Vodafone Turkey Sustainability Report

2015 - 2016

Vodafone

Internet of Things

Green Technology

Connecting for Good

We appreciate your input!

You are welcome to share your opinions and suggestions on our sustainability practices and performance via e-mail:

→ **surdurulebilirlik@vodafone.com**

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Message from Vittorio Colao
CEO, Vodafone Group Plc

Mobile and digital media are a powerful social good, comparable to many of the greatest advances in science, technology and engineering in recent generations. They positively impact the quality of life for more than a billion people globally.

Communications networks underpin every aspect of a mobile, digital society, enabling citizens to increase their knowledge while providing access to services that can improve health and wellbeing, enhance skills, and increase prosperity for the population as a whole. The democratising influence of mobile and digital is matched by an equally transformative effect on the workplace. Information and communications technology (ICT) has fundamentally reshaped entire industries; indeed, the extraordinarily rapid growth of ICT has led to the creation of new industrial sectors whose scale and cumulative value was unimaginable just a decade ago.

As one of the world's largest communications companies, we are proud of the role that we play in bringing this social good to more than 462 million mobile customers across 26 countries on four continents. From the headquarters of some of the world's largest multinationals in the wealthiest cities in Europe to remote villages in Mozambique, every hour of every day our customers rely on our networks and services to help manage their lives and achieve their ambitions. In Turkey, we provide connectivity to nearly 23 million mobile customers. We also support the digitalisation of Turkish businesses through our Digitalisation Index, which helps them to identify how the increased use of digital solutions and technologies can further improve their efficiency. As of 31 March 2016, 42,000 businesses have used our Index.

In 2015-16, Vodafone set out to redefine its approach to sustainability. In doing so, the intention was to ensure an even closer alignment between the core commercial goals of our business and the maximum possible social and economic benefit achievable as a consequence of those goals.

One of the main pillars of the new sustainable business strategy is women's empowerment. Vodafone Turkey is proud of the progress we have achieved during 2015-16 on gender equality and empowering women in the workplace, marketplace and the community. The innovative mobile application, "Easy Rescue", launched in March 2014, has been designed for women at risk of domestic violence as it enables users to contact the emergency services without fear of discovery by their abuser. By March 2016, 296,000 women in Turkey had downloaded the application, which received the Media Grand Prix award at the Cannes Lions International Festival of Creativity for its innovative marketing, which was hidden in videos and clothing advertising.

Vodafone Turkey has further extended its efforts in this area through our "Women First" programme, which has supported over 630,000 women by helping them to use mobile technology to access information, acquire new skills and increase their incomes. We have also become a signatory to the United Nation's Women's Empowerment Principles – a set of Principles for business which offer guidance on how to empower women at work and at home – and are actively supporting the UN's HeforShe initiative.

As always, we trust you will find the information contained within this Report of use and welcome your views on the aspirations, programmes and outcomes described within it.

Vittorio Colao
Group Chief Executive, Vodafone Group Plc

Message from Colman Deegan
CEO, Vodafone Turkey

At Vodafone Turkey we are committed to leading the digital transformation of our country, while believing that we have great responsibility towards sustainability. We consider sustainability an integral part of our main business strategy and embed it into all our business processes. As we carry out our operations, we are faced with many sustainability issues which we handle in line with our corporate policies and management systems. Adopting participative dialogue and partnership models, we learn about our stakeholder's views, expectations and inputs which we feed into our corporate strategy driving our investments.

4.5G technology investments had the lion's share of our investment spending in FY 2015/16. We invested 4.2 billion TL including the 4.5G license fee. We set the "4bucakG" strategy to ensure that each and every individual and organization in Turkey can be connected to the Internet at very high speeds. We also continue with our investments to grow our fiber network.

As part of the Digital Transformation Movement, we focus on innovative solutions in all areas ranging from healthcare to finance. We seek to contribute to the global competitive power of our national economy through increased availability of IoT (Internet of Things) solutions which will add value to the lives of individuals and enhance the efficiency of organisations. Nowadays, IoT technologies drive economic growth and social development in all sectors which they cut across ranging from healthcare to agriculture, finance to education. To that end, we built Turkey's and Vodafone Group's first "IoT services development platform" in January 2016.

We are also committed to action on the environment, one of the main pillars of sustainability. Under our "Green Technology" program, we continue to implement technology solutions with high energy efficiency. As a result of our actions, compared to FY 2015/16, we reduced our energy consumption at all base stations by 13% per base station. By sharing 878 base stations, we made significant savings with regards to costs related to installation, operation and energy consumption. Moreover, e-bill customers now constitute 79% of our base which means we avoid wasting 1.33 million tonnes of paper and consequently save 22,599 trees from being cut.

The Vodafone Women First Program - supported by the Vodafone Turkey Foundation - incorporates a wide range of products, services and projects for women for the first time in Turkey and touched the lives of 639,000 women during FY 2015/16 by providing them with income opportunities as well as access to information and communications.

At Vodafone Turkey, we believe that women have an essential role to play not only in business but also in making sure that we have healthy, learned and educated future generations. Accordingly, we have become a signatory to UN Women's Principles (WEPs) and committed ourselves to action to empower women in every aspect of the economic life. We also support the United Nation's HeForShe global solidarity campaign calling on all of humanity to take action for social gender equality.

Entrepreneurship is another key pillar of our social investments. We continued to contribute to the entrepreneurship ecosystem through the Vodafone "Wheel of Ideas" program designed to hear, gather and promote digital ideas of young entrepreneurs in Turkey as well as the the International Entrepreneurship Center which we have been supporting through the Vodafone Turkey Foundation.

The new "sustainable business" strategy announced by the Vodafone Group in the beginning of 2016 provides guidance for us to shape our future road map as a Group company. "Women, energy, and youth," which are identified as the themes where change can be achieved through 2025, are also among our focus areas at Vodafone Turkey.

In line with our sustainability approach, we have become a signatory to the United Nations Global Compact, a voluntary initiative which is consistent with our top-priority areas. Thus, we reaffirmed our commitment to human rights, improved working conditions, the environment and anti-corruption. We are also represented at the UN Global Compact Board which reinforces our support to this cause.

At Vodafone Turkey, we believe that sustainability is not a matter of choice but a huge responsibility for future generations. We maintain our sustainability efforts through a transparent, accountable and participatory management approach and disclose our results to the public.

We will continue to carry out our operations while respecting natural resources and humanity and act transparently in communicating our results to our stakeholders through a variety of channels.

Colman Deegan
CEO, Vodafone Turkey

About the Report

We are pleased to present to you our sixth sustainability report, which we developed in accordance with the GRI G4 Guideline for the last three years and AA1000 Assurance Standard for the last five years.

We conduct our sustainability activities in line with "our commitment to make life easier and to strengthen the development of society and with our responsibility to operate responsibly and ethically". Within the scope of Digital Transformation Movement, which we launched with the goal of a better future, we continue with our investments and works on technology, service and social areas.

Scope of the Report

With our sustainability reports, since 2010, we aim to share our practices in environmental, social, economic and ethical issues and our performance in a transparent way with our stakeholders.

This report, which is our sixth sustainability report, focuses on issues which are important and material to our stakeholders and our company. We have considered the expectations of our customers, employees, regulatory bodies, non-governmental organizations and society as our key stakeholders along with our corporate priorities.

The report contains the policy, implementation and our performance for the 2015/16 fiscal year and the targets for the next fiscal year. Unless mentioned otherwise, all data in the report cover the fiscal year of 1 April 2015 - 31 March 2016.

Boundaries of the Report

In this report, "Vodafone Turkey", "our company" and "we/us" are used to refer to "Vodafone Turkey Group Companies". Vodafone Turkey Group Companies refer to the following companies which are included in the consolidated financial statement: Vodafone Telekomünikasyon A.Ş., Vodafone Dağıtım Hizmetleri A.Ş., Vodafone Teknoloji Hizmetleri A.Ş. (OKSIJEN), Vodafone Net İletişim Hizmetleri A.Ş., Vodafone Holding A.Ş., Türkiye Vodafone Vakfı (Vodafone Turkey Foundation), Vodafone Bilgi ve İletişim Hizmetleri A.Ş., Vodafone Elektronik Para ve Ödeme Hizmetleri A.Ş. and Vodafone Mobile Operations Limited. Unless mentioned otherwise, the report covers all of these companies. Regarding Vodafone Mobile Operations Limited (in Northern Cyprus), only its financial data is included in the report.

Our Solution Partners

We perform operations -including installation and management of base stations- with increasing support from our solution partners. We obtain the energy consumption data of our suppliers that are accountable for managing the assets we control. In addition, we report the occupational health & safety performance of contractor companies. Our stores and third party call centers make up an important part of our solution partners.

In Accordance with GRI G4

For the past two years we have developed the contents of this sustainability report in accordance with the "core" option of GRI G4 Guidelines. Within the scope of the Materiality Disclosures Service provided by the GRI, we received confirmation that the indicators between G4-17 and G4-27 are indicated accurately in the report and in the GRI Content Index at the end of the report.

UN Global Compact "Progress on Communication"

This report is the first "Progress on Communicatiion" that we published following our voluntary signing of the United Nations Global Compact (UNGC) in November 2015, and it contains our implementations aimed at the 10 principles of UNGC and our support for the main goals of the UN.

Independent Assurance Statement for AA1000 Standard

This year, we continued to implement our sustainability management systems and reporting process in parallel with the AA1000 Assurance Standard devised in line with the principles of transparency and accountability. We identified value-creating and material environmental, social, economic, and ethical issues through various stakeholder dialogue mechanisms and we devised and implemented strategies for the issues identified within this scope. An independent auditing company provided assurance that the information in this report is identified and reported in accordance with the AA1000 Assurance Standards. The GRI G4-EN3 indicator was also audited. The statement for the mentioned audit is presented at the end of this report, together with audit results of the selected indicators.

> ❯ **Our Vision**
> Leading the digital transformation in Turkey.

> ❯ **Our Mission**
> Inspiring every individual in Turkey for a better future through communication technologies.

> ❯ **Our Values**
> We provide fast, high-quality, simple and reliable services while helping our customers enjoy opportunities in life and realize their full potentials. We are committed to being a customer-obsessed, innovative and competitive international company with local roots admired that is by its customers.

Guideline and Standards

While identifying the issues to be covered in the report we used as a basis the following international guidelines and standards:

- GRI G4 Sustainability Reporting Guidelines
- AA1000 Assurance Standard Principles
- UN Women's Empowerment Principles (WEPs)
- 10 Principles of the UN Global Compact (UNGC)

UN GLOBAL COMPACT

COMMUNICATION ON PROGRESS

Vodafone Turkey

In the new phase of the "Digital Transformation Movement", we will focus on being the communication company that leads the digital transformation in Turkey.

Corporate Performance

Being part of the Vodafone Group -one of the world's largest international mobile communication providers in terms of revenue- Vodafone Turkey is the second largest mobile communication company in Turkey with 22.7 million[1] customers as of 31 March 2016.

Committed to contribute to the growth of Turkey driven by a strategy to make digital connection easy and accessible for everyone, Vodafone Turkey's service revenues reached 7 billion TL in the 2015/16 fiscal year (1 April 2015 – 31 March 2016). According to the data provided by Information and Communication Technologies Authority, as of March 31, 2016, the number of customers reached the highest level so far: 22.7 million[1]. While the number of post-paid customers increased to 10.6 million[1] with a net gain of approximately 1.5 million[1] customers, the ratio of post-paid customers in the total base increased to 47%[1]. In the last quarter of the 2015/16 fiscal year, ARPU (average revenue per user) reached 25.8 TL.

In the 2015/16 fiscal year, our company continued to offer customers mobile broadband tariff options and a large web-enabled device portfolio for every budget in order to the promote use of mobile internet services. Vodafone Turkey, which makes choosing, purchasing and using smart phones easy, straightforward and accessible, smart device penetration figures reached another record breaking level of 64% in the last quarter of the 2015/16 fiscal year, an increase of 17 points compared to the same period of last year. In the 2015/16 fiscal year, our company also achieved an 88% increase in data revenues. In addition, driven by the "İş Ortağım" (Business Partner) platform and the Ready Business strategy, in the 2015/16 fiscal year, corporate segment revenues grew 21.5% compared to the previous fiscal year.

We continued our growth in fixed broadband after the launch of the "Vodafone SüperNet Telephone-free ADSL" service on 1 January 2015. In one year, we increased the number of our costomer by 265 thousand, and the number of fixed broadband customers quadrupled compared to the same period last year, reaching to 363 thousand. Service revenues from fixed services increased by 45%. During the same period we managed to be the market leader in the net promoters score and we were the most recommended operator by its customers in the areas of both mobile and fixed telecommunication services.

Vodafone Turkey in Figures*

22.7 million[1]
Customers

7 billion TL
Service revenues

28 million TL
Social investments of Vodafone Turkey Foundation

| **1,200** Stores | **3,365** Employees |
| **40,000** Number of people that we provide employment opportunities | **550** Vodafone Volunteers |

*Figures are as of the end of 2014/15 fiscal year.

"The Mosts" of Vodafone Turkey

- **The fastest growing operator that increased its market share** the most in terms of service revenues in the Turkish mobile telecommunications market.[2]
- The operator that has achieved the highest increase in the earnings before interest taxes depreciation and amortization (EBITDA) in the telecommunications market.[2]
- Operator with the **highest number of new customers** in the mobile market.[3]
- **The fastest growing operator** in terms of customer numbers in a fixed broadband market.[3]
- **The most recommended operator by its customers** in the areas of both mobile and fixed Internet services.[4]
- The operator with the **highest increase** in smart phone penetration and mobile data revenues.[5]
- **Best employer in Turkey's** in telecommunications sector.[5]

"The Firsts" of Vodafone Turkey

- The first and only company in the telecommunication sector in Turkey to receive AA1000 Assurance for its sustainability reporting efforts.[6]
- The first company in the Turkish technology and telecommunication sectors to have ISO 22301 Business Continuity Management System Standard Certification.
- The first company in Turkey to obtain BS ISO 39001 Road Traffic Safety Standard Certification.
- The first telecommunications company to obtain Equal Opportunities Model (FEM) certification.
- The first operator providing a sign language application with courses based on a curriculum.
- The first operator that brought the Grand Prix to Turkey at the Cannes Lions International Creativity Festival.
- The first telecommunications company in Turkey to be awarded Platinum Certification by LEED (Leadership in Energy and Environmental Design) with the Vodafone Digital Operations Centre.
- The first operator that actualized the Internet of Things (IoT) Platform in Turkey.

Note: The information above is as of the end of 2015/16 fiscal year.

1 The information on subscribers in this Report is calculated based on the definition of a subscriber by the Information and Communication Technologies Authority.
2 Calculated on the basis of the companies active in mobile telecommunication market in our fiscal year (1 April 2015 – 31 March 2016).
3 April 2015- March 2016 fiscal year period is considered.
4 TNS, Vodafone Benchmark NPS, March 2016.
5 According to Great Place to Work Institute Contest 2015 results.
6 As of June 2016.

Our Contribution to the Economy

At Vodafone Turkey, with an ecosystem of 40,000 people, including our employees, members of our distribution and communication channels, and suppliers, we make major contributions to the Turkish economy.

Our Contribution to the Economy

In the 2015/16 fiscal year, our service revenues increased to 7 billion TL and we transferred this amount to the state as taxes, to our employees as salaries and benefits, and to our suppliers in exchange for products and services as well as research and development and investments in technology. Our business operations also have a multiplier effect that indirectly contributes to the local economies where we operate.

Taxes and Investments

Within the scope of the "Digital Transformation Movement" that we launched to promote end-to-end digital development of Turkey, we invested 4.2 billion TL including the licence fee of 4.5G in the 2015/16 fiscal year. The total sum of our investments (mainly purchasing, infrastructure and base station investments) from 2006 to the end of the 2015/16 fiscal year reached 18 billion TL. We also contribute to the welfare of Turkey with our tax payments on behalf of our customers (VAT, special communication tax, etc.). In the last nine years, we paid more than 24.1 billion TL in taxes to the Turkish government.

