



Global Compact Progress Report for 2015



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01 MESSAGE FROM THE PRESIDENT

Dear Stakeholders,

In these days when we have just completed the year 2015, which was a globally dynamic year, with its enjoyable and challenging aspects, I would like to start by explaining two words from which we draw constant inspiration while managing our companies, particularly in 2015: "discretion" and "equanimity".

We reminded each other these two words, i.e. "equanimity" that means "not being extreme, moderation and temperance" and "discretion" that means "conduct of business without hurry and in consideration of the future", all the time. We kept them at visible spots on our office boards and in our memories and evaluated all our decisions in this framework. We know that the path toward successful projects and healthy growth passes through planned systems and balanced managements that can predict the future. It is evident that companies and societies that make plans in consideration of the possibilities and the future as well as the current situation and invest in future are more thriving.

From this perspective, as MIs Holding, we always thought one or more steps ahead in 2015 and considered all matters from the perspective of our stakeholders, organizations and institutions, to which we offer our services, and acted with empathy and by seeing through their eyes and understanding their expectations. Thus, we are happy and proud to have achieved our goals that we set at the end of 2014.

This year, not only did we run with the burden of our daily operations but also reviewed our system infrastructures and projected necessary infrastructure changes. We placed these projects among our targets for 2016 and actually, created a working environment where we can carry out our prospective works in a more systematic and planned manner.

These projects involve social regulatory activities such as customer satisfaction, human rights and codes of conduct as well as technical optimization projects that are closely related to operations. When these projects are put into practice in 2016, we believe that we will have the freedom to continue our path as a company that has a good grasp of a planned and alternative road map without getting into a lather and that has a strong infrastructure and system against possible negative developments in the future or radical changes that require fast mobility. We



may not see in advance some developments that will occur in business life or across the world but if we can understand possibilities and some developments that qualify as signs correctly and adapt them to our systems, we believe that we will be one step ahead in terms of being prepared even if our estimates are not 100% true.

We stood by our principle of more active participation of women in employment, which we targeted in 2014, and signed WEP. Furthermore, we recruited an independent female member to serve in the Board of Directors of our Holding and increased the number of female members in the board of directors to 75% and independent women to 25%. We know that the number of independent female board members is very low in our country and thus, we are happy to play our role in increasing this ratio.

While reviewing system infrastructures in 2015, we had first-time-experiences in our test and pilot activities. For example, we started to present some of our sustainability principles such as human rights, occupational health and safety and gender equality etc. as a precondition for our suppliers from whom we procure services especially in site operations. By making spot audits to our suppliers on-site, we informed them about their deficiencies and when they failed to remedy them, we made radical decisions such as replacement of our suppliers. We saw that we had a hand in the process in this manner. Thus, we incorporated irrevocable articles for headings in all our contracts concerning our principles, which would be implemented as of 2016, and notified our suppliers that we would require these standard headings for any service we would procure as of 2016.

When we set out on our journey in 2013, I acted both as a mentor for our colleagues and affixed my signature with great enthusiasm in order to be successful; now I realize that we progress in a more eager and determinant manner with each passing day as a signatory of Global Compact.

In this context, I believe that we will guide all local and foreign groups with whom we maintain our relationships in the next three years in this respect and we will, all together, move toward a better future.

Best regards,
M. Sami Özdemir



02 SCOPE OF REPORT

This report is a Communication on Progress for 2015 prepared for informing stakeholders about the implementation of the principles of United Nations (UN) Global Compact by MLS Holding on 24/05/2013.

It contains data, activities and projects on 01.01.2015-31.12.2015.

GLOBAL COMPACT

United Nations Global Compact is an innovative corporate responsibility approach that proposes universal principles to create a common development culture in the business world that is in constant competition. Becoming a party to Global Compact, having the vision of “**sustainable and extensive global economy**”, is a voluntary initiative.

In this context, 10 fundamental principles were adopted under headings of human rights, labour, environment and anti-corruption.

