategically-minded, innovative, energetic, achievement-oriented, collaborative and participative individuals, we create opportunities for professional and personal development. Through various mechanisms, we have been rewarding our employees and increased the motivation of the Group.

**We address environmental sustainability beyond the requirements of legal obligations.**

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

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

As a responsible corporate citizen, the Sabancı Group is committed to economic, social and environmental sustainability and to serve as a model for best practices not just in Turkey but also around the world. Our work with the United Nations Global Compact is another token of our dedication.

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

## **SABANCI GROUP**

### **AKBANK**

In 2014 Akbank continued to provide increasing support to the Turkish economy and real sector thanks to its robust capital structure, customer-oriented approach and innovative products and services.

Akbank's core business encompasses consumer, commercial, SME, corporate, private and international banking services as well as foreign exchange, money markets and treasury transactions. Non-banking financial services, along with capital market and investment services, are provided by the Bank's subsidiaries. With state-of-the-art information technology and a staff of experienced bankers, Akbank focuses on providing top quality services to a wide range of consumer and corporate customers.

With a strong and extensive domestic distribution network consisting of 990 branches and a workforce of 16,305 employees, Akbank operates from its Istanbul Head Office and 23 regional offices throughout Turkey. In addition to branches, the Bank's traditional delivery channel, Akbank also offers banking services to customers through its consumer and corporate internet branches as well as its Telephone Banking Center, 4,280 ATMs and more than 360,000 POS terminals, along with other high-tech distribution channels.

As a pioneer in the field of digital banking in Turkey, Akbank Direct serves the needs of its customers at the most convenient points of contact with the best customer experience. In today's world where technology advances by leaps and bounds and customers get ever more demanding, Akbank Direct serves

customers' needs without the limitation of time and location while pioneering new technologies in the industry and in Turkey. As part of Akbank's agreement with Western Union (Western Union Network [France] SAS), Akbank branches, Akbank ATMs and Akbank Direct Internet Banking began performing Western Union money transfers in 2013.

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

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

Following its 20% strategic equity investment in Akbank in January 2007, Citigroup reduced its ownership to 9.9% in May 2012 due to its capital planning efforts for the Basel III regime.

Harvard University Kennedy School of Government (Harvard KSG) documented Akbank's highly successful turnaround story and growth strategy in the aftermath of the 2001 crisis in the form of a case study. Akbank management had implemented "The New Horizons Restructuring Program" after the 2001 Turkish economic crisis, at a time when the Turkish economy and banking industry were desperately searching for ways to leave the crisis behind. The management, changes and growth strategy that the Bank implemented not only put Akbank in a position to grow through the crisis years, but it also made the Bank a lecture topic and a reference case on how to manage and grow through times of economic crisis.

Akbank was recognized by Brand Finance as the "Most Valuable Banking Brand in Turkey" for the third consecutive year in the "Global Banking 500-2014" report. In addition, Euromoney,

Global Finance, World Finance and EMEA Finance also named Akbank as the Best Bank in Turkey.

Thanks to its successful practices and long term strategic management, Akbank, the innovative power of Turkey, received the "CRM Excellence" award from GARTNER while Akbank Direct Mobile was recognized at the Global Mobile Awards with the "World's Best Smartphone App" award in 2014.

Established as a wholly-owned subsidiary of Akbank in 1996 to provide capital markets brokerage and advisory services, AkInvestment offers Corporate Finance, Institutional Sales, International Markets, and Research services to its clients. The Company provides advisory and pricing services in equity public offerings, debt securities issuances, mergers and acquisitions, and privatization projects in Corporate Finance; Turkish capital markets investment services for institutional investors in the Institutional Sales segment; investment services spanning a wide range of investment products in international markets to individual and institutional clients through its TradeAll trading platform in the International Markets segment; and equity research reports for Borsa Istanbul companies and macroeconomic reports in the Research area.

A wholly-owned subsidiary of Akbank, AKAssetManagement was established in 2000 in order to provide capital markets asset management services to institutional and individual investors. AKAssetManagement manages 25 mutual funds chartered by Akbank and AK Securities, 15 Capital Protected Investment Funds launched by Akbank, 23 pension investment funds for Avivasa Pension and Life Insurance, 12 pension investment funds for Groupama Pensions, and two Akbank SICAV funds.

AKAssetManagement also offers discretionary asset management services for large institutional investors as well as

individuals, tailored to their financial expectations and risk profiles. AKAssetManagement maintained its leadership in many segments of the asset management market owing to its outstanding performance and its innovative product design. Within this frame, the Company established itself as a pioneer in the industry with the gold and precious metals investment fund, BRIC countries mutual fund, capital protected investment funds, composite commodity basket mutual fund, Akbank Franklin Templeton umbrella fund investing in different regions of the globe, and Corporate Bond Fund that are launched by Akbank and managed by AKAssetManagement.

As a pioneer in its sector, AkLease continued its 26-year steady growth, trust and success-oriented journey in 2014. AkLease, a wholly owned subsidiary of Akbank, serves the investment and funding needs of SME, commercial and corporate segment customers operating in industries that contribute to the development of Turkey through customized leasing solutions.

Akbank shares are listed on Borsa Istanbul with a free float ratio of 41.2%. The Bank's Level 1 ADRs are traded on the OTC market in the United States. As of December 31, 2014 Akbank's market capitalization stood at US\$ 14.9 billion.

## **AVIVASA**

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

Conducting its operations through the channels of direct sales, bancassurance, corporate projects, agencies, and telesales, AvivaSA serves more than 2 million customers in the private pension and life insurance sectors. AvivaSA's 1,617 strong work force includes more than 1,100 financial advisors and branch insurance managers.

In the bancassurance channel, which has gained greater importance in the new era in the private pension sector which is supported strongly by the government that began on January 1, 2013, AvivaSA is strengthening its already powerful position in the sector through close collaboration with Akbank. In this channel, AvivaSA private pension products are also available at the branches of Burgan Bank, Odeabank and Abank all of which are all international players.

In the direct sales channel, AvivaSA serves non-banking customers of varying socioeconomic standings through its financial advisors. The agencies channel is another fast growing distribution channel. The corporate projects channel introduces private pension and life insurance products to Turkey's leading enterprises. It also plays a pioneering role in transferring the trust funds to the private pension system. The telesales channel reaches different customer segments efficiently by offering more affordable products.

AvivaSA Emeklilik ve Hayat shares were offered to the public on 13 November 2014. Not only did AvivaSA become the first pension and life insurance company to go public after the

introduction of the Private Pension System in Turkey but at TL330.8 million, its IPO ranked the largest in Turkey over the past year.

AvivaSA boasts a private pension fund size of TL 7,1 billion (state contribution included) with a market share of 19% according to Pension Monitoring Center data from January 2, 2015. These funds are managed by AK Portföy Yönetimi, a Sabancı Group company which is one of the leading firms in the asset management sector.

The new law on the private pension system that came into effect on January 1, 2013 has accelerated the sector's growth, thanks to the numerous customer-focused amendments introduced in various areas chief among them being the state contribution.

According to 2014 data provided by HAYMER and the Insurance Association of Turkey, AvivaSA also generated TL 258 million in life and personal accident premiums, which translates to a market share of 8%.

AvivaSA keeps a close watch on the opportunities in the sector, focuses on diversifying its distribution channels while investing in technical infrastructure and customer development. With its well-known and highly recognizable brand name, organizational structure, and power in the market, AvivaSA Emeklilik ve Hayat is positioned to seize all opportunities in the most effective manner.

## **AKSIGORTA**

With contemporary and sustainable steps, Aksigorta has worked towards a customer oriented and innovative vision since its establishment in 1960. After entering into partnership with the international insurance company Ageas and Sabancı Holding, Aksigorta continued to build upon its strong brand

recognition and high market value. Hence, Aksigorta maintained profitable growth in the insurance business in 2014 with its strong and renewed shareholder structure.

Providing service to thousands of individual and corporate clients across Turkey through 16 regional directorates, more than 1,900 independent agencies, 961 Akbank branches, 63 brokers and 3,600 contracted institutions, Aksigorta has offered exclusive, value-added solutions to its customers for 55 years, while maintaining its corporate values. With the diverse product portfolio it has developed, Aksigorta proactively continues to meet the needs of the market.

Determined to lead the sector with a contemporary and dynamic brand identity, Aksigorta creates innovative, customer-oriented products and services. It ranks as one of Turkey's leading non-life insurance companies with more than TL 1.714 million in premiums, a profitable structure and financial strength with approximately TL 508 million in shareholder equity. Aksigorta provides a vast variety of products, from health to travel, motor to compulsory earthquake, business insurance to liability insurance to individual and corporate customers across Turkey.

In 2011, Aksigorta continued to strengthen its market position with the partnership between Sabancı Holding and Belgian Ageas, an international insurance company with more than 180 years of experience. This partnership focuses on the development of the sector and broadening public awareness about insurance as well as serving society and becoming the leading insurance company.

With global bancassurance experience, Ageas has been contributing to Aksigorta's unique position coming from its stakeholder in bankassurance channel, Akbank, whose impact

in the sector is gaining significance. In 2014, the Company coordinated its field personnel and IT structure with innovative bancassurance sector solutions and invested in the development of the channel.

In 2014, Aksigorta has made innovations in the business structure and culture with the goal to offer its customers a unique experience. In this context, within the culture change process Aksigorta has renewed its vision and mission in 2014. Aksigorta's new vision: "To make insurance easy, lean and accessible for everyone." And new mission "We create a unique insurance experience for our customers to support the continuity and ease of life while creating value for all stakeholders."

Aksigorta Service Center and the website of the Company provide 24/7 uninterrupted services, starting from the initial offering through its focus on every detail of the claims management process. In addition, Aksigorta strives to simplify this process, informing clients in a timely manner and contacting them personally to improve customer satisfaction.

Given its philosophy of focusing on customers, Aksigorta has increased service quality and customer satisfaction while continuing to offer motor, household, business and health product services. Aksigorta provides the fastest and highest quality service beginning as soon as it receives claim notification via contracted auto repair and health services associations.

Parallel to its corporate social responsibility approach, Aksigorta developed Turkey's first Fire and Earthquake Simulation Center (YADEM) in 1996. In November 2006, Aksigorta donated YADEM to the Şişli City Hall Science Center with all usage

rights. Working toward increased risk and insurance awareness in Turkey, Aksigorta and the Search and Rescue Association (AKUT) developed a social responsibility project known as "Keep Living, Turkey." Aksigorta and AKUT teams have visited 55 provinces and 174 districts with the Disaster Training Convoy providing training about natural disasters and insurance awareness, to 5.4 million individuals.

Thanks to investments in IT infrastructure and human resources, Aksigorta differentiated itself with profitable results in the market in 2014 with its focus on profitable channels and products. Utilizing these strategies, Aksigorta plans to maintain its sustainable profitability in 2015.

## **ENERJİSA**

### **ENERJİSA**

Enerjisa was founded in 1996 as an autoproducer company for supplying the electricity needs of Sabancı Group Companies and became one of the leading players of growing and developing Turkish electricity market with its great portfolio that aims to create value in all phases of the electricity chain, customer and market oriented business models, efficiency and technology oriented generation and distribution investments and competitive strategies.

Enerjisa has been completed 50:50 partnership process of E.ON, by buying Verbund's shares, one of the world's biggest private owned electricity and natural gas companies, in April 2013.

In 2014, Enerjisa has put into operation two units (120 MW) of Kavşak Bendi hydroelectricity power plant, the first unit of

which was put into operation in 2013, and Arkun hydroelectricity power plant with 245 MW installed capacity. Therefore, the installed capacity of Enerjisa has reached to 2814 MW in 2014.

Enerjisa became the pioneering company in this region by taking over Başkent Electricity Distribution Inc. (BEDAŞ) in 2009 through privatization and succeeding in the first distribution privatization in the sector had included AYEDAŞ Electricity Distribution Inc. and Toroslar Electricity Distribution Inc. in its portfolio under the scope of privatization tenders within 2013. Thus, Enerjisa reached 9 million customers in electricity distribution and it is now providing distribution service to approximately 20 million consumers in 14 cities. Enerjisa reached a share over 20% in Electricity distribution and is keeping its customer oriented, pioneering applications and efficiency and technology oriented investments running.

Through its efficient and environment friendly power plants, carbon reduction opportunities achieved through generation based on renewable energy, technology and efficiency oriented distribution investments and operations, Enerjisa provides significant contributions to sustainability.

As a player in the Turkish natural gas sector, natural gas importing, wholesales and trading is also included in the scope of Enerjisa which manages a huge portfolio in all stages of the electricity value chain.

Enerjisa's electricity generation, trade, sales and natural gas related activities are maintained by the companies under the main company Enerjisa Energy Inc.

Liberalization process of Turkish electricity sector has reached an important level and is proceeding towards the development of a more competitive market by privatization and market oriented steps. Enerjisa supports the steps being taken towards Turkish energy sector to gain a quality of being more competitive.

Enerjisa aims to create value for its stakeholders, customers, employees, suppliers and the community by evaluating the opportunities in the sector. Uninterrupted development of process and systems to protect and reinforce its competitive place in the market is one of the main objectives of Enerjisa.

### **ELECTRICITY TRADING ACTIVITIES**

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

Enerjisa also realizes wholesale operations being focused on the developing commercial opportunities in electricity market and keeps creating value by supply activities from various sources, cross-border electricity trade and development of carbon offsetting loan activities.