Major Indicators of our Contribution to the Turkish Economy

Direct revenue contribution: Taxes on income paid (Million TL)	**1,272**
Direct revenue contribution: Other non-tax fiscal payments (Million TL)	**736**
Indirect revenue contribution: Taxes such as VAT and special communication tax, paid on expenditures (Million TL)	**1,743**
Capital Investments (Million TL)	**4,177**
Direct employment (number of people)	**3,365**

Note: Figures given in the table are audited as part of the Vodafone Group and reflect the 2015/16 fiscal year data of Vodafone Turkey Group of Companies. The investments include the licence fee of 4.5G.

New Investments for "Digital Transformation"

The most important share of our investments in the last fiscal year was on technology investments with the launching preparations for 4.5G. With technology investments, we aim to have each individual and organization in Turkey connect to the Internet with very high speed. Within the scope of our strategy named "4BucakG", we have started to provide 4.5G services in 81 provinces in Turkey in its broadest coverage with seven thousand different points as of 1 April 2016.

Considering the critical role that mobile and fixed communication industry plays, we believe such investments will also leverage economic development in Turkey. We will continue our investments so as to meet the demands of our ever-growing customer base.

Employment Creation

As Vodafone Turkey, we directly employ 3,365 people, and provide indirect employment for a total of approximately 40,000 people including the employees of our suppliers providing products and services, store employees and employees of third parties that we outsource.

Our call centers that operate on a 24/7 basis are at the heart of our investment and employment capacity. In order to contribute to overcoming the problem of youth unemployment and to help cities in Anatolia get their fair share of investments, we continue to open call centers in Anatolia. Following our call centers at İstanbul, Ankara, İzmir, Samsun, Afyon and Elazığ, we have brought the Urfa Call Center into service which provides employment for 482 people. In this way, the number of people we employ at our call centers has reached a total of 3,752 people, with 971 of them being our own staff members.

We have supported the "Gönül Dağı" project, which was launched in May 2016 by the Ministry of Transport, Maritime and Communications, and we will start employing young people who were raised in orphanages at Vodafone Call Centers and our stores.

Our Contribution to Public Policy

At Vodafone Turkey, we are committed to fulfill our responsibility to participate in developing competition policies to prevent distortion of competition and to ensure a sustainable competitive environment. For this purpose, we regularly exchange information on different platforms with regulatory authorities, other public institutions, non-governmental organizations, and the general public. Our goal is to ensure that:

- Competition policies are implemented efficiently and in a target-oriented manner,
- Current regulations in the market are reviewed and the best policies are adopted in light of international examples,
- Development of policies that will contribute to the digital transformation of Turkey and to increase the competitive power of Turkey in global areas is promoted,
- Efficiency and effectiveness is improved by driving the impact of Information Technologies in every aspect of the economy and digitalizing the economy,
- Regulatory obstacles against products and services that improve the general welfare and development of society are overcome,
- Innovation and sustainable investments are encouraged for fixed and mobile broadband infrastructure, network and services,
- Necessary steps are taken related to the required legislation for bringing next generation technologies that will pave new ways in the areas of entrepreneurship and innovation to consumers,
- Scarce resources (mainly frequency) are used in an effective and efficient manner.

Our Approach to Sustainability

We make use of the transformative effect of mobile and fixed broadband technologies to ensure a sustainable future.

Within the framework of our digital transformation vision, our major priority is to offer innovative products and services that enhance individuals' lives and improve the efficiency of organizations. By leading the digital transformation, we provide convenience in many sectors such as agriculture and industry in terms of productivity, access to healthcare and financial services as we contribute to improving the quality of life of society.

Within the scope of environmental sustainability, we focus on reducing greenhouse gas emissions caused by our activities per base station. We create opportunities for improving efficiency, reducing fuel and energy consumption and cutting costs thanks to the digitalization solutions we offer to our enterprise customers, including our services in the field of Internet of Things (IoT). Thus, we also help our customers reduce their greenhouse gas emissions.

In terms of social sustainability, we are aware of the fact that our responsibility for occupational health and safety covers not only our employees, but also our contractors. We try hard to improve our performance and our practices, which is already recognized as the best practice within our industry. Through the Vodafone Turkey Foundation, we continue to implement social investment projects developed to meet social needs by maing women and disabled individuals a priority.

The themes of a "secure internet for children" and "privacy", which are considered human rights issues, are among our key concerns and we enhance the works we implement in this scope. Also, subjects such as corporate security, anti-corruption and business continuity are important for the permanence and success of our company on which we sustain and develop our work.

In accordance with our commitment to the principles of the UNGC (United Nations Global Compact) which we voluntarily signed in 2015, we will continue with our work on human rights, operating standards, environment and anti-corruption without slowing down.

Sustainability Management

We carry out our sustainability efforts in the leadership of our CEO. Vodafone Turkey's Executive Committee members and their teams are responsible for managing various sustainability aspects within the company and monitoring and reporting the performance. The Corporate Relations department is responsible for supporting the internalisation of the sustainability strategies and disclosing the practices and performance achieved through sustainability reports. We need contributions and effort from all of our employees in order to reach our goals and commitments in social, environmental, economic and ethical areas.

The Vodafone Code of Conduct guides us in all of our activities and they contain our main policies that arrange the terms and conditions everyone within Vodafone and anyone who works with Vodafone should follow. It plays a key role in the integration of sustainability in our operations and culture.

Since the 2011/12 fiscal year, we conduct our sustainability management and reporting practices in accordance with AA1000 Accountability Principles and Assurance Standards. In addition to this, by becoming a signatory of the United Nations General Compact (UNGC) in 2015, we have underlined the importance and renewed our commitment to human rights, working conditions, environment and anti-corruption. We aim to broaden our efforts on issues that fall within our business and impact area in accordance with the Sustainable Development Goals, an initiative of the UN.

While identifying our material sustainability issues, we include the local and global initiatives, the vision of Vodafone Group, and stakeholder opinions and expectations we obtain through stakeholder dialogue and participatory communication models in our assessment. We transparently share our commitments and targets as well as our performance against these targets with our stakeholders through a variety of means, including our sustainability report. We conduct a number of activities and support and sponsor a variety of initiatives to increase awareness on sustainability among our customers, suppliers, stores, and most importantly, our employees.

Our Approach to Sustainability and Current Strategic Issues

Vision	Making use of the transformative effect of mobile and fixed broadband technologies to ensure a sustainable future
Mission	Performing in a socially, environmentally, economically, and ethically responsible manner

Strategy	• Ensuring that each of our internal stakeholders is a "sustainability ambassador" to help us reach our social, environmental, economic, and ethical targets and commitments and to have regular interaction with all of our stakeholders
	• In terms of environmental sustainability, by using transformative solutions, focusing on the improvement of energy efficiency and the reduction of carbon emissions in order to:
	  ○ Reduce energy consumption resulting from our own operations
	  ○ Offer smart business and IoT solutions to our external stakeholders

Vodafone Group "Sustainable Company" Strategy

The new "sustainable company" strategy, published by Vodafone Group in the beginning of 2016, will help us as a Group company to clarify our future roadmap. The themes of "women, energy, and youth" were identified as the themes to create global transformation through 2025 and these are also among the themes we focus on at Vodafone Turkey. We will continue to present our approach, practices and performance on the four themes that require sustainability in the graphic below to the consideration of our stakeholders through the sustainability report and different courses.

Purpose	Catalyse economic growth, equality and empowerment through digital networks and services			
2025 Transformation	Women's Empowerment	Energy Innovation		Youth Skills and Jobs
Transparency	Taxes and total economic contribution	Supply chain integrity and safety	Mobiles, masts and health	Digital rights and freedoms
	Principles and Practice			

Stakeholder's Opinion

Mustafa Seçkin
Chairman, Global Compact Turkey

What, in your opinion, is the role of the telecommunications industry in development?
The telecommunication industry has strategic importance for the world economy as it is facilitating and providing accessibility. We can call this sector one of the keystones of infrastructure and it is also an important actor and supporter of providing services such as distance learning systems, which have a great significance for developing countries. At the same time, the continuity and accessibility of communication are very important for the interaction of disadvantaged individuals with the external world and helping these individuals feel that they are not alone is very important.

As the Chairman of Global Compact Turkey, what is your general view of Vodafone Turkey?
Vodafone Turkey has been operating in our country for 10 years now and it brings the experience and vision of a global telecommunications giant into Turkey. In addition to that, the works of the Turkey Vodafone Foundation in the fields of empowering women, supporting disabled people, and education are appreciated by the United Nations. In consideration of these works, I believe that the global vision of our signatory Vodafone Turkey along with its accumulation in Turkey will benefit us at Global Compact Turkey in the future.

What are your expectations from Vodafone Turkey in terms of environmental or social issues?
The main expectation of Global Compact is that Vodafone Turkey, like all its signatories, continues with its practices on human rights, labour standards, the environment and anti-corruption and annually report its activities. In addition, we consider the works on extending environmentally-friendly technologies very important as part of the information sector. Along with the increase in the number of mobile devices, we hope Vodafone Turkey will continue with its efforts in recycling and will encourage consumers on this issue. In terms of social issues, telecommunication companies can directly contribute to the increased quality of life in the societies in which they operate. Supporting the communication needs of each segment of society with other individuals or institutions makes a great contribution to people's quality of life. We hope that Vodafone Turkey continues its work in these fields and makes progress in line with technological developments and societal needs.

Are there any areas that you think Vodafone Turkey leads? If so, what are they?
The works on the empowerment of women is the most striking one among the activities of Vodafone Turkey. We follow with great interest the awarded works of the Women First Training and Production Center, which was established by the Turkey Vodafone Foundation with the aim of empowering people in the region after the Soma accident. Similarly, the projects aimed at the improvement of women entrepreneurs in information technologies and the report entitled "Women First" that describes the obstacles in this field position Vodafone Turkey as a valuable actor in its works on empowering the women. Vodafone Turkey is the first company to obtain Equal Opportunities Model (FEM) certification, and it has a high female employee rate when compared with the other companies in the sector. It also has the application named Easy Rescue (Kırmızı Işık) which it developed in the fight against violence towards women. These are all signs that Vodafone Turkey has carried this focus both within and outside the company. As an organization which has put the Women's Empowerment Principles (WEPs) of the UN as a strategic priority, we consider these efforts very valuable.

In addition, Vodafone Farmers' Club has had a positive impact on local producers and SMEs, which are a nominal part of our economy. An example of their work in accordance with their goal of contributing to the agricultural sector is their cooperation on sustainable tea cultivation. Vodafone Turkey provides technological opportunities in order to enhance the control processes by on field controls in tea cultivation. With the tablet application it has developed, it has become one of the partners of best practices in terms of B2B cooperation within the sector on their sustainability agenda.

In the context of sustainability, what are your suggestions for Vodafone Turkey for the future and what would you advise them about their improvement areas, if any?
The Sustainable Development Goals that were introduced last year have provided us with tasks to be completed through 2030 for a better world, which we all desire. The UN Global Compact Leaders Summit in June 2016 was the first meeting of the business world since the introduction of these goals and it indicated that the business world would be the solution partners for the realization of the goals. Therefore, I would like to share with Vodafone Turkey our call to the business world to identify their priorities and to develop and implement a strategy to help achieve these global goals. I have no doubt that Vodafone Turkey will contribute to this agenda through its services offered to customers and its practices along the supply chain. Relying on its international knowledge and the strategic importance of its sector, I hope that Vodafone Turkey will continue its efforts to generate social benefits and to increase accessibility in line with the Global Goals.

Our Approach to Human Rights

At Vodafone Turkey, we fully acknowledge our responsibility to "respect human rights" as presented by the United Nations Guiding Principles for Business and Human Rights. Our respect for human rights is enshrined in our Code of Conduct.

We conduct various activities in our company and in our supply chain on the areas with potential risks, as identified by Vodafone Group. These areas are:

- **Labour rights:** We respect the rights and freedoms of all our employees and all the individuals in our supply chain. Our employment policies are enshrined in our Code of Conduct and are also in line with the UN Universal Declaration of Human Rights and the Core Conventions of the International Labor Organization. Within the framework of our Code of Ethical Purchasing; we obtain commitment from all of our suppliers that they will operate in compliance with our standards on human rights, occupational health and safety, ethics and environmental protection, and we monitor the fulfillment of such commitments.

- **Civil and political rights:** The most salient issues in our sector are freedom of expression and privacy. We have respect for the privacy rights of our customers in accordance with local regulations and international rules on human rights. We observe the Vodafone's Privacy Commitments in all our activities and services.

- **Rights of the child:** The exposure of children and youth to harmful content via digital media are among the issues that generate public concern. At Vodafone Turkey, we make various programs available to support parents' encouragement of their children to use digital technology in a secure and responsible way.

- **Economic, social and cultural rights:** We adopt a "zero tolerance" approach to bribery and corruption, as outlined comprehensively in our Code of Conduct.

Our Approach Towards the Sustainable Development Goals

In September 2015, members of the United Nations accepted 17 Sustainable Development Goals (SDG) in order to eradicate extreme poverty, inequality and injustice and to combat climate change by 2030. Like governments, companies also have an important role to reach these goals.

At Vodafone Turkey, we assessed the 17 goals based on the sector in which we operate and on our corporate priorities. As a result, we have mapped our practices and approaches for 13 of the 17 goals as illustrated in the tablo on the next page. We will expand and enrich our practices on these 13 goals in the future.

Our Contribution to Sustainable Development Goals

Sustainable Development Goals	Our Contribution
Goal 1: End poverty in all its forms everywhere	Digitalization with Broadband and 4.5G investments
Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture	Vodafone Farmers Club Vodafone Smart Village
Goal 3: Ensure healthy lives and promote well-being for all at all ages	Access to Health Occupational Health and Safety (OHS)
Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Women First
Goal 5: Achieve gender equality and empower all women and girls	Diversity and Inclusion Women First
Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Ready Business Wheel of Ideas Diversity and Inclusion Dreams Club OHS
Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Digitalization and 4.5G
Goal 10: Reduce inequality within and among countries	Women First Dream Club
Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable	Smart Cities
Goal 12: Ensure sustainable consumption and production patterns	Efficient use of energy, water and other natural resources Waste management
Goal 13: Take urgent action to combat climate change and its impacts	Energy efficiency and reducing the carbon footprint through the use of renewable energy Practices to increase awareness on climate change
Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Digital rights and freedoms Anti-corruption Accountability and transparency
Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development	Our cooperation with NGOs such as WWF-Turkey, Turkish Business Council for Sustainable Development, Habitat and UNDP

Material Issues and Key Stakeholders

Our sustainability efforts are mainly focused on the issues that matter the most to our company and our stakeholders on which we have impact, and they are also instructive to shape the content of this report.

We have executed a comprehensive materiality assessment in 2012, which received an independent assurance statement within the scope of AA1000 Assurance Standards. We regularly review our stakeholders and material issues in line with the GRI G4 Guidelines, local and global developments, and feedback we receive from our stakeholders through different dialogue platforms, as well as the strategies of the Vodafone Group and our company. These platforms allow us to regularly update the most material issues and even to develop our products and processes accordingly.

Key Stakeholders

Our stakeholders are groups that may impact or be impacted by our operations. The key stakeholders for Vodafone Turkey can be found on the adjoining graphic. We have included in Stakeholder Dialogue table details about the dialogue platforms we have established in order to communicate with our stakeholders and the issues covered on these platforms

Material Issues

For the last three years, we have been following the guidance of the "Four Principles for Defining Report Content" stated in the GRI G4 Guidelines to identify our material issues. The aspects covered in GRI G4 constitute a significant part of the issues we cover in prioritization analysis. The issues that have a particular concern to our sector, the issues reported by the Vodafone Group, the feedback we receive from our stakeholders and the current priorities and strategies of our company are considered while further expanding the list of issues. For instance, we have reviewed and updated our material issues as a result of becoming signatories of the UN Women's Principles and UN Global Compact and based on the assessment of the Sustainable Development Goals we executed while preparing the contents of this report. In addition, the survey on the assessment of material issues, which we conducted with the participation of Vodafone Turkey executives, was a part of our review process this year.

In this report we covered issues that have high environmental and social impact and issues considered material by our stakeholders. The graph entitled "Material Issues" reflects the results of our prioritization process. The definition for different quadrants of the graph is as follows:

A Quadrant: Isses that are material for both our stakeholders and our company are listed in the A quadrant of the graph (regardless of the order of importance). These are the issues that may have a high financial and operational impact on our business processes and which we monitor closely.

B Quadrant: These are issues with relatively low impact on our corporate success where we have relatively low impact, but which are of interest to our stakeholders.