The content and articles of Global Compact are as follows:

Human Rights

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

Principle 2: Businesses should 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 of employees.



Principle 4: The elimination of all forms of forced and compulsory labour.

Principle 5: The effective abolition of child labour.

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.

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

Anti-Corruption

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



ABOUT US

The letters of **MLS** stand for:

“Manufacturing” “Lubrication” “Service”

Letters “MLS” stand for our activity fields.

“Modest” “Liable” “Sustainable”



7000 CUSTOMERS

210 PORTS

56 COUNTRIES

Our company that was founded in 1992 only as an agency has come to these days over time thanks to its business conduct, ideology and correct strategic management. Established in 1992 to offer spare parts service and regular service to ports, MLS Holding is the biggest mineral oil distributor of Shell Company in Europe today and is the leader in its industry that delivers engineering, service, spare parts and machinery to ports in over 50 countries.



04 COMPANY HISTORY

1992 Sami Özdemir founded together with his wife Sema Özdemir **OMF Mümessilliği** that became Turkish Agency of Italian Officine Meccaniche Fantuzzi Company, the manufacturer of port machines.

1998 Oil production of 60 tons was reached. **OMF Auxiliary Materials Department** was founded under **OMF Agency** with the suggestion of **Shell** in order to **make sales to other companies**.

2002 Sami Özdemir and Sema Özdemir decided that **OMF Yardımcı Malzemeler A.Ş** should operate on its own as Auxiliary Materials Department and **OMF Yardımcı Malzemeler** was founded.

2003 Çerkezköy Branch and İzmit Branch of **OMF Yardımcı Malzemeler** were opened. **LSF** that operates in Aegean Region was founded.

2004 Our **Aes** Company was founded to meet Spare Parts demand.

2005 All companies were gathered under **MLS HOLDING** in order to gather individual power of companies under a big umbrella and to accomplish new jobs with holding power. (MLS stands for our field of activities, which are **Manufacturing, Lubrication and Service, as well as our business conduct, which are Modest, Liable and Sustainable**.)

2006 foundations of “**Team Academy Project**” were laid in order to ensure institutionalization and permanency of company.

2006 it was decided to manufacture with a new brand for business machinery and **Tristar** brand was born.

2006 **ZPMC Istanbul** was founded in November 2006 and in Istanbul as **Turkish Agency of ZPMC Company**, the manufacturer of port cranes.

2007 **MPS** was founded with Malaysian partners for providing regular maintenance, troubleshooting, revision, repair and assembly services for the privatized **MIP Mersin Port**.

2007 **NENOC**SO system that determines new corporate working principles of **MLS Holding** companies was launched in Istanbul on January 27th, 2007. (**NENOC**SO is the root of Japanese origin and means Constitution but it also stands for “Nazar Etme Ne Olur, Çalış Senin de Olur”).

2007 **OMF** was awarded by **SHELL** with the award of **Best Distributor** across Turkey.

2008 The title of service company that was founded as **OMF Mümessillik** in 1992 was changed to **Portunus**.

2012 **OMF** became 2011 **European / Africa Sales Leader among SHELL Mineral Oil Distributors**.

2012 **ZPMC Shanghai** became official partner to our **ZPMC Mediterranean Company**.

2013 **Portunus Company** signed Exclusive Agency agreement for Turkey and Libya with **Kone Company**.

2013 **MLS Holding** became Founding Partner of Marmara University **Teknopark Company**.

2014 **Bursa** was also added to the activity field of **Omf** in 2014.

2015 **Portunus** was given 2015 perfectionism reward by **Konecranes** company, a company for which **Portunus** acts as Agency, in 2015 year.



05 COMPANY PROFILE

Our Vision:

For the permanent success of the company, our vision is to create qualified workforce that is open to change, gives importance to society and ethical values, targets success all the time and adds value and to maximize our company's competitive strength and to become the first choice of a proper workforce by ensuring continuity.