### **ELECTRICITY RETAIL SALES ACTIVITIES**

Enerjisa Electricity Retail Sales Company (Enerjisa Elektrik Perakende Satış A.Ş.) is a company established under the scope of the legal requirement for separation of distribution and retail sales activities of electricity distribution companies as of 01.01.2013 as per the article 3 of the Electricity Market Law No. 4628 and the article 39 of the Communiqué Regarding the Items subject to Regulation and Reporting Principles within the scope of the Revenue and Tariff Regulation in the Electricity Market. The said process of separation of such activities was

performed according to the “Principles and Procedures for Legal Separation of Distribution and Retail Sales Activities” approved by the Energy Market Regulatory Board.

Enerjisa Electricity Retail Sales Company was established on September 12, 2012; and the Retail Sale License no. EPS/4195-6/2494 was granted to our Company upon the Energy Market Regulatory Board’s decision no. 4194-6 dated 20.12.2012. Enerjisa Electricity Retail Sales Company started its retail sales of electricity and/or capacity and the retail services activities specified in its license on 01.01.2013. Our Company currently conducts electricity retail sales activities in the region covering Başkent (Ankara, Zonguldak, Bartın, Karabük, Kırıkkale, Çankırı, and Kastamonu provinces), Toroslar (Adana, Gaziantep, Hatay, Kilis, Mersin, Osmaniye provinces) and Istanbul Anatolian Side Regions under the scope of its license; and it has nearly 9.1 million registered subscribers. The region of activities under the scope of the license is expected to be expanded to cover entire Turkey.

## **NATURAL GAS WHOLESALKE ACTIVITIES**

Enerjisa Natural Gas Wholesale Company was founded in 2004 to secure the supply of natural gas and other fuels for Enerjisa’s existing power plants and projects, in a long-term cost effective manner.

Enerjisa Natural Gas Wholesale Company acts as a consultant to Enerjisa companies on supply contracts of natural gas and other fuels for current and prospective power plants, fuel procurement strategies in the medium and long-term, establishment of fuel optimization systems and risk management related to these systems.

Enerjisa Natural Gas Wholesale Company started its operations in 2011 by gathering the required licenses for supplying natural gas to Enerjisa natural gas power plants and primarily optimizing their consumption as well as benefiting from new business opportunities emerging with the liberalization of natural gas market. It has acquired the right to import Spot

LNG by taking the license for ten years from EMRA (Energy Market Regulatory Authority) as of 2010.

## **ELECTRICITY DISTRIBUTION ACTIVITIES**

Enerjisa realized the first electricity distribution privatization by taking over Başkent Electricity Distribution Inc. (BEDAŞ) in 2009 and reached a share over 20% in electricity distribution sector by taking over AYEDAŞ and Toroslara EDAŞ in 2013.

Enerjisa, providing service to approximately 20 million users in 14 cities, undertakes a pioneering role in the distribution sector with its technology and efficiency oriented investments, operations towards improving the service quality.

### **Başkent Electricity Distribution Inc.**

Considering the vastness of the geographical area where the service is provided and the distribution network, infrastructural management of electricity access of more than 7 million people through a distribution network over 100.000 kms is achieved in Başkent Electricity Distribution Region, which is the largest electricity distribution region in Turkey. Enerjisa plans to make 1,5 billion TL investments in Başkent Electricity Distribution region in 2011-2015 period which mean a two-times increase compared to the previous five years period.

Enerjisa performs technology focused investments and innovative applications to improve the quality of service in the Başkent Electricity Distribution Area. The first SCADA automation infrastructure in electricity distribution in Turkey was put into operation in the Başkent Electricity Distribution Area. Furthermore, the modules of the SAP ISU software application

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

### **İstanbul Anatolian Side Electricity Distribution Inc. (AYEDAŞ)**

In the privatizations realized in 2013, Enerjisa made the highest bid in the tender and took over all the shares of Ayedaş, which is responsible for electricity distribution of the Anatolian side of Istanbul.

In the Anatolian Side of Istanbul, electric energy access is provided to approximately 4 million people through a 20.000 kms long distribution network.

### **Toroslar Electricity Distribution Inc.**

In the privatizations realized in 2013, Enerjisa made the highest bid in the tender and took over all the shares of Toroslar EDI which is responsible for electricity distribution of Adana, Gaziantep, Hatay, Kilis, Mersin and Osmaniye cities.

In the Toroslar electricity distribution region, electric energy access is provided to approximately 8 million people through a 80.0000 kms long distribution network.

Enerjisa aims to provide distribution service in European standards to the distribution system users in the region by initiating SAP based new information systems infrastructure, Workforce Management System, OSOS, CBS and SCADA along with the network investments in Ayedaş and Toroslar distribution regions.

## **AKÇANSA**

Established in 1996 by the merger of Akçimento, founded in 1967, and Çanakkale Çimento, founded in 1974, Akçansa is the leading cement producer in Turkey as a subsidiary of Sabancı Holding and HeidelbergCement.

Operating in the Marmara, Aegean and Black Sea regions of Turkey, Akçansa produces cement at its Istanbul, Çanakkale and Ladik plants, and operates 5 cement terminals located in Ambarlı, Aliağa, Yarımca, Yalova and Hopa. Besides, the company produces ready-mixed concrete at nearly 40 ready-mixed concrete plants under the "Betonsa" brand, and operates in the Ayazağa, Bursa and Saray aggregate quarries under the brand of "Agregasa". The Karçimsa cement grinding and packaging plant has been operational since 1998 after the formation of a partnership between Karabük Demir Çelik İşletmeleri (49%) and Akçansa (51%).

Akçansa continues to grow in line with the company's vision of 'sustainable growth' and with the focus of success in all markets it operates while creating value-driven competition. 2014 had been a year of the company's productivity-oriented investments, efficiency and sustainability-oriented work in the areas of operation and of record sales achievements.

Akçansa, with 0" accident goal policy and placing the greatest emphasis on 'human', founded Health&Safety Academy in its

Büyükçekmece and Çanakkale Plants. Thus, Akçansa aims at educating 5.000 people with 80.000 hours of education per year, including theoretical and practical trainings not only for own employees but also for shareholders and suppliers. Health&Safety Academy will also be in service in Ladik Plant within the first half of 2015.

Awarded by the Istanbul Chamber of Industry with its products which meets international quality standards, Akçansa produced %10 of Turkey's total cement needs. Utilizing state-of-the-art technology in its environmentally friendly facilities to meet customer expectations and emphasize service quality, In 2014, Akçansa reached a sales record of 6 million tons in domestic cement and clinker. The company has reached 1,2 million tons of overseas sales of cement and clinker. In spite of increased revenue, Akçansa's working capital significantly reduced. The total revenue of the company has approximately reached TL 1,461 million.

In parallel to expanding growth targets, new ready-mixed concrete and aggregate plants were added to the sales network. Continually extending its range of special products in the field of ready-mixed concrete, Betonsa has differentiated itself from the competition by finding innovative, special solutions for its customers. Annual ready-mixed concrete sales have reached 4.4 million cubic meters. The effort towards increasing the share of special product sales by %7.5 continues. Betonsa Technology Center has been renovated in 2015 and became operational.

With a target of sustainable and cost-effective supply chain management Akçansa aims at increasing profitability by expanding its port operations business. Akçansa has achieved 18% growth in port management business in 2014.

Leading Turkey with its operations in alternative fuel and raw material use, which is vital for protecting the environment and natural resources, Akçansa continued these efforts in 2014, and increased its alternative fuel usage by %23. Aiming at launching new efficiency projects, Akçansa polished its 3<sup>rd</sup>. Sustainability Report in line with GRI G4 principles, and signed UN Global Compact which is an innovative corporate responsibility approach.

Akçansa continues with all efforts it has implemented regarding sustainability. In the report resulting from the Carbon Disclosure Project (CDP), the most reputable environmental initiative in the world, Akçansa has become one of the leading companies in Turkey by voluntarily responding to CDP, as it has for the last four years. Akçansa ranked among the most transparent companies with a score of 76 this year.

Ranked 61st by climbing up 14 ranks, in “Turkey’s Top 500 Industrial Enterprises” list prepared by the Istanbul Chamber of Industry, Akçansa was named “Most Admired Company” for the 13th time in its industry in 2013 by Capital Magazine. Its 100+ Concrete product was awarded within the Most Environmental and Innovative Product category.

Akçansa developed many innovative projects with the aim of creating value to the shareholders and increasing communication. Targeting to be the most preferable employer in its sector, Akçansa organizes Concrete Ideas Project Competition and Quarry Life Awards to attract students. Besides, Akçansa organizes Neighborhood Councils where it listens to its neighborhood and includes them to the decision making process, and Employee Ambassadors Councils to listen to its employees and determine the areas of development all together.

Akçansa placed first in 'Market Oriented' and 'Synergy' categories, and honorable mention in the 'Value Creator' category in 4<sup>th</sup> Golden Collar Awards organized by Sabancı Holding to congratulate the success of its companies' employees and to encourage mutual share of best practices.

Akçansa shares are listed on Borsa Istanbul with a free float of 20.6%.

## **ÇİMSA**

Çimsa, one of the leading companies of Turkish cement industry, was established in 1972. Currently Çimsa is carrying out its operations with its 5 integrated plants in Mersin, Eskişehir, Kayseri, Niğde and Afyonkarahisar, a grinding facility in Ankara, Cement Packing plant in Marmara terminal and Cement Packaging plant in Malatya.

As one of the first three brands in the world in white cement, Çimsa is an international cement manufacturer with its terminals in Hamburg (Germany), Trieste (Italy), Sevilla (Spain) Alicante (Spain), Famagusta (T.R.N.C.), Constanza (Romania) and Novorossiysk (Russia).

ÇİMSA meets the product and service needs of its customers in full and in a timely manner with its market-oriented approach and wide distribution network. As a reliable business partner of its shareholders, Çimsa provides the required materials for living areas, and their infrastructures, reaching to next generations.

Çimsa, by manufacturing special type cements like white cement and calcium aluminate cement besides grey cement, leads the Turkish cement and building this approach in the future as well

Çimsa focuses on profitable growth that will add value to all its shareholders, with the aim of maintaining this approach in the future as well.

## **TEKNOSA**

Established in 2000 with 100% Sabancı Holding and Sabancı Family capital, Teknosa is guided by its philosophy, "Technology for Everyone." Currently holding the top spot among technology retailers in Turkey, Teknosa has grown into 291 stores in 81 provinces, from its humble beginning of five stores in 2000.

Teknosa offers a distinctive and enjoyable shopping experience with a net sales area of approximately 171,000 square meters with its broad product mix. Teknosa stores and teknosa.com were visited by more than 200 million consumers in 2014. Offering the latest technology to its consumers and assisted by 3,500 employees, Teknosa closed 2014 with sales of TL 3 billion.

On May 17, 2012, the IPO of Teknosa was completed. The current free float rate of Teknosa stands at 11.7%.

Teknosa continues investing in Teknosa Academy, established in 2005, and targets the creation of a platform for career planning and supplying a qualified labor force. The objective of Teknosa Academy is to train the retailers of the future by informing employees of new developments in the retail sector, and helping them to hone their skills. In addition to the management training programs, education for professional and personal development is also provided. Teknosa still retained its position as the first and only educational institution that gives MEB approved certificate in the sector. It has graduated more than 10,000 trainees since its establishment. It provides employees with efficient and appropriate career planning opportunities starting from their first day at work.

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

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

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

Orange Card, a customer relationship management (CRM) activity by Teknosa, involves a customer database used to generate information about customer expectations and purchasing habits. Customers are segmented based on their shopping habits. As of year-end 2014, Teknosa Card holders numbered 4.4 million.

Teknosa has the largest logistics center in its sector. The center, where all logistics operations of Teknosa is managed, is located in Gebze with a 30,000 square meters indoor area and 60,000 square meters of total area. An additional 10,000 square meters of warehouse area was also allocated for İklimsa

in 2013. The logistics center is connected to all stores and manages their activities via IT support.

Teknosa is the only retailer in Turkey with the ISO 9001:2008 Quality Management System, ISO 27001:2005 Information Security Management System and the ISO 10002:2004 Customer Complaints Management System certifications.

The Company has been a pioneer and a leader on social media platforms since January 2010. Its Facebook page is "liked" by 2 million people and the number of Twitter followers reached more than 200,000 as of the end of 2014.

Founded in tandem with the ascending profile of Teknosa.com, Sabancı Group's e-commerce company Kliksa has recorded approximately 100% sales growth in 2014. Kliksa.com, in which over 250,000 products are on display including the categories of consumer electronics, mother-baby products, toys, automotive accessories, sports-outdoor, watches, glasses and cosmetics, decided to proceed with the target of growing healthily and more than the sector in 2015. The Company, invested 10 million dollars in order to provide e-commerce platform in the world standards, is committed to its target of sustaining infrastructure for setting the business model of Marketplace and making projects that change e-commerce orbit.

Teknosa ranked 33th among the 500 companies included in the "Turkey's Largest Companies" list prepared by Fortune Turkey in 2014, while placing 43rd on a similar list prepared by Capital 500 magazine. As an international success, Teknosa has been selected as the "Best Managed Company in Central and Eastern Europe" in the Consumer Products/Retail category by the most prestigious publication of finance world Euromoney Magazine. Teknosa Academy has received the ASTD (American Society for Training&Development) Best Award, and also Golden Award in the Brandon Hall Group Excellence Awards 2014 with Career Road in Retail programme in the category of Best Use of

Blended Learning. It has become the first Turkish company that wins this award. Teknosa has received the Golden Effie in the Retail category with "Life is so beautiful" film in the Effie Turkey Awards and also first prize in "Retail Chain" and "Information Technologies" categories according to the "Top 500 Information Companies Research" compiled by Interpromedya. Teknosa has also been selected as "The Most Liked and Preferred Brand by Customers in Shopping Centers" in Electronic Retail category based on research undertaken by GFK and The Shopping Center Investors Association.