C Quadrant: Issues that are directly related to our employees are not a major concern for all of our stakeholders, but we attach great importance to such issues due their impact on our corporate success.

Our Suppliers: In this report, we mentioned issues that may be material not only for our company, but also for our suppliers. Issues including occupational health and safety, energy consumption and sustainability in the supply chain also cover our suppliers. The report boundary for the other GRI indicators is for our company only.

Material Issues

* Issues that are related to our own operations as well as our suppliers.

Note: Issues highlighted in red are the issues that are either newly added or updated in the new fiscal year.

Employees' Opinions on Sustainability

Executives

While creating the content of our sustainability report 2015/16, we held a survey among Vodafone Turkey executives to identify the issues that they consider material. According to the results of the survey:

- 67% of our executives believe our company's sustainability practices are highly sufficient or sufficient.

- The most material issues for executives are stated below (in random order): Infrastructure investments to increase access to information and communication technologies, customer privacy, customer satisfaction, digital rights and freedoms, children's rights (secure internet), access to communication by all social groups, IoT applications that increase efficiency, paper consumption and saving, energy consumption, business ethics and anti-corruption, corporate security and continuity of business, assessment of suppliers in terms of OHS, environmental and ethical performance.

Employees

We conducted a similar survey with all of our employees while creating the contents of the 2014/15 sustainability report. According to the results of the survey:

- 79% of our employees are aware of the company's sustainability practices. They receive this information mainly through internal communication sources and the "Respect the Environment" mobile application. 32% of our employees learn these practices through our sustainability reports.

- 77% of our employees believe our company's sustainability practices are highly sufficient or sufficient, whereas 20% consider such practices "partially sufficient".

- The most important and material issues for our employees include (in random order): customer privacy, customer satisfaction, access to communication by all social groups, using mobile communication technologies for the benefit of people, paper consumption and saving, energy and greenhouse gases, health and safety, corporate security, business ethics and anti-corruption, and base stations and health.

Stakeholder's Opinion

Canan Ercan Çelik

Chairperson, Business Council for Sustainable Development Turkey (SKD)

We are in an era where the developments in information and communication technologies have an ever increasing transformative impact on societies and the business world. Mobile technologies are an important component of this transformation as they do not only provide communication, but also generate innovative solutions and services for individuals and organizations in many sectors such as education, health and agriculture. Such services increase social benefits and also make great contributions to the economy. This is also relevant for combating against climate change, which is one of the most important aspects of sustainability. As we all know, in combating climate change, global emissions must be reduced by 80% through 2050. This can only be possible by developing new business models and including technology and innovation more.

Innovative mobile technologies are the indispensable provisions for the main infrastructure of information technology and they have become an important tool for the development of many sectors, the acceleration of work processes, providing resource efficiency and the reduction of carbon emissions due to their positive impact on efficiency. For this reason, many developing countries consider the information, communication and telecommunication sector a significant part of their development strategies.

Vodafone Turkey is one of the leading organizations that creates a difference in the development of Turkey with its innovative approach, international experience and knowledge which paves the way for this social and economic transformation. At SKD, we think that Vodafone Turkey provides significant support for sustainable development with its work on digital transformation, SME development, and works towards the disadvantaged groups of society such as farmers, women and youth. Vodafone Turkey is an active member of our Association, which was established in 2004 with the goal of increasing the awareness of sustainable development in the business world and is also the leader of our Innovation Working Group which aims to promote innovative sustainability in Turkey. Under the leadership of Vodafone Turkey, this group organizes the biannual Innovative Sustainability Practices competition and annual trainings for SMEs. In addition to these, Vodafone Turkey contributes to the Women's Employment and Equal Opportunities and Decent Work and Economic Growth Working Groups within SKD.

As an Association, we continue our activities in line with UN Sustainable Development Goals, and we draw attention to the issue of "social inclusion" due to the reason that the number of people excluded from the system for social, political or economic reasons, including the global immigrant problem, increases on a daily basis. We are working in order to eliminate hunger and poverty and to provide each individual with the ability to meet his/her fundamental needs. The contribution of the telecommunications sector to inclusiveness has critical importance as it ensures that each individual is included in society and the economy through the solutions provided. In this sense, at SKD, we think that Vodafone Turkey's focus on efforts related to immigrants is very valuable for our sustainable future.

We believe that Vodafone's contributions to the Turkish economy and the business world will continue to expand and we wish for great success for Vodafone on its journey to make a difference.

Dialogue with Our Stakeholders

We have continued our communication with our stakeholders on various issues through various platforms with the goal of improving our sustainability practices and performance. We have continued to advance our cooperation with non-governmental organizations (NGOs) and representatives of the sector. Our dialogue processes with our key stakeholders and the examples of issues shared are provided in the table below.

Our Stakeholders	Examples of Dialogue Processes	Examples of Issues Raised
Our Customers	• Every year we hold customer perception and satisfaction surveys for our corporate and individual customers, where we learn our customers' expectations and develop our products and services accordingly. • We continuously establish direct communication with our customers through our call centers, sales channels, the Vodafone Forum, and social media. • We regularly hold meetings and workshops with our corporate and individual customers to learn about their opinions and expectations. • We reach out to our stakeholders and customers through the events that we organize and participate in, where we exchange information and interact.	• We have carried the Customer Satisfaction program to a higher level of new product and advantageous offers and provided an advantage to Vodafone customers on many issues such as easy accessibility, quality of reception, utilization control and loyalty programs. • We have participated as the main sponsor at International Istanbul Smart Networks Congress and Fair and we have introduced the contribution of operators in smart networks, the solutions we provide and the worldwide examples on this. • We have emphasized the importance of digitalization in CEO Club meetings in which we participated as the main sponsor. • We have reached more than 4,000 guests and an online audience of more than 40,000 with the second Digital Transformation Summit that we organized, where we explained the transformative power of digitalization in every area of life.
Our Employees	• We hold the People Survey every year. • We regularly organize activities and practices to increase awareness among our employees. • We learn about the opinions, expectations and suggestions of our employees regarding their and our company's performance through annual performance evaluations and via internal communication channels and regular meetings, and take necessary actions. • We hold surveys to learn about material sustainability issues for our employees.	• We held an Employee Satisfaction Survey, which evaluated not only employee satisfaction, but also our OHS and environmental performance. • During the orientation program we provide for our new employees, we aim to increase their awareness and information on sustainability issues. • With the "Sustainability Week" event we have been organizing since 2013, we continued to inform our employees and receive feedback from them. • With the participation of senior management, we have executed a materiality survey which contributed to the content of this year's sustainability report.
Society	• In line with our transparency and accountability principles, we regularly inform society through various media and platforms, including our sustainability report and mobile applications.	• Through the corporate reputation survey, which involves our stakeholders from every walk of life, we evaluate the improvement of our company regarding reputation and sustainability issues. • Through http://medyamerkezi.vodafone.com.tr, we share the press releases, videos, info-graphics and commercials related with our activities. • We have published the 2014/15 fiscal year Vodafone Turkey sustainability report and shared it with our material stakeholders on a one-to-one basis. • We disclosed our "Red Respecting Green" Manifesto and invited all stakeholders to adopt the basic principles of sustainability.
Regulatory Bodies	• We establish dialogue with regulatory bodies on issues concerning our industry and company and we regularly provide information to these bodies through reports.	• We exchange opinions on issues such as effective and goal-oriented implementation of competition policies and removing regulatory barriers against products and services that contribute to the overall welfare and development of society.
Local Community and Local Governments	• In line with our network deployment policy, we closely follow the developments regarding base stations and health. We share the research of leading institutions, such as the World Health Organization and the International Cancer Research Agency, through our website.	• We maintain ongoing two-way dialogue by receiving the opinions of local communities and local governments especially about the base stations.
Our Suppliers	• Within the framework of Supplier Performance Management Program, we support our suppliers to develop their capacities in sustainability, quality and performance.	• At the Ecosystem Day event, we informed our suppliers on recent developments in occupational health and safety, best practices and our approach to sustainability.
Industry Representatives and NGOs	• We establish permanent cooperation with industry representatives and NGOs in line with our sustainability approach (please see Collaboration with Non-Governmental Organizations and Industry Representatives table).	• We establish continuous communication with industry representatives and NGOs through meetings, working groups, and visits; we cooperate for the development of our industry.
Our Stores	• We get feedback from our stores through periodic satisfaction surveys and implement remedial actions. • We support our stores in improving their capabilities.	• With the Green Office program initiated in cooperation with WWF-Turkey, we have ensured more efficient use of energy and natural resources at selected stores. • We helped our store employees develop their capabilities by organizing training programs on various topics, including service quality and customer relations.
Opinion Leaders and Experts	• We participate as speaker or sponsor to the conferences on sustainability organized in our country and we facilitate the mutual exchange of ideas on this. • We hold stakeholder engagement workshops in regular intervals with the participation of opinion leaders, experts and other stakeholders.	• In the 2015/16 fiscal year, we have sponsored various conferences such as Green Business, Sustainable Brands, SKD Innovative Sustainability Practices Competition and PERYÖN, and we have shared the practices of our company on sustainability in these conferences with our stakeholders. • We are planning to organize the fifth stakeholder dialogue workshop in the 2016/17 fiscal year.

Collaboration with Non-Governmental Organizations and Industry Representatives, and Initiatives on Which We are Signatories

Non-Governmental Organization	Platform / Project	Objective / Purpose	Activities in the 2015/16 Fiscal Year
Global Compact Turkey	Signatory Board Membership	Support the expansion of the concept of sustainability while collaborating with the private sector and other stakeholders	We became signatory to the Global Compact in 2015 and also took part in the executive board of the Global Compact Turkey, thereby expanding our ecosystem. We support the works of the Global Compact by participating in Executive Board meetings. With this report, we publish our first Communication on Progress.
Business Council for Sustainable Development Turkey (SKD Turkey)	Board Membership Innovation Committee Presidency Working Group Memberships	To exchange ideas with other member companies about sustainability To support development of projects aimed at encouraging private sector to participate in sustainability effort	We participate in studies conducted with respect to the management of social and environmental issues. We lead studies regarding the impact of innovation on sustainability. In 2013, we became signatory to the Declaration of Energy Efficiency in Buildings. We have contributed to the Energy Efficiency in Vehicles report prepared by SKD Turkey. We have participated in the report with case study named Vehicle Fleet Efficiency Work. We have organized innovation and sustainability trainings towards SMEs. We supported the Innovative Sustainability Practices competition where SKD awarded SMEs and major companies' social, economic, and environmental innovative practices.
WWF-Turkey	Carbon footprint management and awareness-raising activities	To inform our ecosystem on environmental issues and environmentally friendly practices; to improve our carbon footprint in our business processes	We develop regular communication activities, nature trips, e-learning tools, environmental campaigns and carbon reduction roadmap for our ecosystem to adopt our sustainability approach and strategy.
AKÜDER, ÇEVKO (1)	Membership	To recycle and reuse waste materials back to the economy	We continue to recycle paper, electronic and other waste materials and to raise awareness in society.
TBV, TELKODER, TESİD, TÜBİSAD, TÜTED, TOBB Telecommunication Council, Access Providers Union, Information Security Association, AUSDER and YASAD (2)	Membership Board Memberships Working Group Memberships	To contribute to the development of our country through communication and information technologies	We support practices aiming to contribute to the development of the industry through industrial reports and taking part in the events held.
DEİK, DTİK, DEİK TİİK, Endeavor Turkey, PNB Turkey, TOBB, TÜSİAD (3)	Board Memberships High Advisory Board Memberships Advisory Board Memberships Working Group Memberships	To contribute to improvement of investment environment and the national economy	We support activities to create regional and industry-specific development opportunities by promoting sustainable development and competitiveness, and take part in events held for this purpose.
International Investors Association (YASED)	Board Membership Working Group Memberships	To contribute to the improvement of investment environment and the national economy	We proactively lead the efforts of international foreign direct investors operating in Turkey for a better investment environment; we support activities performed for regional and sectorial development opportunities by promoting sustainable development and competitiveness.
Aegean Forest Foundation (EOV)	Project Partnership	To contribute to protecting nature and raising environmental awareness	With the trees donated to the Aegean Forest Foundation, we created a Vodafone Forest in Çeşme-Ildırı. With the help of our "Respect the Environment" application, we have made it possible for customers to donate trees with a single click.
British Chamber of Commerce in Turkey (BCCT)	Board Membership	To promote trade relations between Turkey and the United Kingdom; to contribute to partnerships	We support projects to promote trade relations between Turkey and the UK and to directly contribute to the partnerships; we take part in related activities.
Private Sector Volunteers Association (ÖSGD), Third Sector Foundation of Turkey (TÜSEV)	Board Memberships	To contribute to the development of the third sector and to the expansion of volunteerism in the private sector in Turkey	We actively take part in efforts to improve the legal, financial and functional infrastructure of NGOs, which are important actors in sustainable development.
ÇMD, BMD, IAB Turkey, KMD, Mobile Marketing Association, ÖDED, Brand Consultants Association, RVD, TEGEP, KALDER, PERYÖN, KİYED (4)	Board Presidency Vice Presidency Board Memberships and Founding Memberships Working Group Memberships	To closely follow operational developments and to contribute to the development of innovative practices	We support the efforts to contribute to development of innovative practices in the industry and take part in activities carried out for this purpose, as we are committed to continuous improvement of our operational processes.
TİKAD, WCD, Platform on Equality at Work, WEPs (5)	Membership Advisory Board Membership Signatory	To increase the number of women entrepreneurs in working life and to encourage the support of women entrepreneurs	We participate in activities to strengthen the role of women in working life and we develop common projects.

(1) Accumulator and Recycling Industrialists Association (AKÜDER), Environmental Protection and Packaging Wastes Recovery and Recycling Trust (ÇEVKO)
(2) Turkish Informatics Foundation (TBV), Independent Telecommunication Operators Association (TELKODER), Turkish Electronic Industrialists Association (TESİD), Association of Informatics Industrialists (TÜBİSAD), Association of All Communication Businessmen (TÜTED), Smart Transportation Business Systems Association (AUSDER), Software Industrialists Association (YASAD)
(3) Foreign Economic Relations Board (DEİK), World Turkish Business Council (DTİK), DEİK Turkish-British Business Council (DEİK TİİK), Partners for a New Beginning (PNB) Turkey, Turkish Union of Chambers and Exchange Commodities (TOBB), Turkish Industrialists' and Businessmen's Association (TÜSİAD)
(4) Call Centers Association (ÇMD), United Brands Association (BMD), Interactive Advertising Bureau of Turkey (IAB Türkiye), Category Merchandising Association (KMD), Payment and Electronic Money Association (ÖDED), Association of Advertisers (RVD), Learning and Development Association (TEGEP), Turkish Quality Association (KALDER), Human Resources Management Association of Turkey (PERYÖN), Public Communication and Corporate Relations Management Association (KİYED)
(5) Turkish Businessmen Association (TİKAD), Women Corporate Directors (WCD), WEPs (United Nations Women's Empowerment Principles)

Our Customers and Society

As part of the Digital Transformation Movement we launched to "use communication technologies to inspire everyone in Turkey for a better future", we continue to offer innovative solutions creating added value for our customers in healthcare, finance, agriculture, and development.

Material Issues	Our Commitments	Objectives for the 2015/16 Fiscal Year	Our Performance in the 2015/16 Fiscal Year	Objectives for the 2016/17 Fiscal Year
Solutions that create transformation and change	We will continue to launch innovative products and services under the Digital Transformation Movement.	To enable a greater number of companies to use solutions that improve efficiency through the "Ready Business" Platform.	42,000 businesses have calculated the digitalization index through "Ready Business" platform and two million companies have reviewed the platform.	To develop various efficiency increasing solutions such as smart cities and smart villages.
Social business models that support development	We will enrich and expand the Vodafone Farmers' Club.	To improve productivity of 950,000 farmers through the Vodafone Farmers' Club.	The number of farmers who have increased their productivity with the help of Vodafone Farmers' Club has exceeded 1.3 million. Vodafone Farmers' Club is being implemented in six more countries. We have launched the "Smart Village" project to be an example for the digital transformation of our villages.	To increase the number of farmers utilizing Vodafone Farmers' Club to more than 1.5 million in Turkey and 4 million worldwide.
Secure Internet	We will support families promoting secure internet and phone solutions for children.	To offer solutions that enable secure internet and phone usage for children and families.	We have launched "Hello Package" in September 2015 with our vision of supporting children and their parents with the most accurate content.	To keep the content of dijitalemerhaba.com portal updated and enrich it with videos.