Our Mission:

Acting with the awareness that what make a difference in the competitive environment is the people, we target to ensure that all employees reach their optimal performance levels, their loyalty to the company is increased, cooperation among employees is enhanced and company's employees are gathered around company's common goals and thus, our competitive strength is increased.

Our Ideology:

To contribute with our business conduct to ensure that **Turkey** reaches a **well-respected** position around the world.

Our Target:

To Found **More Reputable and Permanent** Companies in Global and Multi-Cultural World.

Our Values that make us who we are:

Making business within the **framework** of **laws** and **business ethics**, Being **open to development**, Being **competitive**.



Our Business Conduct:

- We know that **every customer is valuable** for us.
- We understand our customer's needs well and give importance to his/her satisfaction.
- We know that if we fail to embrace our customer, someone else will.
- We know the **details of our business well**.
- We keep our promises in every step that we take.
- We carry out our business **in a disciplinary culture**.
- We pursue our goals in a **humble** but **professional** and **resolute** manner.
- We **add value to our business** beyond earning money.
- We **do not avoid from making mistake** as long as it does not tarnish our prestige but we **use the mistakes to find the right**.
- We question how we can **improve our future**.
- We believe that we need to **grow** in a **balanced** manner.
- We prefer the uniting power of "**and**" rather than the eliminating power of "**or**" in our business.
- We aim for establishing **long-lasting relations based on trust** with our employees and customers.
- We **find right people** that will adopt, look after and add value to our corporate culture, **train them** and show efforts to ensure that they work in our company happily for long years.
- We **use proper technologies** that will facilitate works of our employees and increase their satisfaction.
- We allocate a **part of our earnings** to social issues of the country where we operate.



06 HUMAN RIGHTS

We always prioritize respect to human rights in MIs Holding and group companies. We think that all humans are born equal and should be granted equal rights. To this end, we apply fair systems across our company. We are glad to spread our thoughts on this issue to every fraction of society.

We act without any discrimination of language, religion, ethnic origin, race, sex, political opinion and any other aspect in our relationships with our employees, candidates, suppliers and stakeholders. We give priority to equal opportunities.

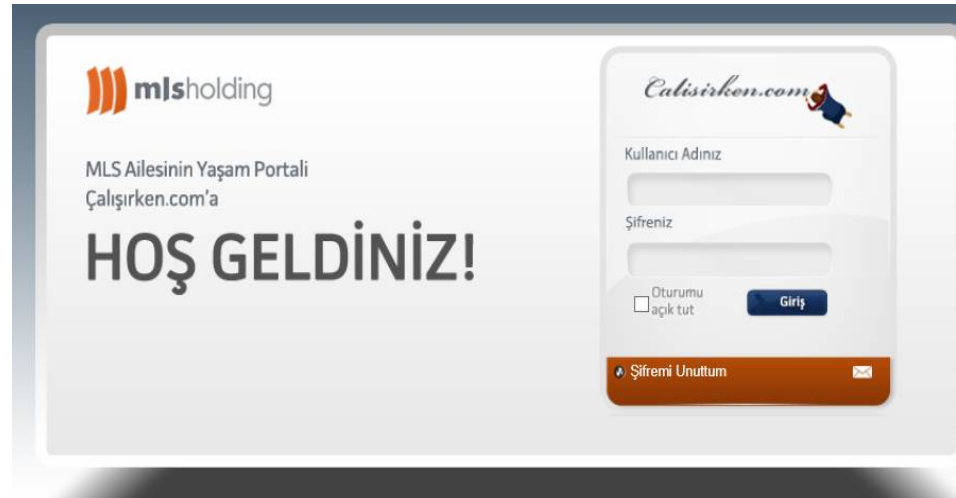
Giving always priority to equal opportunities, our company is one of the signatories of **Women's Empowerment Principles** that is one of the most important global initiatives of private sector aiming at women's empowerment in order to ensure women actively join economic life in all industries and at all levels so that our company supports offering equal opportunities to women in business life.