Teknosa.com has been selected as "Technology Focused E-commerce Company of the Year" in Webrazzi Awards, also as "The Most Liked Technology Web Site" according to the research conducted by Marketing Türkiye magazine and DORinsight.

Teknosa, the leader of the Turkish technology retail market, undertakes social responsibility projects to serve society and enable the mass utilization of technology in many areas including education, sports, environment and the arts. Free-of-charge computer training programs have been conducted for women in various provinces around Turkey since 2007 as part of the Technology for Women Project. Technology for Women training programs were conducted in Adıyaman, Balıkesir, Eskişehir, Mersin, Manisa Soma, Burdur and Gaziantep in 2014. To date, the number of trainees has reached approximately 14,000 in 55 provinces. Teknosa deeply believes that these training programs will encourage women, and help them build self-esteem in their adaptation to social and business life.

Teknosa that gives support to Turkish sports and athletes since 2007, also continues its support for the Turkish National Teams as the Official Technology Supplier in accordance with the collaboration agreement signed with the Turkish Football Federation.

Since 2009, the package sheets and present cards designed by the Daruřsafaka students have been sold in all Teknosa stores. The total of the income by sold package sheets, 1% of income by sold present cards are donated to Darussafaka Society. Teknosa also gives support to the announcement of Darussafaka Society's activities in other fields from different channels.

Teknosa also aims to be a role model for other companies in the sector, with its approach and activities toward environmental responsibility. The Company introduced a "first" in the sector in 2009 by offering recycled bags to its customers along with activities related to the collection and recycling of batteries and electronic waste via its stores and at its comprehensive logistics network. It collects waste materials in an environmentally responsible way, even picking up these materials from premises when necessary. The Company continued its pro-environmental activities and innovative projects in 2014.

In addition to the Teknosa technology retail chain, Teknosa A.ř. also represents the İklimsa brand in the air-conditioning sector. Positioned as the Air-Conditioning Center of Turkey, İklimsa offers customers the world's leading air-conditioning brands housed in distinctive showrooms, backed by Sabancı Holding's 29 years of experience in the air-conditioning sector. Its product portfolio includes Mitsubishi Heavy Industries, General, Sharp, Sigma (private label brand) air conditions and Sharp refrigerators. İklimsa offers nearly 200 models under 4 different brands from 189 authorized dealers in 41 provinces and 221 authorized services in 65 provinces throughout Turkey. The brand also prioritizes after-sales services for customer satisfaction, offering outstanding service quality to its customers all over Turkey.

Teknosa is committed to its target of creating sustainable leadership and customer loyalty and focuses on providing seamless customer experience through omni-channel strategy.

The Company will accelerate efforts regarding innovative services and enhancement of its infrastructure, and conduct its operations in accordance with its growth targets.

## **CARREFOURSA**

Carrefour Group is the leading retailer in Europe, and the second largest retail chain in the world, operating in 34 countries through over 10,000 stores with 360 thousand employees. Having laid the foundations of modern retailing with its first store opened in France on July, 15, 1963, Carrefour opened its first store in 1993, thereby introducing the hypermarket concept to Turkish consumers.

In 1996, a joint venture was established with Sabancı Holding, one of Turkey's largest business groups, and the first CarrefourSA store was opened in Adana the following year.

CarrefourSA strengthened its presence in the retail sector by acquiring Gima and Endi in 2005. This acquisition also reinforced the Company's positioning, especially in Anatolia, by expanding its store network.

After Sabancı Holding took over the majority of stock shares and management in 2013, the company set 2014 as the year of transformation focusing on profitability and growth and, made an investment of 100 million TRY under several categories from its market concepts, IT substructure, procurement processes to human resources on its way to be a plain, fast, customer friendly and contemporary brand.

CarrefourSA set its mission for 2014 as being "the address of reliable, enjoyable, value driven and neighbourhood shopping for its customers".

Today, CarrefourSA offers service to different customer segments under hypermarket, supermarket, gourmet, micro market and e-tailing concepts.

As of 2014 CarrefourSA extended its store network to 27 hypermarkets, 176 supermarkets, 22 gourmet markets, 108 mini markets and its total sales area to 373.000square meters. Nearly 100 million consumers shopped at CarrefourSAstores throughout the year.

CarrefourSA, reformed in 2014 to address the needs of different customer segments, keeps "Fresh Products" focus among its priorities to provide high quality and diverse fresh product scale to its customers with its "From Field to Table", "From Oven to Table", and "From Sea to Table" initiatives.

The Company which has a sound financial structure aims to maintain its investments by focusing on sustainability and assessing all projects offering a potential for growth embodying value drivers and thus to be the address of reliable, enjoyable, value driven and neighbourhood shopping for customers.

## **KORDSA GLOBAL**

### **Tire Reinforcement, Composite Reinforcement and Construction Reinforcement Materials**

Kordsa Global is the global market leader in industrial nylon, polyester and tire cord manufacturing. It is engaged in the production of heavy denier industrial nylon, tire cord and single end cord and single end cord for the leading global tire manufacturers. Kordsa Global additionally provides reinforcement materials to conveyor belt, V-belt, hose, and fishing net producers as well as other industries where nylon yarn and cord fabric are used.

Kordsa Global is the world leader with 36% market share in heavy denier Nylon 6.6 yarn and tire cord fabric while it ranks third in the heavy denier polyester market with a 10% share in this segment. Due to the precipitous drop in commodity prices, sales growth in 2015 is expected to be less than in 2014.

Kordsa Global became a signatory to the United Nations Global Compact in 2014.

The Company continues its operations in Turkey, Egypt, Germany, USA, Brazil, China, Indonesia and Thailand in nine manufacturing facilities with more than 4.000 employees.

The success story of Kordsa Global began in 1973 with the tire cord plant investment in İzmit, Turkey. Over the past 42 years, the Company has become a global leader thanks to its strategic acquisitions and joint ventures with strong business partners.

2014 has been a year of accomplishments for Kordsa Global in many aspects. The fluctuating global economic conditions, production shift from the west to the east, and increasing number of Asian players in the market prompted Kordsa Global to shift its focus to "differentiating itself from its competitors".

The goal is to move forward by generating value-creating technologies while investing in customers, shareholders and employees in new business segments. With its "reinforcing specialist" reputation, while rolling out new products for its auxiliary industries of construction and composite, Kordsa Global will continue to solidify its presence in its core business line of tire industry via high-tech and innovative products in the years ahead.

Kordsa Global has redefined the industry with its "reinforcement" positioning and has started to expand its

business area into new segments. The Company is growing in construction and composite industries by leveraging its experience and know-how on tire reinforcement and technology that it has acquired since 1973.

Based on this growth strategy, Kordsa Global has developed a concrete reinforcement fiber under the Kratos brand. As another outcome of this strategy, Kordsa Global has founded the Composite Technologies Center of Excellence in association with Sabancı University.

While continuing to pioneer its industry in the technology area with various new products developed in its R&D Center in Izmit, Kordsa Global also accelerated its pace of growth. The Company took in US\$ xx million from 14 new products in 2014. The target for 2017 is to earn US\$ 150 million from 22 new products.

Kordsa Global ranks in the top 10 of the Turkish Patent League. From total patent applications of merely two in 2003, the Company reached 68 patent applications in Turkey and 108 patent applications abroad for a total of 176 patent applications in 2014.

Kordsa Global's R&D Center was ranked first in the textiles industry in 2013 and 2014, second in all industries in 2013, and fourth in all industries in 2014 among private sector R&D centers by the Ministry of Science, Industry and Technology. The Kordsa Technology Center includes pilot dipping, spinning and twisting units, physical and chemical analysis, instrumental analysis, rheology, optical analysis and tire analysis departments.

Kordsa Global has been named the Most Admired Textile Company by the Capital Magazine in 2014 and ranked third in the Textiles and Textile Raw Materials category by Turkish

Exporters Assembly and Istanbul Textile and Raw Material Exporters' Association. The Company won the first-place prize in the "Innovative Environment Friendly Product" category from Istanbul Chamber of Industry at the Energy and Environment Awards. Granted the most ethical company in Turkey award by ETIKA, Kordsa Global was acknowledged by Per-Yön with an Achievement Award in the "Leadership in Human Resource Management" category as well as by Sabancı Holding's Golden Collar Award.

## **BRISA**

### **Tyre**

Brisa was founded by the Sabancı Group and its partners in 1974. By 1978, it started tyre production under the brand name Lassa. Then, in 1988 and in parallel with the developments in the global tyre industry, the Company was named Brisa following the partnership between Bridgestone Corporation and Sabancı Group.

After recording significant growth in the 1990s, Brisa took its place among the leading companies in the Turkish industry. In 1993, Brisa won Turkey's first National Quality Award, and then in 1996 won the EFQM European Quality Award for its superior performance in pursuing business excellence.

In 2010, the Company acquired the Turkish operations of Bandag, an America-based tyre trading company from Bandag AG, the European subsidiary of Bridgestone Corporation. This allowed Brisa to extend its service portfolio while offering a cost advantage to the transportation sector. This service also contributes to increasing a tyre's life and environmental protection.

Today, Brisa is one of the world's biggest tyre manufacturers under one roof and the seventh largest tyre producer in Europe. Under the Bridgestone and Lassa brands, it manufactures around 1,800 models of tyres for cars, light commercial vehicles, buses, trucks, agricultural and industrial machinery, and at international quality and safety standards. The Company also imports Firestone branded agriculture tyres, Dayton branded passenger tyres and Bridgestone motorcycle tyres.

With an aim to provide vehicle owners with balanced products in both brands, Brisa enjoys recognition regarding performance and safety because of the Bridgestone brand and offers car owners economy, comfort and durability with the Lassa brand. The Company has a well-established position in the domestic and international markets with its brands. Today, tyres produced under the Lassa brand with Brisa manpower reach vehicle owners in more than 60 countries via more than 100 labeled sales points. The Company carries out retail sales and aftersales service through a network of more than 1000 authorized sales points throughout Turkey. In addition, the Company provides car manufacturers such as Renault, Toyota, Ford, Fiat, Honda, Hyundai, Mercedes Benz, BMC, Temsa, Isuzu, Otokar, Karsan, Türk Traktör and MAN with Lassa and Bridgestone products as original equipment.

By signing distribution agreement with the global leading battery brand Energizer in 2013, Brisa aimed to widen its product range and offer vehicle owners more variety to meet their needs.

Brisa adds value to journeys by implementing many services, which ensures significant competitive advantages as a result of customer focus and innovative approaches, which are also among the values of the Company. The Company meets the main needs of passenger car and light commercial vehicle

customers in "OtoPratik" and of heavy commercial vehicle drivers in "ProPratik" shops by gathering different products and services at a single point. The lastik.com.tr website offers to supply the passenger and light commercial vehicle tyres of choice at the requested location by scheduling an appointment. Storage of summer or winter tyres during the other season under suitable conditions and guarantee is offered by the "Tyre Hotel" service. The Company were awarded for "Customer Oriented Service Innovation Award" with "Bridgestone BOX", refers as a good example of corporate intrapreneurship.

Brisa also offers solutions for heavy commercial vehicles, either individual users or fleets. Brisa adds economic and environmental value to fleets by implementing "Profleet" fleet management solutions, a collection of products and services which completely meet the needs of commercial fleets with a "360 degree consultancy" approach for the first time in Turkey. The Company provides the fleets with "Mobilfix" service, which allows vehicle owners to save time and money, helps them preserve sustainability and provides on-site maintenance service for heavy commercial vehicles.

Adopting sustainability principles as part of its commitment to contribute to humankind in the years to come, Brisa presented its sustainability activities for 2012 and the previous five years with an A level report and activities in 2013 with an A+ level report in accordance with the GRI (Global Reporting Initiative) system. The Company not only signed "The Global Impact" but also has been carrying out the "Let the Cranes Fly Forever" project in cooperation with WWF-Turkey (World Wildlife Fund Turkey) in order to preserve the Anatolian Crane species and add to biological diversity. In 2014, the Company participated in "Green Office" program.

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

## **SASA**

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

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

With technology licensed by Dynamit Nobel, ICI and Dupont, Sasa has a robust technical infrastructure with its high-capacity production plants, approximately 1,100 well-qualified employees and a research and development center that was established in 2002. Sasa's manufacturing facilities are located in Adana, Turkey. The main operations are situated on an area of approximately of 850,000 square meters.

Provided with electricity through a directly connected facility, Sasa also has a DMT, its own raw material, production plant. Operations started in 1977 with an annual capacity of 60,000 tons. Now, the DMT plant has an annual capacity of 280,000

tons to meet the increased demand. The majority of the DMT is used internally, with the remainder sold in solid form.

Since the first quarter of 2010, Sasa has run at full manufacturing capacity in both specialty polymers and textile segments. The capacity expansions were complete based on market studies for fibers and specialty polymers businesses. These new investments enabled Sasa to increase production capacities of specialty products, such as phthalate-free plasticizers, film grade polymers, PBT resin and fibers for textiles and non-woven hygienic products, and to enable production of bio-degradable PBAT resin (Advanite Natura). Sasa's total production capacity, including PTA-based production, is 350,000 tons per year.

Sasa's advanced Research and Development facilities continue to develop products and processes for the fibers and polymers/chemicals businesses through close cooperation with customers, enhancing the company's competitive advantage.

Sasa pursues the vision, "Positioning in current and new businesses to create the highest value." It supports this vision with the mission, "To invest in human capital and production facilities for profitable and sustainable growth."

Sasa's net sales revenue totaled more than TL XX billion in 2014. The Company ranked 66th on the year 2013 list of Turkey's 500 Largest Industrial Enterprises as compiled by the Istanbul Chamber of Industry and Sasa ranked first in the Adana region.