Internet of Things (IoT)

At Vodafone Turkey, we aim to expand the IoT solutions within the scope of the Digital Transformation Movement, adding value to the lives of individuals and improve the efficiency of institutions and thereby contributing to the global strength of the Turkish economy. In January 2016, we were first to establish the "IoT services development platform" in Turkey and within the Vodafone Group. Our purpose with this platform is to develop applications and services for industrial verticals and to reflect our technological competence from end-to-end with our business partners and technology units.

Today, the IoT technologies are the locomotive of sustainable economic growth and social development in the sectors such as health, agriculture, finance and education which it horizontally interacts with. With our strategy of making the digital life easy and accessible, we continue with our investments in a way to provide solutions in different areas such as smart cities, smart stadiums and smart villages.

Vodafone Group is the world leader in the internet of things which is the sole platform combining smart systems with mobile communication and one of the leading IoT service providers with its global experience for more than **20 years** and **more than 40 million connections.**

Internet of Things (IoT)

Internet of Things (IoT) is a network where any thing with the ability to establish electronic communication communicates with the other thing and generates a higher value and service than standard mobile connection. It is a platform where data is directly transmitted between things without the need of any human-to-human or human-to-machine intervention. Another term used for IoT is "machine-to-machine communication (M2M)". IoT technology has the potential to transform the whole industry, most of the public services and the different aspects of individuals' lives.

IoT Solutions

IoT solutions are implemented in various areas. We foresee that the areas that might benefit most from this technology are: agriculture and husbandry (smart villages), production (smart monitoring systems), connected vehicles (smart transportation), smart cities, smart stadiums, health (patient monitoring) and other solutions which will facilitate the lives of individuals.

Benefits for the End User

- The user can access the service at any time, independent from location and time.
- It contains solutions which enhances the user's life and provides time and cost savings.

Benefits for Institutions

- Institutions will be able to control all the business processes in real-time.
- With the digitalization of the processes and their complete control, they can use human resources in more efficient areas.
- It helps all business units such as production, sales, marketing and logistics to be more efficient.
- As productivity and efficiency increases, costs will decrease.
- If solutions that provide savings on fuel and energy are applied, it will provide significant benefits such as a reduction of greenhouse gas emissions.
- An interactive management process is generated where all company employees are included with end-to-end control.
- It provides the chance to instantly intervene in business processes in emergencies by making access to information possible.
- It ensures that internal, external, financial and technical audit processes are successfully completed in a very short period.

Digital Transformation in Healthcare

Mobile technologies facilitate better quality of life for individuals and increase access to healthcare services. We continue to increase the number and to expand the scope of our digital healthcare solutions that provide the possibility to access healthcare services from anywhere and anytime for our customers. Also, we have sponsored the Digital Health Summit Turkey in December 2015 in order to support innovation in the healthcare sector.

Vodafone Mobile Healthcare

Launched in March 2013 through a partnership between Vodafone Turkey and Artı Sağlık A.Ş., Vodafone Mobile Healthcare Platform is an innovative service that offers instant mobile healthcare solutions to our customers. Vodafone customers can reach the Mobile Healthcare services through the Vodafone Mobile Healthcare mobile application which has been downloaded by 150,000 users so far or from www.vodafonecepsaglik.com.tr website which has been visited by

30,000 individual users each month. The users can make use of various information content on the Vodafone Mobile Healthcare Platform, including paid-for or free SMS services for healthy life, healthy nutrition, chronic diseases, women's health, men's health, children's health. Vodafone Mobile Healthcare, Turkey's most extensive as well as the first and only mobile healthcare platform touched the lives of 1 million and 131,000 customers as of the end of March 2016.

Chronic Disease Monitoring Application

It is a solution that provides distant monitoring for diabetes patients in collaboration with the Memorial Group of Hospitals. Through the "Vodafone Corporate Mobile Healthcare Program" developed within this scope, applications to increase the convenience of diabetes patients, 24/7 physician and health professional support, emergency interventions when necessary, personal online data recording access and private consultation line services are provided.

Vodafone Eye Health

The "Vodafone Eye Health" application was developed within Vodafone Mobile Healthcare and it makes remote eye examinations possible through mobile devices. This application provides services for patients who live in distant regions without an ophthalmologist or for bed bound patients who cannot visit an ophthalmologist due to their illness. This application was first used in the Goynuk district of the Bolu province with the collaboration of the home care company Artı Sağlık and Dünya Eye Hospital. It is planned to expand the application, a first in Turkey, with new collaborations in the future. Under normal conditions, expensive and immovable devices are used for eyeground images to be obtained. As these devices can only be used in hospitals, patients need to visit the hospital. With the "Vodafone Eye Health" application, patients who cannot visit the hospital or those patients whose transfer to the hospital would be too expensive can be examined in their homes.

Alzheimer Patient Monitoring

In order to facilitate the lives of the relatives of Alzheimer patients' and to maintain their inner peace, this mobile application was prepared for those who take care of Alzheimer patients, providing them the opportunity to monitor patients through the application. The Alzheimer's patient's relative can monitor where the person being monitored is and monitor the places visited on the map through the application 24/7. Also, a safe zone can be set on the map and an alert will be sent whenever the patient leaves that specific area.

Telemedicine Patient Monitoring Program

With the collaboration of Kadıköy Şifa Hospital, telemedicine-distant treatment devices are provided to hypertension and diabetes patients, and their measurement results are instantly monitored and viewed by the health coach and the physician. Thus, patients have the chance to show their measurement results to the physician with no need to visit the hospital and their ratio for regular measurement increases.

Digital Transformation in Finance

At Vodafone Turkey, we believe that the digitalization of payment systems that are frequently used in our daily lives is one of the most critical stages of digital transformation. Mobile technologies have become an important instrument for integrating people deprived of access to financial services into the financial system and for creating equal opportunities in this area.

Vodafone Electronic Money and Payment Services

We have gathered all of our mobile financial services under a single roof in order to facilitate the lives of our customers. Under this, we present our customers the products of Vodafone Mobile Payment, Vodafone Mobile Wallet and Mobile Cash Card including the provision of payment services, making money transfer and mediating invoice payments. Thus, we provide secure physical and electronic environment for all mobile financial services such as payment of invoices, online shopping and money transfers.

Also, we can act as mediator for the collection of payment amount of services purchased by mobile payment products. For instance, Vodafone prepaid line customers can make their shopping instantly from their TL balances. The shopping made by our postpaid line customers can be reflected on their telephone invoices. We assume that mobile payment will be the leading factor in growth due to the increase of interest by end users to alternative payment systems and the strong and wide customer base of Vodafone.

Mobile Wallet

The Vodafone Mobile Wallet application, launched in 2013, aims to ease in financial transactions. This application enables a great number of transactions, including creating a virtual Mobile Cash Card instantly, sending money to all GSM numbers, depositing Cell Lira to prepaid Vodafone lines, saving money with a Save and Send account, and contactless payment with QR codes. In addition, Mobile Wallet users benefit from contactless payment in all NFC (near field communication) compatible POS devices. While 139,000 customers downloaded the Vodafone Mobile Wallet application as of the last fiscal year, this number reached 391,000 customers in the 2015/16 fiscal year.

Investment on Digital Transformation

We have set out the "4BucakG" strategy in order to ensure that each individual, each institution and each device in Turkey can connect to the internet with very high speed. We have started to provide 4.5G services in 81 provinces in its broadest coverage with seven thousand different points as of April 2016. We also continue with our investments to expand our fiber lines.

Secure Internet

At Vodafone, we analyze the needs of individuals and develop innovative products and services to meet these needs. While developing our service and practice areas, we place emphasis on "digital born" and "digitalized" segments, which are the closest to digitalization. We make various programs available to support parents' encouragement of their children to use digital technology in a secure and responsible way.

We launched "Hello Package" in September 2015 with our vision of supporting children between the ages of 7-13 and their guardians with the most accurate content. The program has three pillars; namely information portal, mobile application and tariff package. Through the "Hello to Digital Portal" designed within the scope of program, parents can be informed about the secure internet and digital parenting. With "I am Here Application", they can instantly monitor the locations of their children, and with "Hello Tariff", they can control the mobile phone utilization of their children.

We will continue communication related with this in the 2016/17 fiscal year with the same vision. Within the scope of this vision, we aim to present a proper GSM offer for the target audience, and continuous, accurate and updated information to children and their parents through dijitalemerhaba.com. The content of site will be created by technology experts and expert pedagogues and enriched by videos.

"Our Secure Internet Service", which we offer free of charge and upon request, is an alternative internet access that considerably protects our customers from harmful content. This service contains two profiles (children and family) and provides considerable protection from harmful content on internet. Desired profile can be selected or cancelled via Vodafone Online Self Service, Call Centre, SMS or Vodafone stores.

To help children use the digital world securely, we prepared a basic suggestions list for the parents. By grouping these suggestions for different age groups, we created a "Digital World Introduction Guide".

We continue offering our customers the free "Vodafone Guardian" mobile application that helps parents manage their children's smart phones by enabling protection against inappropriate calls, SMS and online contents.

For more information
→ www.vodafone.com.tr/Internet/Guvenli-Internet.php
→ www.vodafone.com.tr/VodafoneHakkinda/dijital-dunyaya-giris.php
→ www.dijitalemerhaba.com

Vodafone Arena

Turkey's first smart stadium, Vodafone Arena, was opened for fans on April 11, 2016 after 2.5 years of construction. The smart stadium infrastructure was a part of the architectural project and the whole architecture was designed accordingly, different from many other stadiums. The devices and equipment used in the stadium have high efficiency and their energy consumption is relatively low. One of the most important features that makes Vodafone Arena a smart stadium is the interactive operation of broadcasting system and mobile applications with fans.

The smart stadium contains high band width Wi-Fi, 2G, 3G and 4,5 G network connections to meet the needs of 50,000 visitors with the help of data and telecommunication chambers feeding its infrastructure. Also, fans are able to monitor the important positions of the game and statistics via more than 700 interactive screens and more than 2,200 built-in seat screens positioned at different points and managed by a single center.

High efficient energy and cooling systems used in the infrastructure of Vodafone Arena system rooms helped us save approximately 2 million kWh energy annually when compared to equivalent equipment. Through this we prevent annually approximately 1,100 tons of greenhouse gas emissions (GHG). This amount is equal to total annual electricity consumption of approximately 1,000 households and annual GHG emissions resulting from the electricity use of approximately 740 households.

Employee Opinion

Bora Yücel, Vodafone Turkey, Network Rollout and Operations Director

Vodafone is a global communication company that provides uninterrupted communication and facilitating products and services at any time and any place and it leads the digital transformation of Turkey. I am very glad to be a part of Vodafone family which utilizes communication technologies in every part of life through social responsibility projects and works with great effort to help people reach for a better future.

In my opinion, one of the most significant characteristics that distinguishes Vodafone from other companies in Turkey is its ability to adapt the technologies, products and services which have been realized and experienced in different countries before into the form to meet the local requirements of our customers and to present them for their use. I also think that being a company which is focused on transforming digitalization into social and environmental benefit, leading in order to increase the position of women in technology as in every track of life are the factors that make Vodafone Turkey very special and different as a company.

The project I was most excited about last year was "4BucakG". We have realized a successful launch following a long and intense work in the field, in our offices, and with all the companies within our ecosystem as a team in order to provide high speed mobile internet access to all our customers in Turkey without interruption and with high quality. Thus, our company has become the leading 4.5G operator with the broadest 4.5G coverage and the highest number of 4.5G users in Turkey.

Sustainability reports have very critical importance for us as they disclose the sustainability strategies, commitments of Vodafone Turkey and its performance, which can also be considered as a "grade card". Thanks to these reports, we are proud of our performance in the past year and we are motivated to raise the bar for next year.

I will be delighted to lead Vodafone Turkey's mobile projects in the future in order to advance the digital literacy of children and to improve all types of software development such as mobile applications and to make those possible in every part of Turkey.

Vodafone Istanbul Marathon

Vodafone Istanbul Marathon -the world's first and only intercontinental marathon- took place on November 15th, 2015 for the 37th time and the 3rd time under the name of the Vodafone Istanbul Marathon. The Vodafone Istanbul Marathon was run this year with theme "Stop the Violence Towards Women" under the name sponsorship of Vodafone by Istanbul Metropolitan Municipality and Sport A.S. A record number of nearly 30,000 sportsman from 120 countries participated. 120,000 Istanbul residents walked from the Asian side to European side of the bridge.

The renewed VMaraton application and our digital innovations made it possible to track the event from anywhere at any time. The aplication was downloaded by nearly 15,000 people.

Between July 2014 and April 2016, **42,000 companies** calculated their digitalization indices via Ready Business platform.

Since July 2014, digitalization index score of Turkish companies increased from **48%** to **53%** after implementing the opportunities.

Ready Business

With the Ready Business Platform, we help companies of every size have access to new technologies and increase efficiency.

Digitalization offers solutions that put companies a step further in competition and that improve global competitive edge. We see that digitalized companies around the world grow their revenues 9% above the industry average, achieve 26% higher profitability than their market, and gain market value above average without increasing their resources. With the aim of helping Turkish companies in identifying their digitalization needs and supporting them in the digitalization process, we launched the "Ready Business" platform at www.yarinahazirim.com. Regardless of whether it a Vodafone customer or not, every company can use this platform free of charge.

After identifying their Digitalization Index and needs by using the tool on the Ready Business platform, companies can have access to Vodafone solutions that improve their efficiency if they choose to do so. At this stage, the most appropriate Vodafone solutions are divided into three major groups; namely Team Management Solutions, Operational Management Solutions and Customer Loyalty Solutions are suggested to meet the customer's needs. Between July 2014, its launch date, and April 2016, 42,000 companies calculated their digitalization indices via Ready Business platform and 2 million companies examined the platform. Since July 2014, the digitalization index score of Turkish companies increased from 48% to 53% after the works done. Our long-term goal is to help Turkish companies increase their digitalization index to 75%.

Example of an IoT Solution in Production

İlknak Fishery Products Production Monitoring System

İlknak is one of the leading farm fish production facilities in Turkey. The company calculated the digitalization index with our Ready Business consultants and identified its needs. Then, it utilized Vodafone Super Net devices and Vodafone IoT technologies and increased its digitalization index to 75% from 35%. The company has managed to increase its production efficiency by 50% through the quickening of control processes in fish production tanks and instant monitoring of oxygen levels.

Smart Cities

In Turkey as well as globally, we are living in an era that the digital population increases on a daily basis, and the need for rapid digitalization of public services emerges. With our smart city solutions we have developed in accordance with this need, we provide solutions for buses, automatic vending machines, elevators, building illumination and ventilation systems, municipality practices and security systems. We help the foundation of smart cities in the world with the help of remote controlled device and systems. These solutions make it possible to increase citizen satisfaction and provide urban sustainability.

We have realized the "Smart City Index", which we have prepared with the purpose of guiding the municipalities and turn them into cities ready for tomorrow, all around Turkey with metropolitan municipalities. We measure the scores of 26 metropolitan municipalities in the fields of education, health, energy, security, transportation, waste management and culture management by "Smart City Index" and we prepare the municipalities for the future.

At Vodafone Turkey, we are inspired by successful examples applied within the Group and carry the experience of our Group in smart urbanization to Turkey. It is possible to show examples of our smart city solutions from all around the world. For instance, traffic is monitored in Venice with the help of Vodafone's mobile applications and the life of citizens is facilitated. By considering the conditions of nature, a short messaging system is launched to be used in emergency cases. Citizens are provided with the ability to access all public institutions through a single online portal. Another example is the Smart Parking company which operates in three different continents. This company established smart parking systems all around the world with the help of Vodafone Global M2M and it utilizes the same SIM card everywhere. Thus, citizens are able to see the parking spot any place and anywhere with the help of the smart parking system.

We have reached to more than **1.3 million** farmers

We have sent **871 million** short messages

We have trained more than **225,000** farmers

More than **38,000** farmers have utilized our advertisement service

**Vodafone Farmers' Club was launched in
India, Ghana, Kenya, Tanzania, Egypt and
New Zealand**

Vodafone Farmers' Club

With mobile technologies, we improve the life quality of millions of farmers.