Our Human Rights policy is based on the pillars of equality and justice. The systems that we establish are systems where justice is the top priority and which are independent from factors that may cause discrimination among individuals. People, instead of systems, will yield results in many practices. All our efforts in this area will be revealed with a new system to be launched in 2016.

Criteria that may cause discrimination such as age, sex etc. are not included in recruitment processes. Selection and recruitment process is carried out transparently and with equal opportunities to everyone.

The goal of our HR system is to hire the right person for the right job. Achievements, works and competencies of the person are the priority instead of his/her personal qualities. Our employees are offered the opportunity to develop themselves equally in line with their qualities. Internal communication is of particular importance for us. We benefit from our employee portal that enables our employees from different countries and regions to communicate smoothly. www.calisirken.com



OUR HUMAN RIGHTS POLICY:

- To hire the right person for the right job.
- To determine the personnel that will carry out tasks in our organizations according to their competencies and qualifications and to reach to the best with definite and clear terms of reference
- The personnel are allowed to benefit from all facilities of the group according to fair and objective criteria to the extent of their education, knowledge, experience and skills.
- Required importance is given to internal communication to ensure speed and productivity in business.
- All suggestions, opinions and ideas from all employees are carefully watched and evaluated.
- It is believed that education is a factor that increases productivity and motivation for personnel at every level.
- It is guaranteed that every personnel exercise his personal rights.
- A fair, reliable and healthy work environment is committed.



Awareness Raising Posters of 2015:

BÜTÜN İNSANLAR HÜR, HAYSİYET VE HAKLAR BAKIMINDAN EŞİT DOĞARLAR.* İNSAN HAKLARI BEYANNAMESİNİN PRENSİPLERİNİ SAHİPLENİYOR, ETNİK, KÜLTÜREL VE CİNSİYET ÇEŞİTLİLİĞİNE KARŞI HER TÜRLÜ AYRIMCILIĞA KARŞI DURUYORUZ.

*İnsan Hakları Evrensel Beyannamesi / Madde 1

ALL HUMAN BEINGS ARE BORN FREE AND EQUAL IN DIGNITY AND RIGHTS.* WE EMBRACE THE PRINCIPLES OF HUMAN RIGHTS DECLARATION, AND OPPOSE ALL KINDS OF DISCRIMINATION AGAINST ETHNICAL, CULTURAL AND GENDER DIVERSITY.

*The Universal Declaration of Human Rights / Article 1



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**ENGELSİZ
BİR TOPLUM
İÇİN ...**

3 Aralık Uluslararası Engelliler Günü



**FOR A SOCIETY
WITHOUT
BORDERS...**

3rd December International Day of Persons with Disabilities

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**KADINA
KARŞI
ŞİDDETE
DUR DE!**

25 Kasım Kadına Yönelik Şiddete Karşı Uluslararası Mücadele Günü



**STOP
VIOLENCE
AGAINST
WOMEN!**

International Day for the Elimination of Violence against Women
25 November

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Days of Sharing Different Cultures:



WORKING STANDARDS

Our company offers our employees a safe and enjoyable working environment.



Everyone in our company can take decisions with his/her free will without any restriction on freedom of association and collective bargaining.

Child employment is strictly prohibited in MIs Holding and group companies. We remind our suppliers and stakeholders at every opportunity our sensitivity in this respect and make audits to companies from which we procure services. In case of non-conformity in the audits, we terminate our contracts based on the article concerning this matter.



MLs Holding and group companies make all efforts to take necessary measures for the health and security of our employees and subcontractors and to carry out necessary audits. Our occupational health and safety risk council convenes regularly every month and carries out audits for taking necessary measures.

Our emergency plans are hung at visible spots across our company. In addition to our employees, our company visitors are informed about how to do in case of an emergency.

Since we value suggestions from our visitors, forms that include feedbacks have been created. Suggestions are meticulously examined by our Occupational health and safety risk council.



It is compulsory to wear seat belts in our company vehicles and service cars. We prioritize safety of our employees. We carry out visual works in this area and constantly remind this issue.