## **YÜNSA**

Combining technology and the artistic expression of esthetics in its fabrics production, Yünsa strives for global leadership in the

worsted wool fabric market; it is the largest manufacturer of worsted wool in Turkey as well as in Europe. Yünsa stands out with its vision, high product quality, market position and production flexibility; it is also Turkey's leading worsted wool fabric exporter.

Founded in 1973, the Company began production in 1976. The Company started producing men's woolen fabrics and carpet in 1980; established a design office in Çerkezköy in 1989; and went public in 1990. Yünsa added women's apparel to its portfolio in 1998 and opened a second design office in Biella, Italy in 2002. Yünsa began to launch overseas offices in 2007; in England, in the US and in Germany, respectively. The Company was admitted into the Turquality program in 2009. Yünsa continued its investments and established its R&D Center in 2010. Conducting its operations with the vision of becoming the global market leader in woolen fabrics, Yünsa holds the distinction of being the largest producer of woolen fabric in Turkey and in Europe.

In addition to its role as a trend setter in menswear as the woolen fabric market leader, Yünsa pioneers the ascent of Turkish woolen fabrics in the international arena with its women's fabric product lineup while enjoying its reputation as a global player thanks to its design prowess and quality.

In addition to 100% wool products, Yünsa's product range also includes cotton, linen, cashmere, silk, lycra, polyester and viscose blended fabrics. The Company has an extensive product portfolio in men's and women's apparel, uniforms and upholstery including various fabric blends and finishing applications. Yünsa maintains its strong market position in the textile industry thanks to its close relations with its customers, reliability, product and service quality, ability to respond to customer demands quickly, and highly desirable designs.

Yünsa has integrated a rich textile culture into its product line, working with numerous global customers through its strong international connections. Exporting to more than 50 countries, the Company has sales offices in the United Kingdom and Germany, design offices in Italy and Turkey, as well as 20 dealers across the globe.

Yünsa not only strengthens its position in the industry and increases profitability as it becomes a global leader, but also undertakes major initiatives and continues to invest in sustainable growth. To this end, the Company focused on research and development activities at its R&D Center that opened in 2010. Yünsa is also a participant in the Turquality project, a government-sponsored program that supports companies in building global brands. In 2013, Yünsa adopted the ISO 50001 Energy Management System, proving the Company's efficient energy management. Yünsa has also adopted the ISO 9001 Quality Management System and ISO 14001 Environmental Management System and Yünsa products were certified by the Hohenstein Institute in Germany with the Eko-Tex 100 certification as non-hazardous to health and the environment. In 2014, Yünsa obtained the first place in the Large Business Process Improvement Category at the Productivity Project Awards that is organized by the Ministry of Science, Industry and Technology.

## **VISION, MISSION AND OUR MANAGEMENT APPROACH**

### **Vision**

Creating sustainable advantage through differentiation

**Mission**

Managing a competitive strategic portfolio with sustainable growth potential to create value for all of our stakeholders

**Management Approach****Responsibility and Transparency**

Upholding our core values of modesty, respect and proximity to people, being socially responsible and managing according to the principles of corporate governance

**Innovation**

Creating long-lasting advantages such as brand, technology, design, network and IP

**Participation**

Generating a management approach that promotes participation and collective thinking in the decision-making process

**Strategic Approach**

Managing the present with excellence and shaping our future to ensure long term advantages

**CORPORATE SOCIAL RESPONSIBILITY POLICY AND PRINCIPLES**

With its policy statement, the Sabancı Group stresses corporate social responsibility principles as well as the importance and priority given to the topic by the Group.

Based on the accepted core values of modesty, respect and proximity to people, the Sabancı Group regards basing all corporate conduct on the awareness of social responsibility as an unchangeable core component of its management approach. We expect all of our establishments that constitute the Sabancı Group to manage the economic, social and environmental impact of their actions with responsibility and to place priority on the development of society. We do not regard the scope of our social responsibility limited to just our business operations or their impact. We determine our level of social responsibility and its priority on what is good for society and the environment as a whole. We pursue a pioneering role with regard to actions that protect democracy, human rights as well as the environment. As the Sabancı Group, the SA-Ethics program, prepared and put into practice in accordance with the Principles of Corporate Social Responsibility, constitute a guide to our business operations.

The basic principles that govern our social responsibility practices are;

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

2- We regard our human resources as the most significant component in creating sustainable growth. We ensure that all employees take advantage of their personal rights as members of the Group, fully and accurately. We treat our employees with honesty and fairness; we are committed to creating a non-discriminatory, safe and healthy work environment. We undertake efforts to enable the personal development of all employees while pursuing a balance between their private and professional lives.

Any discrimination within the organization based on race, religion, gender, age, political opinion, language, physical challenge or similar reasons are not tolerated.

We strive to ensure that people of different beliefs, views and opinions work together in harmony by creating a positive and cordial work environment that supports cooperation and prevents conflict.

We administer programs that contribute to preserving employee health that we accept as important to ensuring our employees' quality of life and success.

As the Sabancı Group, we believe that all employees deserve to work in a healthy and secure work environment consistent with human dignity. Our employees are our most valuable assets and we strive to provide employee safety and security as our primary goal.

3- We manage the environmental impact of our activities with a sense of responsibility. All of our companies are required to identify and apply the necessary improvements and development activities that minimize or eliminate negative environmental impact. We require our companies, beyond their legal requirements, to apply the best environmental solutions to all they do and to support any initiative that will develop and deploy environment-friendly technology and enhance environmental awareness.

4- As the Sabancı Group, we struggle toward the improvement of society pursuant to our sense of corporate social responsibility. We encourage our employees to take part in social and societal volunteering.

5- We develop and implement approaches to ensure that all of our partners and particularly our suppliers act in accordance with social responsibility standards of the Group.

6- We show sensitivity to the traditions and culture of Turkey and other countries in which we operate. We comply with all legal regulations currently in effect.

7- We encourage our Group companies to comply with international standards and assure that their operations are certified.

All principles of this policy statement are put into practice in accordance with the relevant regulations; relevant units audit the level of implementation. We consider the success of the companies with regard to social responsibility activities as a significant criterion for evaluating overall company performance. As the Sabancı Group, we share corporate social responsibility activities realized by our Group with the public via annual reports and on our website.

All of our executives and employees, starting with the CEO of H.Ö. Sabancı Holding A.Ş., undertake accountability for carrying out corporate social responsibility activities.

This policy document has been prepared to share with our employees, shareholders and all other stakeholders, our public commitment on the part of the Sabancı Group to fulfill our responsibility toward helping to create a better world and a better future.

## **SOCIAL AND CULTURAL ACTIVITIES**

### **SABANCI UNIVERSITY**

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

The main differentiator of Sabancı University is its unique educational system. Academic programs at Sabancı University are innovative and interdisciplinary. The conventional system of departments sometimes hinders an interdisciplinary approach and causes restricted specialization in any given field

prematurely. For this reason, Sabancı University is not organized into academic departments.

The educational system of the University is based on the Common Foundations Development Year, which all students must complete regardless of their subsequent program choices. During this year, students develop a foundation of knowledge, critical reasoning and an interdisciplinary approach. In the second phase of Foundations Development, students are free to choose the introductory courses of their preferred diploma program from among 13 different programs.

**In October 2012, for the first time in Turkey, the Ministry of Science, Industry and Technology produced a University Entrepreneurship and Innovation Index.**

Sabancı University ranked first among the most entrepreneurial and innovative universities in Turkey. In 2013, Sabancı University became the most entrepreneurial and innovative foundation university in Turkey. In the 2014 index, Sabancı was once again named the Most Entrepreneurial and Innovative Foundation University of Turkey. The University Entrepreneurship and Innovation Index includes five aspects: scientific and technological research competence; intellectual property pool; cooperation and interaction; culture of entrepreneurship and innovation; economic contribution and commercialization.

**In October 2014, Sabancı University had entered the Times Higher Education (THE) rankings in 182nd position,** becoming the Turkish university with the highest position upon first entry to the rankings, and was the only private Turkish university to be among the top 200 universities of the world.

Sabancı University also entered the **Times Higher Education (THE) BRICS & Emerging Economies Rankings in 15th position.**

The Times Higher Education BRICS & Emerging Economies Rankings uses a methodology that covers all core missions of a world-class university - teaching, research, knowledge transfer and international outlook – using 13 carefully calibrated performance indicators. In addition to core missions, the geopolitical positions and economic situations of their home countries also affect their ratings.

Sabancı University became the Turkish private university with the highest position upon first entry to the rankings.

## **Faculties**

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

The FENS offers undergraduate programs in Computer Science and Engineering, Molecular Biology, Genetics and Bioengineering, Material Science and Nanoengineering, Mechatronics Engineering, Electronics Engineering and Manufacturing Systems/Industrial Engineering; and graduate programs in Energy Technologies and Management, Nanotechnology, Information Technology, Biological Sciences and Bioengineering, Electronics Engineering, Computer Science and Engineering, Mechatronics Engineering, Industrial Engineering, Materials Science and Engineering, Physics and Mathematics.

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

The SOM offers undergraduate, graduate and postgraduate degrees in Management and Executive Programs at the graduate level in Management and Finance. Starting in the 2011-2012 academic year, the Sabancı School of Management launched its MBA program, the MIT Sloan MSMS dual degree program. Sabancı School of Management and MIT-Zaragoza Logistics Center offer a dual degree option where candidates can earn a Sabancı MBA degree and a Zaragoza Master of Engineering degree (ZLOG) in Logistics and Supply Chain Management in two years. Sabancı University is the only cooperation partner of MIT Sloan in the Southeast Europe and Middle East regions, where Turkey is located. Sabancı University School of Management is also accredited by AACSB International, proof of its high global standards. Sabancı University School of Management ranked 42nd in Executive MBA Programs and 77th in faculty in the Financial Times 2012 ranking for Europe's best management schools. Sabancı University School of Management's Executive MBA program was included in Financial Times' global ranking for "Top Executive MBA Programs" 2014. This is the first time the Sabancı University School of Management is ranked among the top 100 universities of the world in Executive MBA programs, making it another impressive achievement for the School of Management.

Sabanci University School of Management will accept its first students in 2014 for MBA Program for Young Professionals.

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

## **Graduates**

7433 diplomas; 4985 of which are from undergraduate programs, 2448 of which are from graduate programs, have been conferred at Sabanci University, since year 2000. To date, 78% of Sabanci graduates have already started working and another 16% continued their education at graduate and postgraduate levels. Some 88% of Sabanci University graduates were employed within one year of graduation.

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

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

## **Sabanci University Nanotechnology Research and Application Center**

Established by Sabanci University with the support of the Sabanci Foundation and the State Planning Organization, the Nanotechnology Research and Application Center (SUNUM) is

the first interdisciplinary nanotechnology center in Turkey. SUNUM commenced operations in June 2011 and is leading in advanced and interdisciplinary nanotechnology research projects that are rapidly being adopted by industry in the fields of physics, electronics, mechatronics, materials science, chemistry and biology. SUNUM aims to improve the university's international competitiveness in its intellectual property portfolio and contributes to its progress in leading research.

### **A Campus That Lives and Breathes**

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

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

The Sakıp Sabancı Museum (SSM) is located on the estate known as Atlı Köşk (Horse Mansion). The estate was bought by Hacı Ömer Sabancı in 1950 and used as a summer house by the family before it became a permanent residence for Sakıp Sabancı, housing his extensive calligraphy and painting collections. The mansion was bequeathed to Sabancı University, along with its collections and furniture in 1998. A modern gallery wing was added to the original structure and the Museum was opened to the public in 2002. The exhibition space was expanded in 2005 and upgraded to meet international technical standards.

SSM currently offers a multi-faceted museum environment with rich collections, conservation units and exemplary educational programs. It also hosts temporary international exhibitions. The

facility regularly organizes and hosts concerts, conferences and seminars.

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

Sakıp Sabancı Museum Collection of the Arts of the Book and Calligraphy offers a comprehensive overview of 500 years of Ottoman calligraphy, with rare Korans, kitas, albums, panels, hilyes, edicts, endowments deeds and menşurs. The Museum continually acquires additional examples to add to the Arts of the Book and Calligraphy Collection. These are exhibited in the Ottoman Calligraphy Halls section of the mansion. In 2012, the Arts of the Book and Calligraphy Collection was re-launched with a new design and a contemporary display approach. This new permanent presentation of the Arts of the Book and Calligraphy Collection allows visitors to view animations linked to iPad applications with augmented reality technology and also take a detailed look at valuable and rare manuscripts, page by page.

The Painting Collection at the Sakıp Sabancı Museum includes works produced between 1850 and 1950. The collection includes the most distinguished examples of early Turkish painting, as well as paintings by foreign artists who lived in Istanbul during the last period of the Ottoman Empire. The history of Turkish painting is presented in coherence through selected iconic art works from the collection along with the furniture and decorative objects in family rooms.

The rooms on the ground floor of the Atlı Köşk display furniture influenced by baroque, rococo, neo-gothic, neo-classic and empire styles and 19th century decorations used by the Sabancı Family when the mansion served as their residence. The Archeological and Stone Works Collection consists of

Roman, Byzantine and Ottoman pieces and is exhibited in the Museum's garden.