The agricultural sector in Turkey has a 19.9% contribution to employment and its weight in the economy is 7.6 %; it is of crucial importance for the economy and rural development. The competition of this sector at the global level and increasing the welfare level of farmers is possible through digitalization.

With Vodafone Farmers' Club, we digitalize the farmers in Turkey for the last seven years and aim to increase their productivity and profitability. Launched in 2009 under the cover of Ministry of Agriculture and Livestock, Vodafone Farmers' Club program aims to achieve digital transformation in agriculture by contributing to agricultural and rural development and to support farmers with equal access to social and economic life.

Launched by Vodafone as a first of its kind initiative in Turkey, with the services we offer, we touch to the lives of our farmers on a much wider scale. We have three main goals of Vodafone Farmers' Club:

- To instantly bring mobile technologies to our farmers and increase their efficiency,
- To help the farmers reach for more buyers and increase their profit, and
- Increase farmers' access to financial resources, thus supporting their economies.

Vodafone Farmers' Club in the World

The Vodafone Farmers Club consists of services which were initially provided by Vodafone Turkey in accordance with the needs and requests of farmers and it was used as an example in the world under the name "A Turkish Recipe in Agriculture". It is being applied in six more Vodafone countries: India, Ghana, Kenya, Tanzania, New Zealand and Egypt. Through this, the Vodafone Farmers' Club has become the first social business model brought into the global market by Vodafone Turkey and it has provided benefits for more than two million farmers in these six countries. Our program was also considered a case study by GSMA, one of the most important organizations in our industry that represents the rights of mobile operators worldwide, and it was cited as an example for other telecommunication operators.

Vodafone Smart Village

We have initiated the work for Vodafone Smart Village project in the 2015/16 fiscal year by collaborating with TABIT and we aim to be the pioneer in the digital transformation of rural areas and to create a new generation rural living model which combines the traditional agricultural methods with the possibilities of advanced technology. This project will become the first smart village in the world with end-to-end technologies and we aim to create a model for 38,000 villages and rural settlements, to make farming a preferred occupation again, to reduce the migration from rural to urban areas and to export this model to other Vodafone countries. With the help of smart systems we will establish in Vodafone Smart Village; we will be able to provide the sustainability of agricultural resources and we also wish to increase the welfare level in rural areas via the socialization and education programs we will conduct for children, youth and women.

Main Focus Areas of the Vodafone Farmers' Club

Farmer News Package

With our 2434 Farmer News Package Service, we provide agricultural information to more than 1.3 million customers via SMS. Through this service, we deliver detailed weather forecasts in 957 towns, the market prices of 88 agricultural products, disease warnings, and tips on pest control. Industry-specific information such as state grants, free fair invitations and the latest developments in agriculture are also offered. So far we have sent 871 million SMSs on 1.1 million different subjects to farmers.

Farmers' Training Truck

With Vodafone Farmers' Training Truck project that we launched to deliver trainings in villages to meet farmers' needs, we aim to explain the benefits of mobile services in increasing productivity. As of the end of the 2015/16 fiscal year, our truck visited 495 towns and villages, travelled a distance of 300,000 km, and reached more than 225,000 farmers.

Farmers' Guide Application

The Vodafone Farmers' Guide Application that we developed for smartphones was downloaded by 16,000 farmers. Town-specific 5-day weather forecasts, agricultural news per category, detailed product prices, free and easy advertising are offered to farmers.

Farmer Advertisement Service

Thanks to this service, the Farmers' Club members give free advertisements and get the chance to sell their products without intermediaries and at their worth. The ads sent through this service are published free of charge in Turkey's largest agricultural e-commerce website www.tarimsalpazarlama.com, Posta newspaper and industry publications. Also, thanks to our collaboration with alibaba.com, one of the greatest e-trade websites in the world, we provide the Turkish farmers with the chance to sell their products abroad. So far more than 38,000 farmers benefited from this ad service.

Collaboration with Şekerbank

Vodafone Farmers' Club members utilize the financing products within the scope of "Family Farming Banking" with 15% interest discount by the collaboration with Şekerbank. Farmers can also pay their Vodafone invoices during the harvest season at once with no interest.

Stakeholder's Opinion
Jaklin Güner, United Brands Association (BMD), Board Member

What, in your opinion, is the role of the telecommunications industry on development?

Telecommunication is one of the leading sectors that plays an important role in the economies of countries as it contributes to employment, determines the dynamics and supports the development of other sectors. Rapidly developing and changing technology, urbanization, the young population of our country, the growth of the middle class and the rapid change in customer needs and expectations contain new opportunities for this sector as well. In order to benefit from this, telecommunication companies focus on providing different services to stand out with the experiences they present to customers and not only as infrastructure providers. Content and easy and rapid access to it has great importance for the end user today. Within this process, the collaborations to be realized in the areas of Over The Top (OTT) and Internet of Things (IoT) will make the telecommunications sector more important and powerful as leverage for other business areas.

As the Vice Executive Board Chair of BMD, what is your general view of Vodafone Turkey?

Vodafone has a strong position in the telecommunications sector with its vision to lead the digital transformation of Turkey. It has rapidly grown in Turkey due to its strength resulting from the global experience. It has successfully implemented the developments of the world into Turkey by considering the local dynamics, acted sensible on social issues, followed a quality and customer focused service policy and was adapted by public in a short period. I think that this success arises from mutual interaction and it has put Vodafone Turkey in a special position on the global scale.

Can you please tell us about the collaboration of BMD with Vodafone Turkey?

Since its establishment, Vodafone Turkey has followed a close relationship with the business world and other sectors and developed solutions to meet the requirements of the business world. At BMD, we are collaborating with Vodafone to digitalize the retail sector. As a sector which grows up 2.5 times higher than the Turkish economy, we have to adjust with fast changing circumstances and catch the recent interactions. The report on digital transformation in retail, which was prepared with the support of a consultancy company, indicates that we have a very long way to go. The sustainable future of the retail sector will be shaped by digitalization. The road map we have generated with Vodafone Turkey in accordance with the results of report is therefore very valuable. At BMD, we continue our work to prepare our members for the future in accordance with this road map.

What are your expectations from Vodafone Turkey in terms of environmental or social issues?

Vodafone Turkey realizes various leading projects in its sector. I think that the investment made on the training of women and children will especially have very positive results. I sincerely wish that the projects of Vodafone Turkey on these areas will last for many years.

Are there any areas that you think Vodafone Turkey leads? If so, what are they?

By considering the needs related with social, economic and environmental issues, Vodafone Turkey develops numerous different projects that contribute to the development of Turkey. As a female executive, the "Women First" project in which women are the focal point is very remarkable for me. I think that Vodafone Turkey leads the sector with these projects focused on educating women and then encouraging them to take place in the business area. Such programs are encouraging and necessary in countries such as Turkey where the participation of women in business is not at the same level with men.

In the context of sustainability, what are your suggestions for Vodafone Turkey for the future and what would you advise them about their improvement areas, if any?

Vodafone Turkey leads for the development of the sector with its innovative investments and also generates significant projects for a sustainable future. I follow and appreciate the corporate responsibility projects of Vodafone Turkey that contribute a lot to society and the works it conducts in order to make mobile technologies accessible for everyone. I hope that these projects will continue by considering the needs of society and that other companies will be inspired from these and execute new projects for the benefit of society.

Awards

As of March 2016, Vodafone Turkey won 108 national and international awards in many categories, including technology, services, marketing, human resources and public relations. Some of our sustainability practices have been deemed worthy of awards in the period covered by this report. Examples of the awards we have received are as follows:

- In June, the Easy Rescue smart phone application brought the first "Cannes Lions Grand Prix" award to Turkey. This application has also won 1 gold, 2 silvers and 3 bronze lions along with Grand Prix.
- The communication campaign for Easy Rescue application, "Between Us" received 2 Clio awards in September 2015.
- The Easy Rescue application and the Between Us campaign have won prizes at Crystal Apple and Felis awards under the categories "Best Media Utilization", "Best Integrated Campaign", "Best Digital Application", "Best Outdoor Utilization" and "Best Mobile Application".
- Our application named Compass (Pusula) won the gold award under the category "Distinguishing Sales Application in Telecommunication", the silver award in "Inbound Marketing Program" and the bronze award in "Marketing Solution" category at "Stevie Sales and Customer Services" awards in March 2016.
- Vodafone Turkey received the gold award in "Best Customer Services" and "Best Communication Center" categories and the bronze award in "Best Social Media Utilization in Communication Centers" at "Contact Center World Awards" given by Contact Center World.
- The Women First program won awards under the categories of "Best Corporate Social Responsibility Project", "Best Social Good" and "Most Successful PR Application within the Geographical Region" at internationally prestigious "European Excellence Awards", "Communitas Awards" and "SABRE EMEA" awards.
- The Advantage in Pocket (Avantaj Cepte) application received awards under the categories of "Loyalty Magazine Special Award" and "Best Technology Utilization" by the "Loyalty Magazine Awards".
- Our fifth sustainability report that covers the 2014/15 fiscal year received an award under the "Sustainability Report" category at 2016 Astrid Corporate Design Awards organized by one of the most esteemed organizations of the business world, MerComm.

OKSIJEN

OKSIJEN, appointed as Vodafone Group's "Global Innovation Centre" to create technological innovations for over 462 million customers in 26 countries, exports technology to the world.

Our Commitments	Objectives for the 2015/16 Fiscal Year	Our Performance in the 2015/16 Fiscal Year	Objectives for the 2016/17 Fiscal Year
We will support development of local R&D in our country through OKSIJEN.	To increase the number and diversity of projects implemented in our ecosystem.	46 of the projects we have realized within the period are made with the contribution of our business partners in our ecosystem. This amount was 33 in the previous period, meaning we have achieved 40% increase.	There are no new goals.
We will increase the number of innovative solutions and services.	To increase the number of innovative products and solutions to make customers' lives easier in line with our vision of digital transformation.	We have realized 64 new projects within the term and increased the number of realized projects by 45% when compared with the same period of last year.	There are no new goals.
We will improve R&D competency of OKSIJEN.	To increase the number and quality of patents for R&D activities.	By 78 patent applications we have made in 2015 (74 within the fiscal year), we have achieved a 110% increase and became the fifth company in Turkey that made the most applications. We have been awarded with two rewards from the Turkish Patent Institute.	To continue increasing the number and quality of patents for R&D activities.
We will increase the number of innovative solutions and services.	New target	New target	To develop innovative products and solutions with new technologies used in the telecommunications sector (big data, IoT etc.).

About OKSIJEN

OKSIJEN is a global innovation company incorporated in Vodafone Turkey, which aims to lead digital transformation in Turkey for a better future. Established in 2000 and employing a labour force of local engineers, OKSIJEN creates a large number of innovations. In 2015, we continued to offer significant employment opportunities and resources to our country in R&D with a team of more than 260 engineers. Besides that we support our business partners to open up to the world through products and services that we provide for Vodafone Group operators. We also provide global competitive advantages for our corporate customers by developing value-added products and services.

Innovation at OKSIJEN

As OKSIJEN, we have continued with our works on university- industry collaboration and realized new collaborations with two leading universities in Turkey. Thanks to the projects we have realized through Istanbul Technical University (ITU) and Kadir Has University, common university areas have been transformed into smart campuses with **Beacon infrastructures**. Within the scope of project, Beacon infrastructures that facilitate in determining location and direction were installed at Kadir Has University Cibali Campus and ITU Electric-Electronic and Computer-Information faculties. The contactless Beacon bluetooth devices installed provide a micro-location positioning infrastructure in closed areas where GPS signals cannot be received and the positioning sensitivity with GSM signals is insufficient. This infrastructure also provides a laboratory environment which the academics and students can use for their academic research and development projects on positioning. New Beacon infrastructure will also facilitate daily life at the faculties. The university announcements and daily activities will be conveyed to students through this infrastructure and Beacon infrastructure can also be used for welcoming messages, checks at classes, various promotions and new product information at canteens and cafeterias.

In the new fiscal year, we have added a new **location based service** that we are exporting to Europe. The mobile network positioning product (GMLC) that was developed by OKSIJEN engineers was put into use in Italy. After an emergency call made to 112, the system determines the location of the customer and informs the Emergency Call Center. The system also provides an advantage as it can be used without the need to install any mobile applications. In addition to the social benefits of the system such as positioning lost climbers and location-based emergency interventions for first aid calls, it is also expected to pave the way for the development of location-based value added services. The infrastructure that was developed by OKSIJEN and used in Turkey was previously used at Vodafone UK, Vodafone Germany, Vodafone Netherlands and Austria TAG Group.

Awards

OKSIJEN has received awards in the last period and it was give two awards at the fifth Turkish Patent Awards in 2016 organized by Ministry of Science, Industry and Technology and Turkish Patent Institute (TPE). OKSIJEN was selected as the second company with best breakthrough under the "Patent" category and it has been the fifth company with most patent applications in Turkey with 78 patent applications in 2015 in Turkey. The categories for which OKSIJEN has made patent applications include location-based services, messaging, machine-to-machine communication, cloud information, mobile financial services, mobile networks, individual and corporate mobile applications.

OKSIJEN has also received four winning awards at BEETECH 2015 Awards organized by ITU ARI Teknokent, one of the leading techno-parks of Turkey. OKSIJEN has won the grand prize under the categories of R&D Revenues and Intellectual and Industrial Property Rights and it has been the company with the most awards under main prize categories among the ITU ARI Teknokent companies.

78 patent

"With a total of **78 patent** applications in 2015 we have been listed the 5th company with the greatest number of applications in Turkey."

Responsible Supply Chain

We will continue to support our suppliers in performing their activities in accordance with Vodafone standards in ethics, environment, social issues, and health and safety.

Our Commitments	Objectives for the 2015/16 Fiscal Year	Our Performance in the 2015/16 Fiscal Year	Objectives for the 2016/17 Fiscal Year
With our Supply Chain Efficiency program, we will continue to inform our suppliers on our OHS and ethical rules and the importance of women's participation in business life and raise awareness.	To transform the Supplier Information Day to My Business Partner Day in the 2015/16 fiscal year, thus to reach a wider audience and ensure participation of at least 200 business partners.	More than 350 business partners have attended the Ecosytem Day we organized.	To organize a session that will emphasize the importance of women in business at the Ecosystem Day we will organize.

Our Supply Chain

We, at Vodafone Turkey, procure a significant amount of our services and products from suppliers. We purchase products and services from approximately 800 actively operating companies, most of them commercial services and technology companies. Most of our active suppliers are local companies, whereas some are global corporations. In the last fiscal year we spent around 2 billion TL on network and IT equipment and services that allow us to run our network and on products such as mobile phones, SIM cards and other devices we offer to our customers.

It is our priority for our suppliers to comply with all principles and approaches of our company. Thus, we realize different applications which will support them and increase their awareness and capacity.

Supplier Performance Management

We apply Vodafone Supplier Performance Management program in order to regularly assess the overall performance of our main suppliers in terms of commercial criteria such as OHS, sustainability, quality, information security, and technology. 70% of 20 global suppliers we assessed in the 2015/16 fiscal year have passed the performance threshold. We share the results of our Performance Assessment with our suppliers and plan actions for improvement by working together with those that we expect better results. When we need to work with a new supplier, we implement a Competency Assessment Process that helps us identify and evaluate potential risks.

Field Assessments

Based on the fact that working in a more secure has impact on efficiency and economic benefit, we support our suppliers to improve their business processes and capacities in order to increase their performance in the field of OHS. Also, we realize regular field assessments in order to ensure that they comply with "Vodafone Code of Conduct" and its inseparable part Ethical Purchase Rules.

Issues Covered in Vodafone Ethical Purchase Regulation

• Child labor	• Disciplinary actions
• Forced labor	• Working Hours
• Health and safety	• Payment
• Freedom of organization	• Individual behavior
• Discrimination	• Environment

Supplier Chain Efficiency Program: My Vodafone, My Business

The "My Vodafone, My Business" efficiency program has been continuing for four years and focuses mainly on economic gains, time efficiency and environmental efficiency. Some of the examples for efficient use of resources are:

- In the procurement process of every type of technological equipment, we prefer products with high energy efficiency and electrical heavy equipment over diesel ones. By using LED lighting in our warehouses, we prevent unnecessary use of electricity.