 <p>GEREKLİ HER YERDE, GEÇERLİ BİR ÇALIŞMA İZNİ İLE ÇALIŞ</p> <p>WORK WITH A VALID WORK PERMIT WHEN REQUIRED</p>	 <p>BELİRLENMİŞ ALANLARIN DIŞINDA SİGARA İÇME</p> <p>DO NOT SMOKE OUTSIDE DESIGNATED SMOKING AREAS</p>	 <p>BELİRLENMİŞ OLAN YOLCULUK/SEFER YÖNETİM PLANINI UYGULA</p> <p>FOLLOW PRESCRIBED JOURNEY MANAGEMENT PLAN</p>	 <p>ALKOL YADA UYUŞTURUCU ETKİSİ ALTINDAYKEN ÇALIŞMA, ARAÇ KULLANMA</p> <p>NO ALCOHOL OR DRUGS WHILE WORKING OR DRIVING</p>	 <p>EMNİYET AÇISINDAN KRİTİK BİR EKİPMANI DEVRE DIŞI BIRAKMADAN ÖNCE GEREKLİ İZİNİ AL</p> <p>OBTAIN AUTHORISATION BEFORE OVERRIDING OR DISABLING SAFETY CRITICAL EQUIPMENT</p>
 <p>YÜKSEKTE ÇALIŞIRKEN KENDİNİ DÜŞMEYE KARŞI KORU</p> <p>PROTECT YOURSELF AGAINST A FALL WHEN WORKING AT HEIGHT</p>	 <p>ASILI YÜKÜN ALTINDAN GEÇME</p> <p>DO NOT WALK UNDER A SUSPENDED LOAD</p>	 <p>KAPALI YERE GİRMEDE ÖNCE GEREKLİ İZİNİ AL</p> <p>OBTAIN AUTHORISATION BEFORE ENTERING A CONFINED SPACE</p>	 <p>ARAÇ KULLANIRKEN CEP TELEFONUNU KAPAT, HIZ SINIRINI AŞMA</p> <p>WHILE DRIVING, DO NOT USE YOUR PHONE AND DO NOT EXCEED SPEED LIMITS</p>	 <p>EMNİYET KEMERİNİ TAK</p> <p>WEAR YOUR SEAT BELT</p>





Our occupational health & safety risk council carries out "Safety Walk" audit every month and report these audits and ensure their follow-up for improvements.



Occupational health & safety trainings are closely followed up. Apart from compulsory trainings, we hold informative seminars. We conduct works to transform occupational safety into a culture.



Total OHS training hours in 2015:



ENVIRONMENT

MLS Holding aims at leaving behind a healthy and liveable world to future generations and uses eco-friendly products and technologies in all of its activities.

To this end:

- Necessary awareness-raising activities are carried out to use energy resources efficiently.
- Wastes are segregated to prevent environmental damage and the company makes a correct waste management. Our wastes are segregated at landfills and we deliver them to the concerned organizations.

We make sapling donations on behalf of the concerned employee through TEMA Foundation with our environmentalist approach in case of special occasions in the company such as marriage celebration, birth etc.

We harvested oranges from our company's garden during "Orange Harvesting" event and reminded our employees that we should think once more about the benefits of environment and that we should protect the environment to reap these benefits.



ANTI-CORRUPTION

Corruption can be defined as willingness to act in a dishonest and fraudulent manner for personal gains. Person(s) who holds/hold an executive/authorized position and to whom payment is made for making a decision in favour of the payer and similarly, the payer(s) are involved in the corruption. Corruption increases the cost of business transactions; leads to unfair competition, shatters creativity and damages social structures. In the grand scheme of things, it hinders economic development. Thus, MIs Holding adopts a transparent management understanding and acts in its practices within the limits of laws. As an indication of our determinism toward anti-corruption, we decided to set "Anti-Corruption Policy" at the end of 2015 and it is intended to be implemented in 2016.