### **Exhibitions Held at SSM**

SSM has hosted numerous exhibitions since its opening in 2002. From the "Medicis to the Savoias, Ottoman Splendour in Florentine Collections", "The Art of the Book from East to West and Memories of the Ottoman World Masterpieces of the Calouste Gulbenkian Museum, Lisbon", "Genghis Khan and His Heirs: The Great Mongol Empire", "In Praise of God - Anatolian Rugs in Transylvanian Churches" and "Istanbul, Isfahan, Delhi: Three Capitals of Islamic Art Masterpieces from the Louvre Collection" are some of the history-themed exhibitions held at SSM. Grand retrospectives of the prominent masters of modern art, "Picasso in Istanbul", "Great Master of Sculpture Rodin in Istanbul", and "Salvador Dalí, A Surrealist in Istanbul" were exhibited at the Museum. The Museum hosted exhibitions entitled "Transcending Borders: The Art of Brush and Pen", "Legendary Istanbul - From Byzantium to Istanbul: 8,000 Years of a Capital", "Treasures of the Aga Khan Museum", the "Jameel Prize 2009" exhibition organized by the Victoria and Albert Museum (V&A) of London in 2010, "Across - The Cyclades and Western Anatolia during the Third Millennium BC", and "Sophie Calle - For the Last and First Time" in 2011. The Museum maintained its distinctive and innovative exhibition program in its 10th year in 2012 and hosted "Rembrandt and His Contemporaries - The Golden Age of Dutch Art", "Cobra - 1000 Days of Free Art" and "Monet's Garden."

In 2013, SSM hosted the "1001 Faces of Orientalism", "Fan from Past to Present" and "Anish Kapoor in Istanbul" exhibitions. SSM studied 19th century Orientalism analyzing its

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

**In 2014:**

1- SSM's first exhibition of the year was "Distant Neighbour Close Memories: 600th Anniversary of Turkish - Polish Relations", which took place between the dates of March 7 – June 15 2014, commemorate the 600th anniversary of relations between Turkey and Poland.

In this context, historical developments in the Ottoman Empire and the Kingdom of Poland are reflected in documents, maps, paintings, personal possessions of eminent figures, accessories and printed material. The exhibition presents visitors with examples of trade goods, and Ottoman tents, weapons and other artefacts abandoned after the army's defeat at the Siege of Vienna, alongside objects that illustrate the border clashes and other stages leading up to the siege.

Exhibits loaned from the collections of museums, archives, libraries, monasteries and churches in Poland were exhibited in the museum together, making a total of 348 exhibits.

Among the richest sections of the exhibition were the exhibits relating to the Second Siege of Vienna that took place in 1683. Trade goods, and Ottoman tents, weapons and other artefacts abandoned after the army's defeat at the Siege of Vienna, alongside objects that illustrate the border clashes and other stages leading up to the siege were exhibited as the remnants of a turning point not just in relations between Ottoman Turkey and Poland, but in the history of Europe.

The exhibition was accompanied by numerous conferences, panels, concerts and screenings of a choice selection of Polish cinema.

The exhibition, which was opened in the presence of the Presidents of Turkey and Poland on March 7, 2014 was open to visit until June 15.

2- The artwork titled "Sakıp Sabancı", commissioned by the Sabancı family and created by Kutluğ Ataman to commemorate the 10th year of Sakıp Sabancı's passing, opened on April 29 at Sakıp Sabancı Museum.

The work uses the latest technology in visual arts comprises of the photographs of thousands of people who have been supported by, have given support to, and have been in touch with Sakıp Sabancı, putting forth Sakıp Sabancı's vision as a timeless concept.

The technical infrastructure of this work, which is one of the largest video art examples worldwide was completed by Larves Artware Solutions in three years. The Project consists of a driver card, a communication card and a control/administration software. The work comprises approximately 10,000 LCD

panels, aligned in 144 modules, each consisting of sets of 64, stacked horizontally and vertically.

The LCD driver card communicates with an advanced level computer, thus transferring the photograph data. The external industrial computer is connected to the communication cards of the subsystems via fiber cables. The communication card transfers data consisting of thousands of photographs to the driver cards to be viewed on the screens in random order and at random intervals.

Portrait photographs were donated by the visitors to be included in the work.

3- The last exhibition of the year titled 'Joan Miró. Women, Birds and Stars', which was made possible with the main sponsorship of Sabancı Holding, focused on the maturity period of the groundbreaking and multi-faceted 20th century artist Joan Miro.

'Joan Miró. Women, Birds, Stars' comprises a total of 125 works – oil and acrylic paintings, lithographs, etchings, and assemblages with relevant models and drawings as well as his textiles and ceramic works.

The exhibition, made possible with the sponsorship of Sabancı Holding and organized in collaboration with the Joan Miró Foundation in Barcelona, the Pilar and Joan Miró Foundation, as well as the family collection in Mallorca, will be open to the public between the dates of September 23, 2014 – March 8, 2015.

## **SSM Exhibitions in Other Countries**

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

Bahrain National Museum hosted the masterpieces in S.Ü. Sakıp Sabancı Museum's collection of Arts of the Book and Calligraphy between the dates of January 19 - April 13, 2014. Titled "Five Hundred Years of Islamic Calligraphy -- Masterpieces from Sakıp Sabancı Museum," the exhibition featured a total of 86 pieces from the SSM collection, including manuscripts, diplomatic documents from the Ottoman Empire and other examples of the book arts and calligraphy. In addition to written works from the 15th-20th centuries, the exhibition presented oil-on-canvas paintings by prominent names. Special programs designed by the Sakıp Sabancı Museum Education Department were adopted and implemented by the Bahrain National Museum.

Selected exhibits from the manuscript and painting collections were exhibited in such museums as New York Metropolitan Museum, Los Angeles County Art Museum, Harvard University Arthur M. Sackler Museum, Louvre Museum, Berlin Guggenheim Museum and Museum für Angewandte Kunst between the years of 1998 - 2001, even before its opening.

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

Sakıp Sabancı Museum has hosted exhibitions made up entirely of its own collections at prestigious museums around the world. In 2007 and 2008, the SSM held exhibitions of numerous external venues: "Evocations, Passages, Atmospheres and Paintings from the Sakıp Sabancı Museum, Istanbul" at the Lisbon Gulbenkian Museum, "Letters in Gold: The Ottoman Art of Calligraphy from Sakıp Sabancı Museum" at Madrid's Real Academia de Bellas Artes de San Fernando and "Ottoman Calligraphy from the Sakıp Sabancı Museum" at the Real Alcázar in Seville. The Museum contributed with pieces lent from its own collection to the exhibition "From Byzantium to Istanbul: One Port for Two Continents" held at the Grand Palais in Paris in 2009.

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

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

On October 1, 2009, the Sakıp Sabancı City Museum in Mardin opened to introduce and display urban and cultural life in the region. The Dilek Sabancı Art Gallery aspires to establish a modern and contemporary art platform in Mardin through temporary exhibitions.

In 2010, Dilek Sabancı Art Gallery hosted its first exhibition entitled "Nature, Man and the Sea - With Works Selected from the Sabancı University Sakıp Sabancı Museum Collection." This exhibition was followed by "Abidin Dino in Mardin."

In 2011, Dilek Sabancı Art Gallery opened the exhibition "Lo and Behold: Ara Güler in Mardin." The exhibition was on view in 2012 as well with the support of Sabancı Foundation. Parallel to the exhibition, educational programs were held for children aged 7 to 14.

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

Sakıp Sabancı Mardin City Museum and Dilek Sabancı Art Gallery has neared 350.000 since its opening until the end of 2014.

## **SSM Educational Activities and Events**

### **Children's Education**

The extensive educational programs initiated during the "Picasso in Istanbul" exhibition, organized in parallel to museum collections and temporary exhibitions, continued in 2013 and have increased in number, variety and content. Special workshops parallel to the Museum collections and the incoming exhibitions were prepared and implemented. As of 2014, the total number of students was 16.004.

### **Adult Education**

Sabancı University Sakıp Sabancı Museum continued its 6 to 12 week-long certificate programs in the 2014 fall and spring terms. Seminars on art history, contemporary art, mythology and cinema took place.

2014 Spring Adult Education Programs included "Order and Chaos" and "Iconography-2" by Prof. Dr. Uşun Tükel, "5 Global City" by Prof. Dr. Uğur Tanyeli, "Mythology and its Role in Art" by Prof. Dr. Zühre İndirkaş while the 2014 Fall term included "The Relationship of Music and Fine Arts – Module 1,2" by Prof. Dr. Uşun Tükel, "The Relationship of Mythology and Art" by Prof. Dr. Zühre İndirkaş, and "Modernity and Art in the non-Western World: In the examples of 5 Metropols" by Prof. Dr. Uğur Tanyeli, and "Surveys in Contemporary Art - 2" by Prof. Dr. Ali Akay, and "Painting and Modernity from the Ottoman Empire to the Turkish Republic" by Dr. Ahu Antmen.

212 people enrolled in the Adult Education Programs in 2014.

## **SABANCI FOUNDATION**

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

Sabancı Foundation quickly became one of the largest foundations in Turkey.

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

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

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

Sabancı Foundation prepared a special publication "Sharing What We Have Gained from This Land with its People: 40 Years Full of Philanthropy" in its 40<sup>th</sup> year and the content of the book was also published in the 40<sup>th</sup> year special web site and Android application. A summary of the activities of the Foundation in 40 years was shared with the public at the press meeting organized on March 12, 2014.

Over the past 40 years, the Foundation has built more than 120 institutions at 78 sites across Turkey, specifically schools, student dormitories, healthcare facilities, cultural centers, sports facilities, libraries, teachers' centers, social facilities and the Sabancı University which is one of the most significant investments of Sabancı Foundation.

Sabancı Mardin Dormitory for Girls, built by the contribution of Sabancı Foundation, was put into service in 2014. Built on an area of 4,160 m<sup>2</sup> in order to meet the housing requirements of secondary school students in Artuklu district of Mardin, the dormitory has a capacity for 200 students.

Since its establishment, the Foundation has provided more than 40,000 scholarships through the scholarship program. In 2014, nearly 1,500 students, 387 of which are new, benefited from Sabancı Foundation scholarships. The Foundation also continued to provide scholarships through the Sabancı Foundation-Vista Scholarship Program, which was initiated in the 2009-2010 academic year. Additionally, the Sabancı Foundation Awards Program recognized individuals with awards for their exceptional performance in education, sports, arts and culture at national and international levels. More than 1,000 awards have been given to date.

With regard to the arts and culture activities, the Sabancı Foundation continued to support the State Theater - Sabancı International Adana Theater Festival in 2014. Mehtap Ar Children's Theater, which has received support from the Sabancı Foundation since September 2006, has traveled to 81 provinces and 231 districts in Anatolia, reaching nearly 1 million children with more than 3,500 performances in 8 years. In 2014, the Foundation continued to support the Ankara International Music Festival, the Metropolis Antique City excavation in Izmir and the Turkish National Youth Philharmonic Orchestra (TUGFO) under the leadership of the world-renowned conductor, Cem Mansur. Sakıp Sabancı Mardin City Museum and Dilek Sabancı Art Gallery, restored by Sabancı Foundation, has attracted nearly 390,000 visitors since its opening on October 1, 2009.

With respect to other programs, the Sabancı Foundation continued to support various projects, programs and events

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

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

In 2012, a new United Nations Joint Program was initiated with the partnership of United Nations Development Program (UNDP), UN Women, Sabancı University, Ministry of Family and Social Policies, Ministry of Interior, Ministry of National Education and Union of Municipalities of Turkey to be implemented in 11 pilot cities for three years. Supported by Sabancı Foundation, the new joint program is implemented as three components: Gender Responsive Budgeting, the Sabancı Foundation Grant Program and the Purple Certificate Program.

As part of the Gender Responsive Budgeting, approximately 150 municipal staff and 100 civil society representatives from 8 provinces attended trainings. Within the Sabancı Foundation Grant Program, 20 projects from 9 provinces received nearly TL 700,000 in grants on gender equality. Within the Purple Certificate Program, 448 high school teachers from 11 provinces received gender equality trainings and 85 of them received Purple Certificates at the end of the program.

First launched in 2008, the Sabancı Foundation Social Development Grant Program aims to support civil society organizations in promoting social development to achieve equality and active participation of women, youth and persons with disabilities. Since 2008, the program has received 1,293 applications. The Foundation granted a total of TL 8.4 million to 46 projects implemented in 72 provinces. Out of these projects, 37 were completed, reaching more than 70,000 individuals across the country.

In 2014, 9 new projects were selected to be supported under the Sabancı Foundation Grant Program. Project representatives convened on August 7, 2014 in Istanbul to meet with one another and share their experiences. On October 24, 2014, a meeting was organized under the theme "Sowing Season" to share information and experiences among the nine grantees that completed their projects in 2014 with the support of the Sabancı Foundation Grant Program. Representatives from NGOs, public institutions and the press attended this meeting to contribute to the discussion. A book entitled "Sowing Season: Sabancı Foundation Grant Program Stories" was distributed to the participants and related organizations.

In 2014, the Sabancı Foundation continued to support the program entitled "Turkey's Changemakers," highlighting the stories and efforts of individuals who make significant contributions to social development and inspire society. Out of more than 1,200 applications, 115 Changemakers were selected and videotaped since the beginning year of 2009. The videos were shared on the program's website, Facebook, Twitter and YouTube, as well as several local Turkish daily internet news portals, reaching more than 2.6 million viewings on domestic and international platforms. The 6<sup>th</sup> season of the program started in October 2014.

In 2014, taking into account the needs of the Changemakers, Sabancı Foundation decided to provide grant support to the Changemakers along with communication support. The grant program was launched following a training on "Project Cycle Management" which was organized on January 9-11, 2014 in İstanbul. Out of 38 applications, 7 Changemakers were approved by the Board of Trustees to receive grant totalling TL 250,000.