- In the leasing offers we present to municipalities and other institutions, we include in our lease offer alternative energy use and generation options to contribute to sustainability with "SCM Power" package.

- We have started to share documents of contracts with suppliers electronically, instead of printing the documents out. In this way, we not only reduce paper consumption, but also allow our suppliers to have immediate online access to supplementary contract documents. With this process, we save an average of 800 kg. of paper annually.

Ecosystem Day

We have been organizing an annual Supplier Information day since 2013 and we organized it under the name of Ecosystem Day in 2015 after reaching more attendants. Through this event, we share OHS and business ethics principles with our suppliers and receive feedback from them. 350 suppliers from 298 companies attended the Ecosystem Day we organized in November 2015. We also emphasized the importance of participation of women in economic life and we provided information on the "HeForShe" initiative and collected signatures of those who were committed to this initiative.

Improving the Position of Women in Business Life

We position the participation of women in business and equal opportunities as an important keystone of our corporate culture in the field of diversity and inclusion and we consider the employment and empowerment of women our priority in the whole ecosystem, not only within the company. For this reason, we support companies with more than 50% women entrepreneurs and women employees in our tendering processes and with the purchase support we provide to FikirÇarkı; we prioritize women entrepreneurs in the tendering processes.

Our EMF Practices

We will continue to work on our vision to lead the sector in informing the public regarding mobile phones, base stations and human health and to set the example by initiating various efforts for this purpose.

Our Commitments	Objectives for the 2015/16 Fiscal Year	Our Performance in the 2015/16 Fiscal Year	Objectives for the 2016/17 Fiscal Year
We will increase the level of awareness and knowledge of our employees and suppliers on Electro Magnetic Fields (EMF) and enable them to share information when needed.	To adapt the contents of the training program to online environment and ensure that 50% of employees complete the training.	The information on "regulation change related to the security certificate", which is the content of online education, is being updated by BTK since the fourth quarter of 2015. The regulation is not published yet. We will complete the training when the regulation is published.	To adapt the e-learning content when the BTK regulation related to the "Security Certificate" and to ensure that 50% of our employees obtain this training.
We will continue sharing information through various channels to increase the understanding and awareness of our stakeholders and customers on EMF.	To share EMF brochures in the buildings where our base stations are located. To reply EMF questions asked via our Call Centre.	We have continued to share brochures related with EMF when information was requested on base stations. We have continued to reply EMF questions asked via our Call Centre.	To prepare EMF brochures with new content when the legal regulation on "Security Certificate" is completed. To reply to EMF-related questions from the public and stakeholders.
We will continue to perform the requirements of our EMF policy.	To continue placing warning signs and placards around new base stations to inform the public about EMF.	We have placed warning signs and placards around all new base stations to inform the public about EMF.	To update Vodafone Turkey RF Areas Health and Safety Risks Management Policy and ensure that the policy is followed.

Mobile phones meet communication needs through the nearest base station by using radio frequency (RF) zones. When using mobile phones, the human body absorbs some of the RF zone. Although there is no definitive proof to convince experts that exposure to RF zones caused by base stations may have a negative impact on human health, some of our stakeholders are concerned about this issue. The World Health Organization examined thousands of scientific research studies and declared that a negative impact on health resulting from mobile phone usage has not been detected so far.

We at Vodafone Turkey are the first mobile phone operator in Turkey with a corporate strategy, policy and plan on Electro Magnetic Fields (EMF). We manage the issue in coordination with a team of experts within our organization and we inform the public via our website. Our vision is to lead the sector in order to overcome public concerns related to mobile phones and base stations and encourage everyone by showing the pioneering applications on EMF.

Among our pioneering EMF practices are providing training for employees and other stakeholders, placing warning signs and placards to inform about EMF around our base stations, making site audits on EMF and conducting practices in order to increase public awareness.

EMF Trainings

At Vodafone, we aim to improve the capacity and awareness of our employees so that they are capable of providing general information on EMF when needed. Thus, our objective is to make each employee an EMF ambassador. With this aim, we continue to improve our one-to-one and e-trainings for employees. In 2016/17, we are planning to improve EMF e-training with enhanced content and to provide this training to 50% of our employees.

In addition, in the 2015/16 fiscal year we have provided EMF training to more than 500 individuals, 87 of them being employees of suppliers and 396 new recruited employees of our company. At the same time, we provide applied training for our new recruits at group companies which also contain EMF information.

Whether the individuals assigned on the field are our own employees or employees of contractors; they can operate on the site only after taking VFTR RF Areas Health and Safety Risks Management Policy and the Working Procedure in RF Areas trainings.

We Monitor the Developments with Our Global Experience

Vodafone Group Headquarters monitors the reports of all international agencies and organizations related with EMF (GSMA, ICNIRP, ETSI, ITU, WHO) and shares the new developments with all EMF organizations, including those in Turkey. At Vodafone Turkey, we direct the necessary arrangement and information studies with this information we obtain from the Vodafone Group.

Site Audits and Warning Signs

We perform periodic EMF controls and audits to make sure that operation procedures implemented by our employees and suppliers in the base station sites are in conformity with our standards. Our site teams hold periodic audits and evaluates the conformity of sites to EMF criteria. We placed warning signs and placards to inform about EMF around all base stations, in locations that can be easily noticed by employees, suppliers and local communities. We will continue this practice in new stations to be built.

Vodafone Group Site Audits

In addition to the audits implemented by our internal teams, EMF issues are also included to the audits conducted by Vodafone Group within the scope of Assessment of Compliance with Policies. In this scope, EMF policies and site implementations, trainings and communication are reviewed and policy compliance is audited. We have obtained full compliance from the latest audits and were included among the countries with full compliance among the Group Companies.

Limit Values

The applications for the establishment of base stations, the processes, principles, determination of local limit values under the international standards for EMF, establishment of stations in compliance with legislation, and the determination of ways of EMF measurements after installation along with notifying BTK about the measurement results are all set by Information and Communication Technologies Authority (BTK) regulations. There are audit and enforcement mechanisms for the operation of base stations at determined limit values.

Limit values set in Turkey are considerably lower and prudent than those of the international standards that are set by ICNIRP*, which are recognized and supported by the World Health Organization. At Vodafone Turkey, we operate our base stations in the standards set by BTK with the related legislation, with values which are more secure than those determined internationally.

Limit values applied and determined by ICNIRP (V/m)	
Germany	41.25
Spain	41.25
Holland	41.25
Turkey	9.17

*ICNIRP: International Commission on Non-Ionizing Radiation Protection

World Health Organization, EMF factsheet
→ www.who.int/mediacentre/factsheets/fs193/en/index.html
→ ICNIRP: http://www.icnirp.org/en/applications/base-stations/index.html

Environment

With the aim of reducing environmental impact of our operations, we focus on consuming less energy, reducing greenhouse gas emissions, creating less waste and using natural resources more efficiently.

Material Issues	Our Commitments	Objectives for the 2015/16 Fiscal Year	Our Performance in the 2015/16 Fiscal Year	Objectives for the 2016/17 Fiscal Year
Greenhouse gases and energy	We will identify investment strategies and draw a roadmap for reducing greenhouse gas emissions.	To implement top priority projects to reduce emissions in line with our investment strategy.	Through our energy efficiency practices we reduced our energy consumption and greenhouse gas emissions per base station compared to last year.	To implement top priority projects to reduce emissions in line with our investment strategy.
	We will continue and expand base station applications that enable higher energy efficiency and use renewable energy.	To ensure the use of M2M solutions for remote control of DC energy units in at least 200 sites.	We have implemented M2M solutions developed for emote control of energy units in 367 sites.	To ensure the use of M2M solutions for remote control of DC energy units in at least 500 sites.
			The number of sites that use 100% renewable energy (not attached to power grid) was nine.	To increase the use of renewable energy on site.
		To increase the use of renewable energy on site.	There are 66 wind turbines established to support the energy backup systems at base stations.	
	We will continue to realize the implementations towards reducing the carbon footprint of switching sites, data centers and buildings.	New target	New target.	40% reduction of hourly consumption of the floor with restaurant and other social areas at General Directorate through mechanical devices and lighting fixtures.
Natural resources and wastes	We will continue to implement projects for efficient use of natural resources and reducing waste.	To continue WWF Turkey's Green Office Program practices.	We have continued to implement the improvements we have determined at our General Directorate building within the scope of Green Office Program. We have continued with our Respect the Environment program at our dealers with saving measures realized in selected dealers.	To continue with saving activities within the scope of Green Office Program at Kucukyali Digital Operation Center.
	We will continue organizing programs to raise awareness on nature among our employees and other individuals within our ecosystem.	To reach more users through the "Respect Green" application.	We have introduced the "Respect Green" application at different platforms and reached to more than 10,000 people.	To reach different users with the "Respect Green" application and continue increasing the awareness of our stakeholders.
		To continue our ommunication practices and increase awareness in greater number of stakeholders at the annual Vodafone Sustainability Week.	We have contacted many of our stakeholders with our sustainability week communication efforts.	

Our Approach

Through the telecommunication technologies we offer, we help our customers improve their energy efficiency and reduce their greenhouse gas emissions. We also implement various projects to reduce our own environmental footprint resulting from our operations. We organize training programs and activities for our employees to raise awareness on nature and the protection of natural resources. In order to encourage our suppliers to reduce their environmental impacts, we prefer working with companies that have an environmental management system certification. With the "Respect the Environment" smartphone mobile application launched in May 2014 and updated in 2015, we aim to raise awareness in our ecosystem.

Our Climate Change Strategy

It is a strongly accepted fact by scientists and politicians that greenhouse gases resulting from fossil fuels such as coal, natural gas and oil cause global climate change which we have witnessed in recent years. In order to take measures against this global problem, reduction of greenhouse gas emissions originating from our operations is among our material issues.

The focus of our climate strategy is the base stations that consist almost 80% of our energy consumption and this is where we can make the most improvements. The energy consumption rate of switching sites and data centers is about 14%. Some of the strategies we have put into practice in order to reduce our greenhouse gas emissions are the investments we make on more efficient technologies, conducting research on innovative solutions that utilize renewable energy to reduce energy consumption and the determination of measures to reduce the greenhouse gas emissions originating from our vehicle fleet and air-conditioning systems.
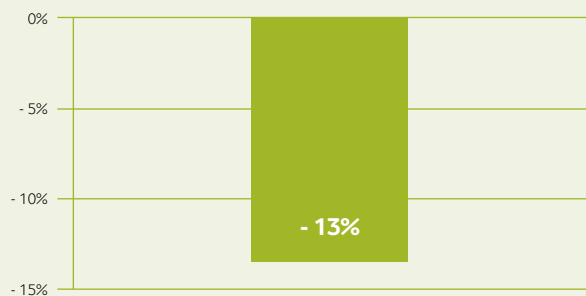
Energy Consumption and Greenhouse Gas Emissions

In accordance with our vision to lead the digital transformation of Turkey, we continue to build new base stations, data centers and switching sites. Total energy consumption and subsequent greenhouse gas emissions have been increasing throughout the years, in parallel with our increasing market share as a result of this development. At the same time, we continue to implement practices that will reduce the amount of greenhouse gases per base station which we emit due to energy consumption.

The quantity of energy we consume based on location and the greenhouse gas emissions per "Scope" are provided in detail on page 55 of this report.

When compared with the 2014/15 fiscal year, the energy consumption per base station has decreased by 13% in the 2015/16 fiscal year. As the greenhouse gas emission factor originating from electricity consumption has increased for the same period, the greenhouse gas emissions in the same period decreased only by 3%. (Note: Detailed information on the emissions factors published by TEIAS is provided on page 54 of this report.)

The rate (%) of reduction in the energy use per base station in the 2015/16 fiscal year compared to the 2014/15 fiscal year.

0%	
- 5%	
- 10%	
	- 13%
- 15%	

"Green Technology" Program in Base Stations

Base stations are the operations that cause the 80% of our energy consumption and are therefore the highest level of greenhouse gas emissions. Among the practices we adopt to improve energy efficiency and reduce greenhouse gas emissions, the "Green Technology" program that we launched in 2009 at our base stations is a prominent one. During the 2015/16 fiscal year we have intensified our investments on 4.5G technology and we also continue with the utilization of energy efficient equipment and technology investments.

During the 2015/16 fiscal year we continued to implement at our base stations high-tech applications with considerable energy efficiency. We replaced 300 legacy air conditioners with new generation models. In existing sites, we launched 100 natural ventilation systems and thus saved energy in air-conditioning. By sharing 878 base stations, we made significant savings with regards to costs related to installation, operation and energy consumption.

In the 2015/16 fiscal year we provided uninterrupted communication for our customers via nine base station sites that use 100% renewable energy (that are not connected to the grid). Moreover, in addition with the electrical energy we procured from the grid, we have continued to use the 66 wind turbines to meet partial energy needs at appropriate base stations.

Within the scope of our energy control and management practices, we have continued to benefit from M2M solutions at sites. In the 2015/16 fiscal year we integrated M2M technologies into 367 sites for remote control of generator and energy backup systems. This technology makes it possible to make remote field assessments, to monitor the temperature on site and to provide the optimum cooling in accordance with the ambient temperature, monitoring and control of energy backup units to use the energy efficiently. Besides, it also increases the operational efficiency as it eliminates the need to physically be on site. We will continue to increase the integration of M2M solutions and utilize the contribution of technology on sustainability.

"By utilizing M2M technologies, it helped us to have significant gains in terms of energy efficiency and operational efficiency via remote access".

Energy Efficiency and Renewable Energy in Switching Sites and Data Centres

Among our practices for improving energy efficiency in switching sites and data centres are replacing DC power supplies with high-efficiency ones, replacing the old generation air conditioners with new generation high efficiency ones and ensuring cooling optimization through technical analyses.

In the 2015/16 fiscal year, we have made it possible for energy consumptions and infrastructure wiring at Esenyurt data centre to be tracked easily. Thus, we have achieved efficiency in energy utilization and in manpower. Also, we have equipped the system room at constructed and operated Vodafone Arena Smart Stadium with high efficiency sources of power and air conditioners. We have achieved a 5% increase in energy efficiency at Antalya switching site by renewing one direct current power source. In addition to this, with the air conditioners we have renewed at Antalya and Ankara, we have achieved 20% energy saving when compared with former ones.

Energy Efficiency in Buildings

In the 2015/16 fiscal year we continued to reduce the energy consumption in our buildings. Economic fixtures, LED lighting, high-performing devices and lighting automation systems that ensure maximum sunlight are among the reduction methods.

In the 2014/15 fiscal year, Küçükyalı Digital Operations Centre building was designed and built in accordance with the platinum level requirements of LEED (Leadership in Energy and Environmental Design) certification. The Küçükyalı Centre is used 24/7, and its natural gas consumption is relatively small thanks to its high efficiency heating system. We continue with our never-ending quest for saving measures. For the 2016/17 fiscal year, we are planning to apply light intensity adjuster to all lighting units in order to increase the comfort and energy efficiency of the Küçükyali center.

Also at the year of 2016/17, an approximately 50% reduction of hourly consumption of the floor with restaurant and other social areas at General Directorate through mechanical devices and lighting fixtures will be achieved. This floor also contains a restaurant, a gym, and meeting rooms which make the energy consumption on this floor higher than others.

In the 2015/16 fiscal year we expanded our building portfolio and included the Taksim Academy building and the Gaziantep building in our portfolio, and we have moved into a building with more surface area in Adapazarı. In spite of the increase in spaces, we continue to reduce the electricity consumption at our offices. The reason for this is the importance we give for energy efficiency in buildings operated. For example, we utilize LED lighting applications in all new buildings.

When choosing the location of the Taksim Akademi building, we included our total environmental impact that contains criteria such as access to public transport into our assessment. By doing this, we have achieved energy saving equal to the monthly consumption of 14 four-person household.

Environmentally-friendly Fleet Management

Within the scope of our environmental fleet management approach, our fleet consists of diesel vehicles. This allows us to maintain the level of reduction in energy consumption and greenhouse gas emissions per vehicle. For example, although the number of vehicles increased 8% compared to the previous year, our fuel consumption increased only 2%. Vehicle monitoring systems and training on economical driving also contributed to fuel saving.

Natural Resource and Waste Management

One of the issues we focus on in terms of mitigating our impact on the environment is generating less waste and using fewer natural resources. Our priority for the management of waste generated during our activities is to reduce the amount of waste and to separate the waste in its source and recycle.