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

On December 11, 2014, the eighth annual Sabancı Foundation Philanthropy Seminar was held with the theme of "Featuring Award Winning Women" with guest speakers Sheryl WuDunn, Pulitzer Prize-winning journalist, whose book *Half the Sky* created an awareness and activism by telling the stories of women suffering from violence and oppression; and Sharmeen Obaid Chinoy, the documentary filmmaker who won Pakistan's first Academy Award for her documentary *Saving Face*, which is about the stories of women overcoming the challenges despite suffering from acid attacks. In the seminar, Sertab Erener, famous Turkish pop singer, sang the song "Leyla", lyricized by Sezen Aksu, famous Turkish musician and singer, and composed by Sertab Erener and Sezen Aksu in order to draw attention on women's and girls' issues.

Sabancı Foundation continued to strengthen its position in the international arena in 2014. The Foundation was selected as a member of the European Foundation Centre (EFC) Governing Council for the second term in 2014. Being a member since 1999 and first selected to the Governing Council in 2011,

Sabancı Foundation will continue to be represented in the management of EFC as the only foundation from Turkey. In addition, the Foundation continued its opinion leadership mission in the area of philanthropy with its contributions to prominent international publications such as Alliance magazine.

In 2014, Sabancı Foundation received an award in the area of communication. The Foundation received the Golden Compass Award, organized for the 13<sup>th</sup> time in 2014 by the Public Relations Association of Turkey, for its communication work during the “We Can End Child Marriage Together” workshop organized in February 2013. The award confirmed the role of the Foundation in bringing the issue of child marriage to the agenda of the public. The issue will continue to be one of the main agenda items of the Foundation in the forthcoming period.

In addition, the Sabancı Foundation web site was renewed in 2014 so as to provide easy access to the content of the site for the individuals with visual impairments.

## **THE GLOBAL COMPACT PRINCIPLES & SABANCI**

The highlights of 2014 are summarized below:

- ❖ Sabancı Holding supported the “Earth Hour” campaign again which is organized every year by WWF-Turkey to attract attention to global climate change. In this context, Sabancı Center’s lights have been turned off between 20:30 and 21:30 on 29 March 2014.

## **HUMAN RIGHTS**

**Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.**

**Principle 2: Make sure that they are not complicit in human rights abuses.**

The Sabanci Group respects personal dignity and rights of every individual and is committed to upholding human rights worldwide.

The Sabanci Group expects business partners and suppliers to respect human rights.

## **SABANCI HOLDING AND WOMEN'S EMPOWERMENT PRINCIPLES**

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

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

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

These companies and Sabanci Group have committed themselves to comply voluntarily with the principles that will eliminate gender-based discrimination and to lead Turkey in spreading these principles over the whole country, promising to establish reliable systems for this purpose and to be transparent in reporting the distance covered in reaching this goal. The articles of the declaration which the corporations have signed are the followings:

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

The Sabancı Group has been at the forefront of the gender equality movement in Turkey, for the sake of the Group and also for the Turkey.

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

30% of Sabancı Group executive team is women.

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

In 2013, 47% of women employees have been promoted.

## **LABOR STANDARDS**

**Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.**

**Principle 4: The elimination of all forms of forced and compulsory labor**

**Principle 5: The effective abolition of child labor**

**Principle 6: The elimination of discrimination in respect of employment and occupation**

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

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

To realize this goal, Sabancı Group Human Resources is;

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

- rewarding outstanding performance.

Sabancı Group aims to be an employer for;

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

### **Human Resources Policies and Principles**

The human resources management approach employed within Sabancı Group companies responds to the specific business requirements of each industry. The design and implementation of these practices are devised to support strategic objectives.

Sabancı Holding Human Resources Policies and Principles represent the basic tenets of the Sabancı Group's human resources management applications and priorities. This enhances the flexibility required for the special conditions and needs of widely diversified businesses.

### **Attracting and Recruiting the Best Talent**

Our goals are to;

Be the employer of choice for top talent.

Recruit talented individuals who will help support the Group going forward while and adhere to the Sabancı values.

Meet the future workforce needs of the Group through a global and proactive recruiting perspective.

## **Investing in Our People**

Our main responsibilities are to;

Invest in and create an environment with opportunities for the continuous development of our employees and help them realize their potential.

Continuously track employee performance and support open communication by creating a culture where managers are accountable for employee development.

Develop and nurture employees to create a high performance global talent pool of future leaders.

Future Forums, one of our best practices in this area, is implemented in collaboration with Sabancı University. The objective of this program is to place a market and customer focused viewpoint in the center of every activity in order to support sustainable growth, and to trigger the transformation by helping to think beyond the industry and market boundaries. In 2013, four Sabancı Group Companies have attended this program with 16 employees.

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

Again to another leadership development program which has been continuing for the last 6 years, 50 Mentors and 50 Mentees have attended.

## **Building Organizational Capability**

It is our priority to;

Continuously assess and review organizational capability, people, systems and processes and, if necessary, to restructure in support of the success of the Group.

Identify and assess high-potential employees and develop their careers based on the future needs of the Group.

Enhance mobility within the Group through assignments, transfers and rotation for employee and organizational development.

## **Reward and Recognition**

We intend to;

Offer a competitive compensation package to attract top talent and strengthen the commitment of existing employees.

Encourage accountability

Reward outstanding employee contributions and performance

Provide a level of compensation to employees commensurate with their responsibilities and the value added to the organization.

## **Increasing Employee Motivation and Commitment**

Our objective is to;

Promote the development and expansion of an open, participatory and transparent culture that values diversity and creativity.

Proactively seek and consider employee feedback and expectations while continuously developing approaches that strengthen commitment, motivation and retention.

Create a safe, healthy business environment that embraces ethical values and balances personal life with career responsibilities.

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

For the awards which was held in 2013, 15, 12 and 16 applications have been made to the Innovation Category, Productivity Category and Synergy Category, respectively.

Our Group have over 58.900 employees in 2013.

We have recruited approximately 9.583 new employees in 2013.

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

- Retail, financial services, industrials and energy will recruit the most.
- 47% of our workforce is white collar, 64% of which have university or post graduate degrees.
- Since 2006, we have increased the amount of women executives from 23% to 30% in 2013.
- 38% of all our employees are women.
- In our insurance firm AvivaSA this number is 66%. In Akbank, one of Turkey's largest banking institutions, 52% of our employees are women.
- 70% of white collar women have university or post graduate degrees.
- The average seniority of Group employees is seven years.

- 140 executives received training in management coaching, while 50 high-level executives acted as mentors.
- Average of 30 hours of training per person annually for HR development in our Group. The annual average training received per person within Group companies is 37 hours.
- 192 senior managers have been subject to Sabancı Leadership Team (SALT) trainings to better prepare them for their future roles in the Group.

## **ENVIRONMENT**

**Principle 7: Businesses should support a precautionary approach to environmental challenges.**

**Principle 8: Undertake initiatives to promote greater environmental responsibility.**

**Principle 9: Encourage the development and diffusion of environmentally friendly technologies.**

Sabancı Group has adopted the innovative and sustainable environmental approach in its operations.

Being aware of the fact that the public embraces the “sustainable”, we adopt in our environmental activities an integral, transparent and reliable management, as well as communication and collaboration with the public.

Our basic principle in our operations in different sectors is “to assume the responsibility of the lifecycle of products and services”.

With such an approach, we manage our operations at each step of our development with an eye to their impacts on the environment.

## **OUR CORPORATE ENVIRONMENTAL POLICY**

We establish and implement our environmental standards at a level above and beyond the legal obligations.

We aim at perfection through intercompany information and experience sharing.

We adopt the proactive approach in all our operations for an uninterrupted improvement of our environmental performance.

We identify and manage the environmental risks.

We try to apply the best available production techniques.

While monitoring environmental developments and converting them into business opportunities, we contribute to sustainability.

We support the environmental awareness and information sharing for purposes of social development.

## **INTERGROUP ENVIRONMENTAL POLICY REQUIREMENTS**

We observe the environmental law and other statutory obligations

While implementing the environmental applications at a level above and beyond the legal obligations, we ensure the control of compliance.

We identify our environmental impacts

We identify all our environmental impacts, develop a systematic of targeting, programming and monitoring, review the impacts and take improving actions.

We manage the intergroup source utilization

We determine the organizational roles, responsibilities and authorities in infrastructure, technology, finance and human resources, and ensure that our employees develop the environmental awareness.

We ensure a systematic approach in our applications and create intercompany synergies

We establish our operational standards with a proactive approach and ensure that they are followed by everybody including our employees, suppliers and contractors.

In the course of our operations, we identify any risks endangering the environment in a proactive approach and try to take the measures to minimize them in a timely and thorough manner.

We continually try to improve and review our environmental performance

We set and implement targets for energy and waste management and for natural source consumption.

While aiming at continuous improvement through clean products and clean production technologies, we also take on the environmental responsibility of our products and services.

While reporting our operations unequivocally, we facilitate access to information.

## **SABANCI COMPANIES LEADING IN SUSTAINABILITY, HIGHLIGHTS**

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

### **Cement**

Sabancı Group cement companies are pioneers in the implementation of sustainability projects in their industry.

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

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

From our standpoint, climate change will be the most material issue in the near future as it is today. On top of this, deteriorating natural life and biodiversity creates a multiplier effect on the climate change problem which has deep social, economic and environmental risks and implications. Thus, biodiversity issues and the climate change pose operational, legal, commercial and reputational risks on the cement production sector, which is energy intensive and highly depended on raw materials extracted from the quarries. Therefore we support combating the climate change with all our operational elements and by setting ambitious targets for

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

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

Keeping our company's chain of value in mind, we continuously understand our social and environmental impacts resulting and will result from our past, current and future activities and we conduct studies to improve them. With the support of our main shareholder Sabanci Holding, we believe we made a significant headway regarding making our sustainability management works that started since 2010 an inseparable part of our culture.

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

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

For all your inquiries related with Sustainability, you can send them to [sustainability@cimsa.com.tr](mailto:sustainability@cimsa.com.tr) .

## **Energy**

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

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

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

## **Banking**

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

## **Industry**

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

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

### **1. Highest Performance Standards, Work Perfection**

Safe operation of Kordsa Global facilities, for the protection of environment, personnel, customers and the residents in the vicinity, is bound to highest standards. The company deems the health and environmental protection issues as an integral part

of all business activities and reinforces its business by constantly making efforts to maintain its operations in line with the expectations of the public.

## **2. Zero Injury, Illness and Accident Target**

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

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

## **3. Zero Waste and Emission Goal**

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

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

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

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

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

## **Brisa**

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

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

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

We fulfill our share in ensuring our employees' work-life balance with the practices we came to realize for the sake of

social sustainability, while we ensure active participation to projects and practices that will help solve social issues.

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

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

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

## **Sasa**

There are four critical aspects in SASA's sustainability point of view. First one is **Research & Development**. SASA R&D Technology Center offers unique and modern facilities which were assembled in 2002 in Adana. 1.5% of SASA's revenue is invested in research studies annually. Second, **six sigma** is another core issue. We have the philosophy of operational

excellence by eliminating errors and determining weak points to be improved. SASA's journey with Six Sigma has brought a benefit of more than 60 million \$ in 120 completed projects since 2000.

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

## **ANTI-CORRUPTION**

**Principle 10: Businesses should work against all forms of corruption, including extortion and bribery.**

We pursue a policy of zero tolerance. This policy is based on our defined guidelines and policies:

### **I. OUR CODE OF BUSINESS ETHICS**

#### **A. Integrity**

Integrity and honesty are our core values in all our business processes and interactions. We act in integrity and honesty in all our relations with the employees and stakeholders.

#### **B. Confidentiality**

Private and confidential information includes information that might lead to a competitive disadvantage of H. Ö. Sabancı Holding Inc. and Sabancı Group Companies, trade secrets, financial and other information that has not been publicly disclosed, employee personal information, and information

within the framework of "confidentiality agreements" enacted with third parties.

As employees of the Sabancı Group Companies, we give utmost importance to protecting the privacy of our customers, employees and other associated individuals and companies and the confidentiality of their information.

We protect confidential information regarding the activities of the Group Companies, use this information only for the purposes of the Sabancı Group, and share this information only with relevant authorised parties.

We strictly forbid insider trading, or gaining any financial or commercial interest, including trading stocks through disclosing confidential information belonging to H. Ö. Sabancı Holding Inc. and Sabancı Group Companies. When ending our employment with the company, we do not take with us confidential documents, projects, regulations, etc. that were confined to us due to our position.

### **C. Conflict of Interest**

As Sabancı Group employees, we take responsibility to avoid situations and relationships that involve conflict of interest. We do not use our present position to obtain any benefits personally or through our families and relatives, from people and companies with whom we have business relations. We do not engage ourselves in any business activity aimed to gain personal financial benefit outside Sabancı Holding and its Group Companies. We refrain from using the name and power of Sabancı and our Sabancı identity to gain personal benefit.

In cases of potential conflicts of interest, when we believe that interests of the relevant parties may be safely protected by legal and ethical methods, we adopt these methods. When in doubt, we consult our manager, the Human Resources Department, or the Ethics Board.

## **D. Our Responsibilities**

In addition to our legal responsibilities, we give utmost importance to fulfil the following responsibilities vis-a-vis our customers, employees, stakeholders, suppliers and business partners, competitors, the community, humanity, and to the name of Sabancı.

### **1. Our Legal Responsibilities**

We execute all our domestic and international activities and procedures within the framework of the laws of the Republic of Turkey and international laws; and we submit all required information to regulatory authorities and institutions in a correct, complete, clear and timely manner.

In executing all activities and procedures, we do not expect any benefit from, and keep an equal distance to all public institutions and organizations, administrative bodies, non-governmental organizations, and political parties; and we fulfil our liabilities with a sense of responsibility.

### **2. Our Responsibilities Towards Our Customers**

We adopt an approach which is focused on customer satisfaction and proactive in responding to customers' needs and demands in an appropriate and timely manner. We deliver our services on time and under the promised conditions; we approach our customers with respect, honour, fairness, equality, and courtesy.

### **3. Our Responsibilities Towards Our Employees**

We enable our employees to use their personal rights fully and correctly. We approach employees with honesty and fairness; and ensure a non-discriminatory, safe, and healthy working environment. We undertake the necessary efforts to enable personal development of our employees; with a social awareness support them in volunteering for appropriate social

and community activities; and respect and assure the balance between their private and professional lives.

#### **4. Our Responsibilities Towards Our Partners**

Dedicating prime importance to the continuity of the Sabancı Group, and in line with our goal to create value for our partners, we avoid taking on unnecessary or unmanageable risks, and strive for sustainable profitability. We act with financial discipline and accountability, and manage our company's resources, assets and our professional work time with a sense of efficiency and economy. We work to enhance our competitive power, and to invest in areas with growth potential and which offer the highest return on allocated resources. We give timely, correct, complete, and clear information on our financial statements, strategies, investments and risk profile to the public and to our shareholders.

#### **5. Our Responsibilities Towards Our Suppliers/Business Partners**

We act respectfully and fairly as expected from a good customer, and ensure to fulfil our liabilities on time. We carefully protect the confidential information pertaining to the persons, organizations and our business partners.

#### **6. Our Responsibilities Towards Our Competitors**

We compete effectively, only in areas that are legal and ethical, and avoid unfair competition.

We support all efforts to construct a competitive structure targeted within the society.

#### **7. Our Responsibilities Towards the Community, Society and Humanity**

Preservation of democracy, human rights, and conservation of the environment; education and charity activities, eradication of crimes and corruption is of utmost importance to us. We

pioneer in social affairs with an awareness of good citizenship and responsiveness; we try to play a role in non-governmental organizations, in services and activities for the benefit of the society and public. We act in a responsive and sensitive manner in Turkey and towards the customs and culture of those countries where we undertake international projects. We do not offer and accept bribes or gifts in forms of products or services, etc. beyond commonly accepted reasonable limits.

## **8. Our Responsibilities Concerning the Name "SABANCI"**

Our business partners, customers, and other stakeholders trust us due to our professional competence and integrity. We strive to keep our reputation at the highest level.

We offer our services within the framework of company policies, professional standards, our commitments, and ethical codes; and we ensure to fulfil our liabilities.

We offer services in areas where we believe we are or will be professionally competent; and we seek to work with customers, business partners, and employees demonstrate integrity and legitimacy. We do not collaborate with those impairing social ethics, and damaging the environment or public health.

We do not express our personal opinions, and only communicate our company's view in public, and in areas where we are perceived as representing our company.

When faced with complicated situations that may jeopardize H. Ö. Sabancı Holding Inc. and/or its Group Companies, we consult first with the relevant personnel, following the appropriate technical and administrative consulting procedures.

## **II. POLICIES SUPPORTING CODE OF BUSINESS ETHICS**

### **A. Conflict of Interest Policy**

Employees of H. Ö. Sabancı Holding and the Group Companies are required to avoid situations and relationships that involve

actual or possible conflict of interest. Employees are required to assume the primary responsibility for avoiding the use of Holding/Company resources, name, identity and power for personal benefit and keeping away from situations that might have a negative affect on the organization's reputation and image. The following rules of practice define situations and/or relationships involving conflict of interest that Holding/Company employees might experience while fulfilling their duties or in their private lives due to certain business relationships, and establish the principles to be followed by employees in such situations.

**Rules of Practice**

**1. Activities That Might Create Conflict of Interest**

All Holding/Company employees are required to fully comply with the situations which are defined below as activities that might create conflict of interest, and the below established principles. The Holding/Company undertakes the necessary efforts to encourage employees to abide by these principles.

**i. Engaging in Activities That Might Create Conflict of Interest**

Employees shall in no way enter a business relationship with their family members, friends, or third parties that offers them reciprocal or non-reciprocal benefit. For example, an employee with purchasing authority should avoid doing business with a supplier where a family member is employed. Exceptional circumstances require the knowledge and approval of the Holding/Company Chairperson. In the same respect, Holding/Company employees should also be careful against possible conflict of interest that may arise due to family members working for the competitor.

Employees shall not obtain benefit by insider trading, including trading for stocks at the Stock Exchange, and may not offer others the means to do so.

It is fundamental that Employees of Hacı Ömer Sabancı Holding and the Group Companies shall not conduct activities directly or indirectly, that may require them to be classified as "merchant" or "tradesman", and shall not under whatever name work for an individual and/or organization during or outside working hours for a fee or a similar benefit. However, employees may only work for third party (family member, friend, other third persons) and/or an organization in return for a payment or a similar benefit outside business hours with the condition that this activity;

- does not create any conflict of interest with their current role in their company and the practices of other Sabancı Group companies,
- complies with the other business ethic codes and with the policies supporting these codes,
- does not have a negative impact on their performance at the company;and written approval from management is obtained.

The approval shall be granted by Sabancı Holding CEO based on the direct manager's advice followed by Ethics Board's advice for Group President, General Manager and all positions reporting to the General Manager; and by the Company General Manager based on the Company Ethics Compliance Officers's and Company Human Resources Manager's advice for all other employees.

Employees of Sabancı Holding and Group companies may not act as a member of the board or auditor in organizations other than the Group Companies without the approval of the Holding/Company Board of Directors; and shall not accept positions with a competitor or companies with whom the Holding/Group has business relations. They may work at universities and non-governmental organization for social responsibility and charity purposes upon written approval of the management, as long as it does not hinder employee's responsibilities at the Holding/Company.

Managers making employment decisions shall not employ their spouses, close relatives, and relatives of these people.

Employees may give speeches and write professional articles in topics that are not related to the company or its operations, and that are not in conflict with the companies policies. Approval of the CEO/General Manager is needed to use Holding/Company name in these activities.

H. Ö. Sabancı Holding and Group Company employees may actively be involved in a political party, individually and voluntarily. Managers shall not request any employee to get involved in any political activity or to become a member to any political party. Meeting the following conditions and obtaining written approval of the management are required for employees to serve in any political party;

- The employees' involvement in any political activity shall not cause any conflict of interest with their current role in the company nor the practice and perspectives of other Sabancı Group companies.
- Employees may not be involved in any political activity during business hours nor occupy their colleagues' time for these activities.
- Employees may not use the company name, their position and title in the company nor company resources for their political activities.

The approval shall be granted by Sabancı Holding CEO based on the Ethics Board's advice for Group President, General Manager and all positions reporting to the General Manager; and by the Company General Manager based on the Company Ethic Compliance Officer's and Company Human Resources Manager's advice for all other employees.

Employees may personally offer financial or non-financial charity to third persons outside the Holding/Company, and may be active in charity organizations.

## **ii. Professional Misconduct**

Any employee action that results in harm to the Holding/Companies through the use of ones authority with neglect and for ones own and/or relatives' interest shall not be tolerated.

Employees shall not obtain direct or indirect personal benefit from purchasing and sales activities and contracts that the Holding/Company is a party to.

Employees may not engage in actions or conduct that is immoral, illegal, or that is in conflict with the Holding/Company discipline.

## **iii. Utilization of Resources**

In utilizing resources in the name of the Holding/Company, the interests of the Holding/Company shall be considered. Holding/Company assets, resources, and personnel shall not be used outside the Holding/Company under whatever name, or for the name or benefit of whoever unless Holding/Company's interests are ensured. All personnel shall abide by the principle of "economy on all resources".

Correct utilization of resources in the interests of the Holding/Company also requires proper utilization of time. During working hours, Holding/Company employees utilize their time effectively, and do not spend their time for personal business. Managers shall not assign personal tasks to employees.

In principle, guests and personal appointments are not welcomed during working hours. Employees should conduct meetings and interviews with essential visitors in accordance with the subject of the visit, and within a reasonable time not disrupting the business flow.

#### **iv. Relation With Other Individuals and/or Organizations With Whom The Holding/Company Has Commercial Relations**

Private business relations can not be established with, and personal debts and/or goods/services may not be received from Holding/Company customers, contractors, or suppliers and other persons and/or organizations with whom the Holding/Company has commercial relations.

Personal debts in the form of cash and/or goods/services can not be given to other people and/or organizations with whom the Holding/Company has commercial relations.

The following factors should be considered in relationships with customers; even when the customer's benefit is concerned, no transaction may be conducted without the customer's knowledge and approval; and even when company's benefit is concerned, customer's vulnerabilities shall not be exploited and profit shall not be assumed through providing incomplete or incorrect information to the customer.

Holding/Company personnel shall not request or imply for gifts from any person and/or organization with which there is a business relationship, shall not accept any gifts, money, checks, properties, free holidays, special discounts, etc. that may put the Holding/Company under any obligation. Personal aid or donations can not be accepted from any person or organization having business relations with the Holding/Company. Under these circumstances, the Policy on Giving and Accepting Gifts shall be followed.

#### **v. Relations With The Media**

In relationships with the media, all actions should be in accordance with the Holding/Company Communication Protocol.

Giving statements or interviews to any media organization, participating in seminars, conferences, etc. as a speaker

requires approval from company's top management. No personal gains shall be received from such activities.

## **vi. Representing The Company**

Any fees that are due because of work done in representation of the Holding/Company in any association, in employers' unions and similar NGOs shall be donated to relevant institution or other channels as directed by the institution.

Payments made by third parties to a Holding/Company employee for making a speech at seminars or similar services are also donated to the organization, or to channels as directed by the organization. These persons may receive awards, plaques, etc. with symbolic value given as commemoration of the day.

## **B. Giving and Accepting Gifts Policy**

Employees of H. Ö. Sabancı Holding and Group Companies shall refrain from accepting gifts or benefits that might influence their impartiality, decisions, and conduct; and from offering such gifts and benefits to third party persons and organizations. The rules of practice defined below, define the framework around exchanging of gifts between Holding/Company employees and third party individuals and organizations with whom a business relationship exist, and establish relevant principles to be followed by employees in such situations.

### **Rules of Practice**

**1.** Holding/Company employees are prohibited to receive any kind of benefits or gifts, with or without an economic value, that influence or might influence their impartiality, performance, and decision-making while carrying out their duties.

**2.** Holding/Company employees might receive and/or give gifts as outlined in Article 3, or might accept to undergo a special practice on the condition that these:

- are in compliance with the business targets of the organization,
- are in compliance with current legislation, and
- shall not cause an embarrassment for the Holding/Company in case of public disclosure of the gift.

**3.** With the condition that the terms of Article 2 are met;

- Holding/Company employees may offer and accept 'reasonable' entertainment, gifts, and meals in accordance with standards acceptable in the business environment, and on the condition of abiding by the principles in the Company Authorisation Table.
- Awards, plaques, etc. with symbolic, non-monetary value may be accepted as commemoration of having participated in seminars and similar organizations to represent the Holding/Company.

**4.** Cases mentioned above and other gifts, benefits, holidays, discounts, etc. aside from any currency, do not require approval if these are in accordance with the terms of Article 2, and if the total value of the gifts received in each calendar year from each individual/company does not exceed YTL 250/or equivalent.

**5.** It is forbidden to receive gifts or benefits that are openly or implicitly requiring reciprocation.

**6.** Receiving, giving, or suggesting bribes and/or commissions is not acceptable under any circumstance.

**7.** It is forbidden for the Holding/Company employees to accept unrequited money or to borrow money from sub-employers, suppliers, consultants, competitors or customers; or to request or accept these people and/or organizations to pay their travel expenses, activity expenses, or similar expenditures.

**8.** Gifts and promotional material supplied by the Holding/Company for customers, dealers, or other third parties

in business relationships should be approved by Holding/Company top management.

Distribution of this approved gifts and promotional material does not require an additional approval.

**9.** With the condition that the terms stated in Article 2 are met, Holding/Company may accept appropriate products and services as gifts; and products and services viewed appropriate for the culture of the recipient and ethical values may be given as gifts with the knowledge and approval of the Holding/Company top management.

**10.** In exceptional cases where local culture requires exchange of gifts that are above the values established by company policy, these gifts may only be accepted in the name of the Holding/Company, and upon the approval of the Holding/Company top management. In all cases, exchange of gifts should be done in accordance with local culture.

### **C. Protecting Confidential Information Policy**

Information is among the most important assets that H. Ö. Sabancı Holding and Group Companies will use in realizing its vision. Therefore, effective use of information, sharing it appropriately, and preserving its confidentiality, integrity, and accessibility are the joint responsibility of all our companies and employees. The compatibility of the management systems established and processes implemented to manage information and its confidentiality is very important in maximizing the benefit that the Group shall receive.

Details of practices regarding this issue are defined in the Sabancı Information Security Policy and associated documents. The following rules of practice define confidential information for Holding/Companies, and establish the principles that the employees must embrace concerning confidential information.

## **Rules of Practice**

Confidential information includes, but is not limited to; brands, and other intellectual rights belonging to the Holding/Companies, databases coded, discovered, developed, or deployed by the personnel, including all kinds of innovations, processes, advertisements, product packaging and labels, plans (marketing, product, technical), business strategies, strategic partnerships and information on partnerships, financial information, personnel information, customer lists, product designs, know-how, specifications, identity of potential or actual customers, information on suppliers, and all such information either written, graphical, or readable on a machine.