Office Waste

The main waste produced by our offices and call centres are cartridges, paper, packaging materials and electronic devices. In order to collect waste separately, we have waste collection boxes for paper, plastic,

glass and metal packaging in our buildings. To reduce the amount of waste materials and to ensure separate collection and recycling, we carry out awareness and incentive efforts and campaigns targeting our employees.

Recycling of office waste

Between January 2008 and March 2016 we prevented a total of the estimated equivalent of **11,560 trees** from being cut down by recycling 680 tons of waste paper used in our buildings.

Daily energy need of
43,500 households

In addition, between July 2008 and March 2016 we saved energy equal to **daily energy need of 43,500 households** by recycling **plastics** in waste collection boxes.

19 tons of waste paper

In the 2015/16 fiscal year we prevented the estimated equivalent of **319 trees** from being cut down by recycling **19 tons of waste paper**.

Waste from Our Network Operations

In line with the innovations and technological needs in telecommunication technologies, we replaced the devices in our base stations with more energy efficient ones and with superior technological features. Our priority in the aforementioned replacement is to sell old devices on the second hand market if possible, and make them available for use in different technical infrastructure systems. When this is not possible, we recycle these devices in accordance with laws and international directives.

Within the scope of our waste management system, 1,536 tons of waste materials from network operations have been collected in the 2015/16 fiscal year. A total of 9,118 tons of network waste materials have been collected between July 2007 and March 2016 and 99% was recycled by recycling companies.

"99% of our waste materials from network operations are recycled by certified recycling companies."

Invoice Based Paper Consumption and Recycling

A great portion of our paper consumption originates from monthly invoices sent to our customers.

Waste Invoice

In the 2015/16 fiscal year, we donated to the TEMA Foundation approximately 43.77 tons of waste paper. In other words, 1.7 million invoices were returned to us due various reasons including wrong addresses, unclear addresses or address changes. Thus, we have saved 744 trees from being cut down.

E-invoice

Since April 2010, we have been encouraging our customers through campaigns to use e-invoices, which have legal validity, instead of printed invoices. The ratio of the post-paid customers that prefer e-bills has increased by 15% compared to last year and reached 79%. As a result of our e-invoice program, we prevented the use of 1.33 million tons of paper in the 2015/16 fiscal year and saved approximately 22,599 trees from being cut down.

"Thanks to the waste invoice recycling and e-invoice programs, we donated to TEMA Foundation **43.77 tons of paper** and we prevented the use of **1.33 million tons of paper**, saving approximately **23,343 trees** from being cut down."

Water Consumption

Even though the amount of water used in our buildings is not substantial, we regularly monitor water consumption data and implement several conservation efforts. For instance, we will get an additional water tan to be constructed at Küçükyalı Operations Centre and save approximately 20 tons of water.

The reason of the increase in water consumption compared to the previous fiscal year is the increase in the number of personnel and the dry summer.

Water Consumption	2012/13 Fiscal Year	2013/14 Fiscal Year	2014/15 Fiscal Year	2015/16 Fiscal Year
(m³)	36,837	35,627	42,607	48,190

Practices Towards Stakeholders

Önceliğimiz olan "doğal kaynakların verimli kullanılması" hedefimiz doğrultusunda bir yandan faaliyetlerimizden kaynaklanan çevresel ayak izini azaltmak için çaba gösterirken, diğer yandan bayiler, çalışanlarımız ve müşterilerimizin de doğal kaynakların verimli kullanılması ve korunması konusunda farkındalıklarını artırmaya yönelik çeşitli uygulamaları hayata geçiriyoruz.

WWF-Turkey Green Office Program

In the 2015/16 fiscal year, we continued with the implementation of the WWF-Turkey Green Office Program, initiated four years ago with Vodafone Maslak Plaza, the first green office of Turkey. In addition with the first Green Office of Turkey, Maslak Office, we have launched the work to turn Küçükyalı Digital Operations centre into a Green Office and we continue to take saving measures with the participation of our voluntary employees and under the direction of WWF-Turkey.

In cooperation with WWF-Turkey, we have continued with our work according to the roadmap for the "Green Stores" Program for the 10 selected pilot Vodafone-branded stores in the 2015/16 fiscal year. We implemented the applications listed below in our project where we focused on energy, natural resources and recycling:

- In addition to replacing spotlights with LEDs we also started using LED screens instead of store window tags on the implementations we did in pilot stores. Contents of LED screens behind the counters are now updated online, instead of using CDs.
- Used plastic bags that are made from recycled material and installed wastebaskets to collect sorted waste.
- Instead of using print materials for Vodafone campaigns, we created the "Try Me" mobile application. Information on tariffs and packages are also being given through this mobile application, not on printed brochures. In addition, our stores have started to actively encourage customers to prefer e-invoice instead of paper ones.
- We have ensured that the personnel employed at pilot stores receive e-learning on sustainability.

Vodafone Turkey Sustainability Week

In order to contribute to increasing awareness on environmental issues and within the scope of our sustainability approach, we have been celebrating a week in May as "Vodafone Sustainability Week" since 2013. Sustainability Week aims to increase awareness of all stakeholders, mainly employees, and is the first of its kind in the Vodafone Group. Within the scope of sustainability week, we aim to raise the awareness among our employees on sustainability with various activities and we share our understanding of sustainability at the conferences and meetings we attend.

Red Respecting Green

We have developed the Red Respecting Green Manifesto in order to preserve the natural resources within the scope of our "Red Respecting Green" understanding and in order to encourage our stakeholders about this. With the manifest we share on the Vodafone website within the scope of our "Red Respecting Green" approach, we provide information on measures on waste reduction, recycling, energy efficiency, water and paper use, and environmental-friendly ways of living.

Believing that the most fundamental step in sustainability is creating awareness among our stakeholders, we transferred our approach to sustainability to the mobile world. We launched the first version of **"Respect Green"** mobile application in 2014 for the utilization of our stakeholders and through this carried sustainability into the pockets of users. In 2015/16 fiscal year we further developed the contents of Respect Green with the aim to increase the awareness of users on environmental issues.

Occupational Health and Safety

The fact that we are acknowledged both in Turkey and within the Vodafone Group as an example with our health and safety practices further encourages our commitment and continuous effort.

Our Commitments	Objectives for the 2015/16 Fiscal Year	Our Performance in the 2015/16 Fiscal Year	Objectives for the 2016/17 Fiscal Year
We will continue our operations in accordance with ISO 39001 Road Traffic Safety Management System standards.	To successfully complete ISO 39001 Road Traffic Safety Management System Certification interim audits.	We have successfully completed the certification interim audit.	To successfully complete the system audits conducted by Vodafone Group auditors on driving safety for contractor.
We will ensure that the practices in ever-accelerating fiber optic projects are performed in line with Vodafone Health and Safety (OHS) procedures.	To carry out excavations with a zero accident rate.	No severe injuries were experienced in any accidents by Vodafone employees.	To contribute for social awareness with occupational safety program for SMEs.
We will improve our OHS reporting system.	To monitor the Annual Health and safety Plan through the Safeguard Program.	Annual occupational health and safety plan was monitored by the Vodafone Group.	To obtain the "Mature" score, the highest degree in the assessment against the Vodafone Group's Occupational Health and Safety Management System (Maturity Matrix).
We will continue to work on reducing occupational accidents.	To reduce our accident frequency rate.	We have reduced our accident frequency rate.*	To reduce our accident frequency rate.
By sharing our health and safety know-how and experience with different sections of the society, we will contribute to reducing the number of preventable accidents.	To increase public awareness, to inform thousands of people who are not within our operation areas on occupational safety.	We have reached to approximately 3,220 people through the congresses, seminars and similar events we attended.	To increase public awareness, to inform thousands of people who are not within our operation areas on occupational safety.

* Data on accident frequency rate is provided on page 32.

We Work for the Development of Occupational Health and Safety Culture in Turkey

At Vodafone Turkey, we believe that occupational health and safety is a social value and we shape our works according to this vision. We implement different practices and projects in order to raise awareness in all segments of society, not only our own ecosystem. We continue to lead the telecommunications sector in Turkey with the Vodafone Occupational Health and Safety Culture we have established. We are proud to be acknowledged both in Turkey and within the Vodafone Group as a company that sets an example with its health and safety practices.

We Protect 40,000 People from the Risks of Occupational Health and Safety in Turkey

The nature of telecommunication industry presents some risks such as working at height, electricity works, excavation works, traffic risks, etc. In order to avoid such risks, we ensure that necessary measures are taken within the framework of Vodafone Health and Safety Absolute Rules, including our ecosystem covering 40,000 people. "7 Absolute Rules" applied by Vodafone under any condition in the world vary between putting on a seat belt in vehicles and to the utilization of fall prevention system while working at height.

Our investments in health and safety since 2009 help prevent interruption of business processes due to potential accidents, reduce the number of lost days at work, and help us work with a more qualified labour force. The strategies we use help the reduction of lost workdays and provides a chance for us to work with more qualified workforce.

I am Safe with 7 Absolute Rules!

- Always wear your seatbelts when driving a vehicle or on any seat during the trip!
- Never use alcohol and drugs that restrict movement and perception in the workplace and while driving a vehicle! If your routine medication has side effects such as sleepiness or numbness, do not drive any vehicles!
- Never exceed speed limits on business trips and while driving! Travel with appropriate speed in compliance with the rules and according to road conditions and the vehicle!
- Never use a mobile phone while driving! If you absolutely must use it, do so after pulling the vehicle over or with hands free devices!
- Always wear a safety belt when working at heights, use fall protection system (life-line) and take all necessary measures!
- Unless you are competent or an expert, never conduct electrical work or interfere with electrical systems!
- Never undertake any street or underground work activities unless authorized!

Social Occupational Safety Awareness

We Share Information with Professionals

As in last year, this year we have sponsored the People Management Congress organized by the Human Resources Management Association of Turkey (PERYÖN) in November 2015 in İstanbul, and we had the opportunity to share our experiences with human resources professionals under the session named "The Occupational Safety Code in our DNA". Throughout the Congress, we conducted interviews on occupational health and safety with many human resources professionals. Thus, we had the opportunity to inform approximately 820 people on the occupational safety practices of Vodafone.

We are Aware of the Importance of SMEs

We are aware of the importance of SMEs on occupational health and safety, as they constitute 99% of total businesses, 78% of employment and 54% of production in Turkey. With this perception, we have launched a cooperative action with PERYÖN for the needs of SMEs in occupational health and safety. Within this scope, we are planning to shed light on various issues for SMEs with the seminars we will conduct at three different cities in the second half of 2016.

We aim to increase awareness and provide accurate information with the help of occupational health and safety guide we have developed for SMEs together with Sustainable Development Association's Occupational Health and Safety Workgroup.

We Celebrate April 28 — World Day for Safety and Health

In the 2015/16 fiscal year, as in the years before, we created awareness through a variety of activities on the World Day for Safety and Health. We have prepared messages on occupational health and safety by occupational health videos in which Vice Executive Board Chairs and Directors were also involved and we shared those with our employees through the Intranet. We have thereby reminded people about all our ecosystems, the 7 Absolute Rules, through these platforms.

We Provide E-Learning for our Employees

Through the e-learning we prepared in a way to execute the changes in the occupational health and safety law, we presented occupational safety to all of our employees in an entertaining way. We launched the e-learning in June 2015 and it contains the daily occupational safety risks our character in the story faces. By doing this, we ensure that employees are informed about the possible risks that may be faced at home and the workplace during daily life. 2,939 employees completed the training in a year.

Senior Executives Lead

The influence of health, safety and wellbeing is in direct proportion to the value attached to the issue by senior executive levels. Thanks to the support of our senior executives, all of our employees adopted occupational safety issues as their own responsibility. Between January 2010 and March 2016 our CEO and Deputy CEOs visited sites and made 70 occupational safety evaluations.

Our CEO and senior executives reporting directly to the CEO perform site visits every three months to check on health, safety and wellbeing. Within the scope of our global health, safety and wellbeing system, this target is set for each senior executive. The realization of these targets are entered into the system every three months and monitored regularly. In addition, visits of our CEO and senior executives, as well as their messages on health, safety and wellbeing are shared with internal and external stakeholders via social media channels.

We Inform the Families of our Employees

We believe in the importance of creating awareness on occupational health and safety not only in employees, but also in employee families. Families can warn employees about occupational health and safety in their social lives and as awareness rises in families, accidents can be prevented more effectively. Thus, we sent letters to the families of our contractors' employees to emphasize the importance of health and safety and we received positive feedback from families

We Implement Awareness Practices for Children

The habits obtained at younger ages are more permanent and children usually transmit the information they gain to their families. Thus, we think that a perception on occupational safety should be established at a young age. For this reason, we implement occupational safety awareness studies at schools and include our contractors. In the 2015/16 fiscal year, we have implemented occupational safety events at four schools in İstanbul, Ankara, Kayseri and Trabzon. Also, we have reached to nine different cities in different regions of Turkey through activities such as occupational safety trainings, plays and meeting the civil defense and first aid equipment needs at schools.

We Promote Safe Driving

We have various company vehicles due to the nature of our business and road traffic safety is therefore very important for us. We operate different applications on this issue annually and aim to prevent all the accidents that may occur in the road conditions of Turkey. Thanks to safe driving assessments we launched in April 2015, the users of company vehicle can only obtain the vehicle after they get a passing score. In the last fiscal year, 138 people have participated in safe driving assessments and those with vehicle driving competency have received the compliance approval for delivery of company vehicles.

In addition to this, we attended a three-day long Commercial Operations Summit in December 2015 with the participation of all commercial operation department employees and presented our safe driving simulators and presentations for the dissemination of occupational health and safety culture. Approximately 700 people have received training on traffic risks with safe drive simulators.

We Have Various Awards on Occupational Health and Safety

With the healthy living programs and other human resources applications we implement towards our employees, Vodafone Turkey was selected as the best employer brand of Turkey and we were awarded in the 2011 DuPont Occupational Health and Safety, 2013 Safest Fleet and 2014 British Safety Council Occupational Health and Safety categories. With these applications, we were given the awards of Occupational Health and Safety Innovation (2014) and the Best Sustainable Occupational Health and Safety (2015) among the Vodafone Group companies. Also, we were given the congress award of the Ministry of Employment for our contribution to the 8th International Occupational Health and Safety Conference in May 2016.

Contractor Management System

With our "Contractor Occupational Safety Management System", we have been ensuring that every individual within our ecosystem performs his/her job safely, establishing high health and safety standards since 2008. Through this system, we have increased the level of awareness in the sector by improving the knowledge and skills of our contractors in the field of occupational health and safety.

The system includes steps such as work safety assessment of contractor before tender, compulsory Vodafone occupational safety trainings, training intuitions accredited by Vodafone, effective occupational safety teams, occupational safety audits on sites, and making occupational safety an integral part of our contracts.

Achievements in Contractor Occupational Safety Management System	2013/14 Fiscal Year	2014/15 Fiscal Year	2015/16 Fiscal Year	2009 - March 2016 (Total)
Number of contractors assessed in terms of occupational safety	59	102	47	714
Total hour of occupational safety trainings in topics such as working at heights, safe driving, basic occupational safety, safe working in electrical works (Vodafone and contractor employees)	56,000	73,340	123,847	817,187
Number of occupational safety audits on base station sites	807	1,066	1,350	8,422

Vehicle Tracking

Another practice within the contractor management system was the vehicle monitoring cameras mounted to 867 vehicles starting from July 2014. With the cameras mounted on approximately 100% of contractor vehicles, we aim to encourage drivers to drive more safely. As an addition to the vehicle tracking system, this practice is also a pioneering one in Turkey.

Another work we have done is safe driving supervision application where employees drive together with their managers and the importance of the issue is emphasized by managers. We have created a significant level of awareness among the employees of contractors by conducting 3,558 safe driving supervisions between April 2015- March 2016.

In addition to this, we have provided 1,014 hours of safe driving training via our occupational safety experts to 676 persons in three months in order to raise the awareness of sales channels employees about the traffic risks.

Our Occupational Health and Safety Performance

Major and High Potential Accidents

Within the Vodafone ecosystem that covers our employees as well as the employees of our contractors, frequency rates of major accidents in the last three years have been falling as can be seen on the graph below.