Principles concerning confidential information are stated below:

1. These information may not be disclosed to third parties unless so required by the Official Authorities or Regulations.
2. These information may not be altered, copied, or destroyed. Necessary measures are taken to preserve, store, and protect them. Modifications the information are recorded with dates.
3. Confidential files may not be taken out from the Organization. For those confidential documents that have to be taken away from office, approval of the person responsible or of the top management should be obtained.
4. Passwords, user codes, and similar identifying data used for access to company information are kept confidential and not disclosed to anyone other than authorized users.
5. Confidential information belonging to the company is not discussed in food halls, cafeterias, lifts, transport service vehicles or similar public places.
6. Confidential information are classified in accordance with the degree of confidentiality, and this is clearly mentioned in the content of the information. Holding/Company personnel know the degree of confidentiality of the information received in line with their duties, and act accordingly. In case where there is hesitation concerning

the degree of confidentiality, higher level of confidentiality is adopted and the relevant manager is consulted as seen necessary.

7. If for the interests of the Holding/Company, sharing of company information with third party individuals and/or organizations is in question, a confidentiality agreement concerning information sharing is signed or a written pledge of confidentiality is received from the other party before the confidential information is disclosed, in order to ensure that these parties are aware of their responsibility in terms of the security and protection of those assets.
8. There shall be no unfounded statements and/or gossip made concerning individuals or organizations.
9. Wages/salaries, side benefits, and similar personnel information reflecting the company policy and that is private to individuals is confidential and may not be disclosed to anyone other than authorised people. Information concerning personnel are delivered in a way as to be private to the individual. It is strictly forbidden for the personnel to disclose these to others, or to apply pressure on other employees to have this information disclosed.

#### **D. Establishing and Preserving a Fair Working Environment Policy**

H. Ö. Sabancı Holding and the Group Companies consider the establishment and preservation of a fair working environment for the employees as an important priority. Through establishing a fair, healthy, and safe work environment in which employees are respected and all relevant laws and regulations are complied with, the intent is to improve and increase employee performance, development, and commitment. The following rules of practice define the basic principles in establishing and preserving a fair working environment at the Holding/Companies.

## **Rules of Practice**

**1.** Holding/Company practices are in accordance with all current laws and regulations concerning employment and working conditions. Holding/Company employees fulfill all legal requirements within the context of their activities, and act in accordance with legislation.

**2.** The Sabancı Group human resources policies and practices ensure that all employment practices including recruitment, promotion-transfer-rotation, compensation, remuneration, social benefits, etc. are fair.

**3.** Any discrimination among employees within the organization based on language, race, color, gender, political opinion, creed, religion, sect, age, physical challenge and similar causes are not tolerated.

**4.** A positive and harmonious work environment is established within the Holding/Company to promote cooperation, and people with different creeds, beliefs, and opinions are enabled to work in harmony.

**5.** Private lives and personal spaces of employees are respected.

- Communications between individuals may not be violated by third persons.
- Even if recorded legally, it is forbidden to give/distribute/obtain personal data illegally.
- Personal information concerning personnel which are basis to and continuity of the employment relation may not be used outside their purpose and context or shared with third persons without the individual's consent.
- Private and family lives of all employees are respected.

**6.** In addition to all privacies of employees, physical, sexual, and emotional privacies are also protected.

- Violation of employees' privacies through physical, sexual, and/or emotional harassment in the workplace or in any other environment gathered for work purposes is against the laws and ethical codes; and Holding/Company will in no way tolerate this offense. The goal here is to enable employees to work in an environment where their physical, sexual, and emotional privacies are protected.
- Violating an individual's physical integrity by sexual advancements and/or sexually harassing an individual without physical contact is defined as sexual harassment. Accordingly; it is forbidden to display any behavior that can be defined within this context.
- Furthermore, persons who display a negative attitude or behavior towards those that file a harassment complaint/notifications or towards those who cooperate in such an investigation shall similarly not be tolerated.

**7.** No employee may demand any privilege based on a different gender, religion, language, or race; no one shall be privileged and be subject to special treatment. Giving or obtaining concessions because of differences in gender, religion, language, race, etc. is not accepted.

**8.** A healthy and safe physical working environment and conditions shall be established for all employees.

### **E. Sabancı Group Companies' Stock Trading Policy**

Employees of H. Ö. Sabancı Holding and Group Companies are required to comply with the legal regulations pertaining to the trading of stocks of Sabancı Group Companies and avoid getting involved in situations which may give rise to conflict of interest. The following rules of practice define the principles that Holding/Company employees must embrace regarding the trading of the stocks of Sabancı Group Companies.

## **Rules of Practice**

1. Those who may have access to information that are not disclosed to the public are strictly forbidden to use this information in order to obtain benefit for themselves and/or third parties (insider trading).
2. Persons who may be engaged in insider trading are the chairman and members of the board of a public company, its executives (manager and above level positions), auditors, others who may access information during the execution of their role and responsibilities as well as those who may be directly or indirectly informed due to their contact with these individuals.
3. These individuals may trade stocks of Sabancı Group Companies only with the use of publicly disclosed information and for investment purposes (holding them for a period longer than 3 months shall be regarded as investment).
4. Sabancı Group employees other than those mentioned above may freely trade stocks of Sabancı Companies with the use of publicly disclosed information without any time restriction.
5. The above mentioned rules of practice also apply to spouses and children of these individuals. Transactions conducted by the spouse and children shall be regarded as if they have been conducted by the employee.

## **III. REGULATIONS TO BE ENFORCED**

Sabancı Group Companies conduct business in international markets and therefore, company operations might be subject to laws and regulations of different countries. When faced with uncertainty and hesitation concerning ethics of doing business in different countries, initially the established regulations in the country of operation should be complied with. If complying with the regulations in the country and/or countries of operation shall have adverse consequences concerning the ethical values adopted by the Sabancı Group Companies, then we should seek solutions within our existing code of ethics and procedures.

## **IV. EMPLOYEES' RESPONSIBILITIES**

SA-ETHICS and its relevant policies and procedures establish the ethical codes on how we should act and how we should do our jobs in detail. It is the primary responsibility of all employees to abide by these codes. Hence, all employees of the Sabancı Group have the responsibility to;

- Act in accordance with laws and regulations under all circumstances;
- Read the Sabancı Code of Business Ethics, learn, understand, internalize, and act in accordance with the codes, principles, and values therein;
- Learn the general and business-specific policies and procedures valid for Holding/Company;
- Consult their manager or Human Resources about potential violations concerning self or others;
- Urgently report potential violations by self or others; notify manager, Human Resources and/or the Ethics Board verbally or in writing either by disclosing ones identity or keeping it confidential;
- Follow the "Procedures and Methods to be Followed While Making an Ethical Decision" which is defined to guide behaviors and actions as to the codes and problem solving;
- Cooperate with the Ethics Board during ethical investigations, keep information specific to the investigation confidential.

### **A. Procedures and Methods to be Followed While Making an Ethical Decision**

You should follow the steps defined below and ask yourselves the following questions as a guideline for deciding on an action plan:

## **1. Determining the Issue, Decision or Problem**

- Have you been asked to do something that you think may be wrong?
- Are you aware of a situation in the Holding/Companies or concerning your business associates that may potentially be illegal or not in compliance with business ethics?
- Are you trying to make a decision but have doubts as to how you should behave in compliance with the business ethics?

## **2. Think Before You Decide**

- Try to define and summarize the problem or your question clearly
- Ask yourself why there is a dilemma
- Think about the options and outcomes
- Think who may be affected
- Consult others

## **3. Decide Upon an Action Plan**

- Define your responsibilities
- Review all relevant facts and information
- Consult relevant company policies, procedures, and professional standards
- Assess the risks, and think about how you can reduce them
- Try to define the best action plan
- Consult others

## **4. Test Your Decision**

- Review questions that should be asked ethically
- Review your decisions within the context of company core values
- Make sure you have considered company policies, laws, and professional standards

- Consult others and consider their opinions within the formulated action plan

## **5. Proceed with Resolution**

- Share your decision and its reasons with relevant people
- Share what you have learned
- Share your success story with others

## **B. 4 Basic Questions to be Considered**

1. Is this activity/behavior in line with laws, rules and tradition? (Standards)

- Is it in conflict with professional standards?
- Is it legal?

2. Is this activity/behaviour balanced and fair? Would we be upset/displeased if a competitor (or someone else) acted as such? (Sense of justice)

- Do you think it is right?

3. Would it be embarrassing for our company and/or stakeholders if this activity/behavior is disclosed in detail in public? (Feelings and ethical values)

- Would you be in a difficult position or embarrassed if others knew of your action? Could it lead to negative outcomes for you or your Holding/Company?
- Who may be affected by it (other employees in the Holding/Company, you, shareholders, etc.)?

4. How much does the "perceived fact" and "objective fact" overlap?

- How would it reflect in the newspapers?
- What would any reasonable person think under similar circumstances?

## **V. MANAGERS' RESPONSIBILITIES**

Sabancı Group managers have additional responsibilities, further to those defined for employees within the framework of SA-ETHICS. Accordingly, it is the managers' responsibility to;

- Create and preserve a company culture and working environment that promotes the ethics codes,
- Be a role model in practicing the ethics codes; educate their personnel on the ethics codes,
- Support their employees in expressing their questions and in filing their complaints/notifications concerning the ethics codes,
- Offer guidance regarding what should be done when consulted, diligently consider all ethical concerns raised, and forward them to the Ethics Board at the shortest possible time when deemed necessary,
- Structure all work processes under his/her responsibility in a way as to minimize ethical risks and implement necessary methods and approaches to ensure compliance with the ethics codes.

## **VI. ETHICS COMPLIANCE OFFICERS' RESPONSIBILITIES**

- Providing guidance and consulting to employees regarding questions and issues related to ethics within the company.
- Directing those ethical violations which cannot be resolved within the company and need further investigation to the Ethics Board.
- Participating and contributing to the resolution of ethical violations within the company that are directed to him/her through the Ethics Board.
- Reporting the questions and notifications regarding ethical issues, including their resolutions to the Ethics Board regularly or when requested.
- Acting as the point of contact within the company for the investigations conducted by the Ethics Board and supporting the investigations where necessary.

- Monitoring the effectiveness of the SA-ETHICS program within the company and providing support in its practice.

## **VI. OTHER RESPONSIBILITIES**

- The Holding/Company top management is responsible for effective enforcement of the SA-ETHICS or the company-specific Code of Business Ethics created within this context, and a culture to promote these codes.
- The Ethics Codes and all policies concerning the Code of Business Ethics are reviewed, revised and documented by the Human Resources Group Management upon the recommendations of the Ethics Board, and the revisions are announced to the Holding/Companies upon the approval of the Chairperson of Sabancı Holding.
- Holding/Company Human Resources has the responsibility to;
  - Inform employees about the Code of Ethics, offer periodical ethics training to enable clarity regarding policies and codes, and establish continuous communication on this subject with the employees;
  - Ensure the newly employed personnel read the Code of Ethics, inform them in this subject, and ensure that they sign the Employee Declaration
  - At the beginning of each year, ensure employees sign the Business Ethics Compliance Form and update their declarations.
- Holding/Company managements, in cooperation with the Ethics Board, have the responsibility to;
  - Ensure confidentiality of complaints/notifications made within the framework of the Code of Ethics, and protect individuals after filing such complaints,
  - Provide job security for the employee who filed complaints/notifications.

- Ensure that complaints and notifications are investigated timely and in a fair, consistent and sensitive manner; and resolutely take necessary actions against violations.

## **VII. NON-COMPLIANCE WITH CODE OF ETHICS**

Those who violate the Code of Business Ethics and/or company policies and procedures shall be subject to disciplinary action up to and including termination of employment. Disciplinary action shall also be applied to those approving or directing inappropriate conduct and actions violating the ethics code, as well as to those who fail to raise a concern or report a possible violation that they are aware of.

### **A. Ethics Board**

The Ethics Board has the responsibility to investigate and resolve all complaints and notifications concerning violation of the Code of Ethics of Sabancı Group Companies (SA-ETHICS) and related policies. The Ethics Board reports directly to the Chairperson of the Holding Company and is composed of the following position holders:

Chairman: Head of Internal Audit  
Member: Division Head, Responsible for Legal Affairs  
Member: Division Head, Responsible for Labor and Industrial Relations

### **B. Working Principles of the Ethics Board**

The Ethics Board conducts its activities within the framework of the principles stated below:

- Keeps the complaints/notifications and the identity of the complainant confidential.
- Conducts the investigation with confidentiality as much as possible.
- Has the authority to request information, documents, and evidence concerning the investigation directly from the related department. May analyze all information and

documents only within the subject limits of the investigation.

- The investigation process is recorded in writing. Information, evidence, and documents are added to the record.
- The record is signed by the chairman and members of the Ethics Board.
- The investigation is handled in urgency, and resolved as rapidly as possible.
- Resolutions of the Ethics Board are executed immediately.
- Relevant departments and authorities are informed of the outcome.
- While discharging their duties, the chairman and members of the Ethics Board act independently of, and without being influenced by their department superiors and the organizational hierarchy. They may not be subjected to any pressure or suggestions on the subject.

If deemed necessary by the Ethics Board, "expert opinion" may be sought, and experts may be consulted ensuring that the necessary measures taken so as not to violate the confidentiality principles during investigation.

## The Ten Principles

The UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption enjoy universal consensus and are derived from:

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption:

### Human Rights

- **Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and
- **Principle 2:** make sure that they are not complicit in human rights abuses.

### Labour

- **Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- **Principle 4:** the elimination of all forms of forced and compulsory labour;
- **Principle 5:** the effective abolition of child labour; and
- **Principle 6:** the elimination of discrimination in respect of employment and occupation.

## Environment

- **Principle 7:** Businesses should support a precautionary approach to environmental challenges;
- **Principle 8:** undertake initiatives to promote greater environmental responsibility; and
- **Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

## Anti-Corruption

- **Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

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