Accident Frequency Rate
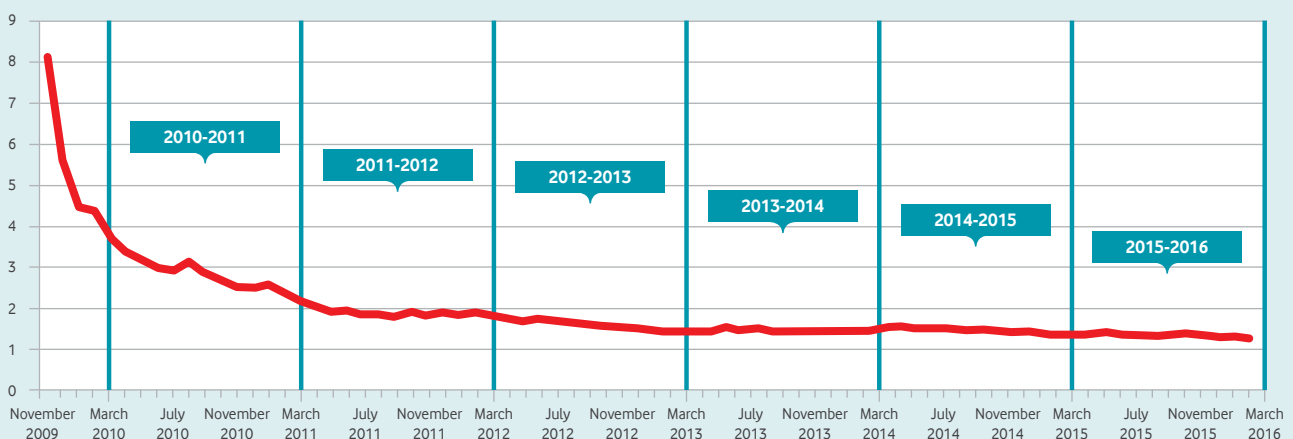
Note: Accident Frequency Rate = (Total Number of Accidents / Total Working Hours) x 1,000

The target for frequency of high-potential accidents for Vodafone employees was 1.8 for the 2015/16 fiscal year, yet we managed to reduce this rate to 0.28 as of the end of year. In the one serious accident that took place in 2015/16 fiscal year, no personnel was injured. (Accident Frequency Rate related to Vodafone employees is calculated based on the following formula that is used throughout Vodafone Group = (Total Number of Accidents / Total Working Hours) x 100. The formula we used in order to generate the graphic on the previous page is calculated by using an independent and different formula within the system we included the contractors.)

Contractor Performance

We implement serious financial and/or administrative sanctions on contractors that are proven to fail to reflect the promised occupational safety management system upon the site. Companies that do not correct their non-compliance are excluded from the Vodafone Turkey ecosystem. Next to this, within the framework of the rewarding system we launched in the 2014/15 fiscal year, our contractors with the best occupational safety practices were rewarded.

The grapghic below shows the total number of OHS violations by contractors. Number of violations has been mostly falling year on year. Factors such as seasonal conditions, changes in companies and adaptation of new companies to the system may cause fluctuations in the number of violations.

Number of OHS Violations by Contractors
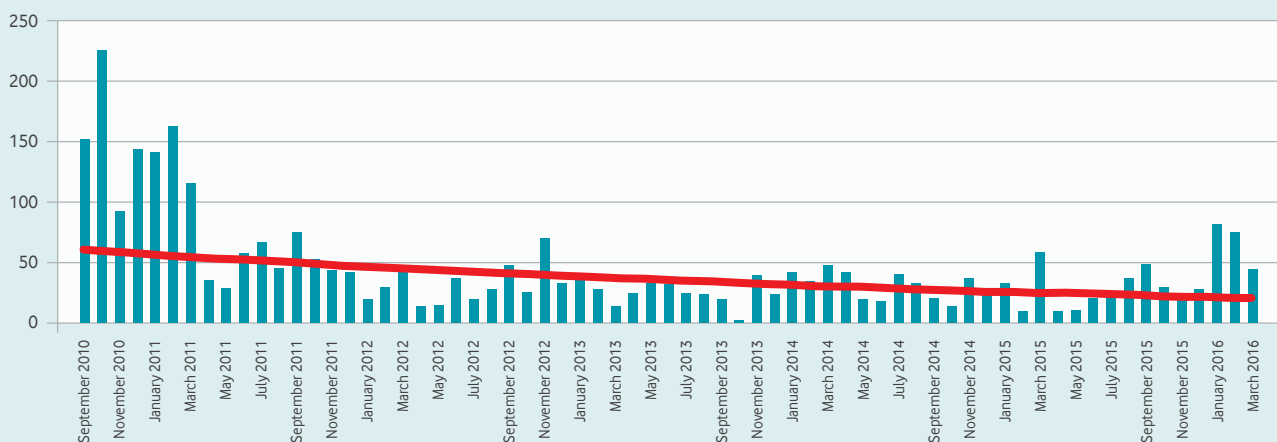
Vodafone Employee Survey

The replies of our employees to the annual "People Survey" organized by Vodafone Group are the greatest indication of their satisfaction. For instance, in the 2014 survey, 95% of our employees stated that occupational health and safety is a very important area at Vodafone. In 2015, our People Survey score was 96%. This trend is also an indicator that our employees have adopted the issue of occupational health and safety.

7 Absolute Rules are very important at Vodafone.

VFTR 2012	91
VFTR 2013	93
VFTR 2014	95
VFTR 2015	96
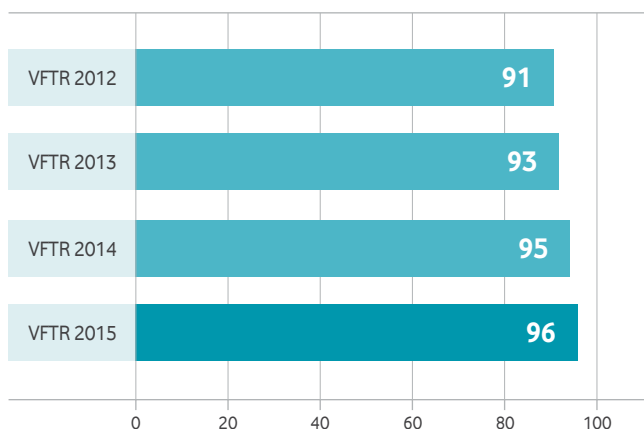
Safe Work, Healthy Employees

In addition to improving wellbeing level in our offices and sites, we also continued to make our employees and their families healthier through healthy life projects we devise in the new fiscal year. In May 2016, we will launch "the Corporate Athlete" program which will contribute our employees to manage their energy in a better way.

Some of the projects we implemented in the 2015/16 fiscal year are:

- 13 on-site physicians in our health units throughout Turkey were visited for a total of 27,777 times for polyclinic services.
- With the "Cigarette-Free Life for Health" Program, we offer support to cigarette addicts among our employees to help them quit under the supervision of our on-site physicians. As an incentive, we reward employees who quit smoking with points that can be used for shopping. With the program launched in January 2013, a total of 469 employees volunteered to quit smoking.
- Thanks to Healthy Life Program, we support employees who want to lose weight. Since January 2013, 745 employees volunteered to lose weight with this Program under the supervision of our on-site physicians.
- Vodafone Wellbeing Challenge Sports Contest encourages employees to exercise. During the 1-month event organized by Vodafone Group in all Vodafone countries, the country with the highest level of exercise wins the challenge and the winners are rewarded. For instance, a donation is made to the Vodafone Foundation for each employee who ran 100 km in a month. In addition to the Wellbeing Challenge, we also sponsored various sports events such as Vodafone Arena, Vodafone Istanbul Marathon and Semi-Marathon and we will continue to do so.
- We inform our employees via seminars on different issues such as Ergonomics and the Kravmaga Art of Defense.

Our People

With the aim of creating a high performance corporate culture, we provide opportunities to our employees to become customer oriented, assertive, competitive, innovative and act in line the principles of "speed", "simplicity" and "trust" while preserving their local roots.

Material Issues	Our Commitments	Objectives for the 2015/16 Fiscal Year	Our Performance in the 2015/16 Fiscal Year	Objectives for the 2016/17 Fiscal Year
Diversity and Inclusion	We will become a workplace that sets an example with its "sensitivity towards gender equality".	To take initiatives to increase the ratio of female employees to over 40%.	The ratio of female employees in our company was 41.8%.	To take initiatives to increase the ratio of female employees to over 40%.
		To make the female/male ratio of new employees from **Discover Young Talent** 50%.	The female/male ratio of new employees from Discover Young Talent was 51%.	To make the female/male ratio of new employees from Discover Young Talent 50%.
		To encourage online participation of senior executives in the **Diversity and Inclusion** trainings.	E-learning content was prepared. In accordance with material issues, we aim to bring the training to the Executive Team in 2016/17.	To encourage online participation of senior executives in the Diversity and Inclusion trainings.
Talent Management	We will continue to support employing people with high potential, identifying high-potential employees and preparing them for leadership roles.	To employ 40 newly-graduates through **Discover Young Talent** program in 2015.	39 young talents have joined us in July 2015 through the Discover Young Talents program.	To employ 40 newly-graduates through the Discover Young Talent program in July 2016.
		Through the **Global Columbus** program, to help 2 Vodafone Turkey Discover participants gain global experience in Vodafone companies in other countries and also host 2 Discover participants from other Vodafone countries in Vodafone Turkey.	Through this program, 2 young talents were assigned at Vodafone companies in different countries for two years. One young talent has started to work at Vodafone Turkey for two years.	Through the Global Columbus program, to help 2 Vodafone Turkey Discover participants gain global experience at Vodafone companies in other countries and also host 2 Discover participants from other Vodafone countries at Vodafone Turkey.
Employee Satisfaction	We will continue to maintain employee loyalty and to encourage them to be brand ambassadors that recommend Vodafone products and services.	To maintain **Employee Loyalty Index** score at 80.	Our Employee Loyalty Index score was 81.	To maintain Employee Loyalty Index score at 80.
		To reach 72 points at Employee Net Promoter Score.	Our Employee Net Promoter Score was 77.	To reach 77 points at Employee Net Promoter Score.
Training and career development	Through the Vodafone Red Academy and in line with our strategy, targets, and material issues, we will create a high-performing organization that is open to learning by designing and developing improvement programs.	To support 20 executives through team coaching within the scope of Vodafone Turkey **Corporate Management Coaching** program.	We have provided coaching support for 28 executives within the scope of the Management Coaching program.	To support 30 executives through team coaching within the scope of the Vodafone Turkey Corporate Management Coaching program.
		Within the scope of Vodafone Turkey **Corporate Mentoring** program, to expand our mentor-mentee pool and include 140 employees into the program.	Our mentor-mentee pool covered 155 employees.	To open up a new mentor workshop every three months and to ensure that the number of mentees in the Corporate Mentoring Program pool is not below 150.
		To include 300 store managers at the **Assessment Centre**. To include 3,500 sales representatives into the newly-established Online Development Centre. To provide the "Vodafone Way of Retail" training to a total of 2,000 people.	324 store managers have participated in our Assessment Centre that we manage through our internal sources and 3,800 sales representatives have attended the online Development Centre program offered by Vodafone Group. In accordance with the goal, 845 sales representatives have participated to the Vodafone Retail Sales Channels training throughout the year.	To include 995 store managers in the Vodafone Perfect Customer Experience Accreditation program. To provide Vodafone Retail Sales Channels training for 665 sales representatives. To assess 3,750 store employees online.
		To reach 65% of our employees through the **Red Code** Training Catalogue, which helps employees personally choose the training they will receive.	We reached 62% of our employees who made an application via Red Code.	To reach 90% of our employees through the "Red Code" Training Catalogue, which helps employees personally choose the trainings they will take.
		To reach 150 people more through **Vodafone United** team coaching programs. To enrich the program through new applications and ensure that it is implemented in different Vodafone countries.	We reached 265 people more through the "Vodafone United" team coaching programs.	To continue with "Transformation Leadership" sessions on a monthly basis. To organize "Transformation Leadership Power Session" for our functions requesting support through our Transformation Leadership Ambassadors.
				To design internal trainings in order to extend the culture of Innovation and Curiosity among our employees and to organize trainings in every two months.
				To launch the Corporate Athlete program and to provide this training to 1,000 Vodafone employees.
	We will continue to materialize the career developments of our employees and offer them various career opportunities.	Through our approach to using inter-corporate means for new recruitment, keeping our promotion and intra-transfer above 60%.	65% of the positions within the fiscal year were filled by our employees.	Through our approach to using inter-corporate means for new recruitment, keeping our promotion and intra-transfer above 65%.

"Vodafone Way" Principles

As we work towards our vision of becoming the most trusted and preferred communication brand by delivering absolute customer satisfaction, we are guided by a set of principles of corporate culture called the "Vodafone Way". Representing a relevant and concrete reference point for all our people, these principles guide the way we work together and deal with the customers to achieve successful results.

Customer Obsessed
We are passionate about wxceeding customer expectations

Inovation Hungry
We create and deliver new products, services and ways of working that delight our customers

Ambitious & Competitive
İşimizi enerji ve tutkuyla yapar, her zaman rakiplerimizi geçmeyi hedefleriz

One Company, Local Roots
We work across Vodafone to achieve the best outcome for customers, employees and shareholders

Speed

Simplicity

Trust

Be an Admired Leader

Our Human Resources Policy

Priorities in Our Human Resources Policy are as follows:

- To create a customer-focused organizational culture whereby we can "anticipate the requirements of our customers; have made innovation an integral part of the way we do business by putting ourselves into the shoes of our customers; and make a difference through ownership and commitment",
- To meet our employee requirements in the most efficient manner, to enable employees manage their own future careers through internal performance and talent management, to give priority to employees through internal career opportunities, and to train professionals who will lead the mobile data revolution in Turkey,
- To create an organizational culture of constant learning and teaching. To be an excellent company that is customer oriented, that employs only the best talent and that believes in the strategic importance of executive and leadership development and team spirit.

In line with our Diversity and Inclusion Policy, we value and celebrate diversity during selection, recruitment, performance assessment and promotion processes.

Demographic Information on Employees

Our employees at Vodafone Turkey have the adequate information and experience level appropriate with the expectations of our sector. As of the end of 2015/16 fiscal year, we have 3,365 permanent staff. 42% of our permanent staff is female and 55% is between the ages 30-40. In addition to our permanent employees, we receive support from various suppliers, especially for call centres and technology services.

Number of Employees by Staff Category	2013/14 Fiscal Year	2014/15 Fiscal Year	2015/16 Fiscal Year
Senior Management	44	44	49
Middle Management	496	554	623
Other (Senior Expert, Expert, etc.)	2,663	2,699	2,693
Total	**3,203**	**3,297**	**3,365**

Note: The number of employees is given as of 31 March, which is the last day of our fiscal year.

Number of Employees by Region	2013/14 Fiscal Year	2014/15 Fiscal Year	2015/16 Fiscal Year
Headquarters (İstanbul)	983	1,081	1,136
Call Centre (İstanbul, Ankara)	923	992	971
Other*	1,297	1,224	1,258
Total	**3,203**	**3,297**	**3,365**

Note: The number of employees is given as of 31 March, which is the last day of our fiscal year.

* Other: Covers employees who mainly work in technology and sales in regional centres in 12 cities, including Istanbul, Ankara, Izmir, Adana, Antalya, Bursa, Diyarbakır, Erzurum, Kayseri, Sakarya, Samsun, and Gaziantep.

Age Distribution by Staff Category (%)	2013/14 Fiscal Year				2014/15 Fiscal Year				2015/16 Fiscal Year			
	Under 30 years of age	Between 30-40 years of age	Between 40-50 years of age	Over the age of 50	Under 30 years of age	Between 30-40 years of age	Between 40-50 years of age	Over the age of 50	Under 30 years of age	Between 30-40 years of age	Between 40-50 years of age	Over the age of 50
Senior Management	0	44	51	5	0	32	61	7	0	22	71	6
Middle Management	2	73	24	1	1	71	27	1	2	67	30	1
Other	35	58	7	0	34	55	11	0	34	53	12	0
Total Average (%)	**29**	**59**	**11**	**1**	**28**	**57**	**14**	**1**	**28**	**55**	**17**	**1**

Note: The number of employees is given as of 31 March, which is the last day of our fiscal year.

Ratio of female employees in our Company is **42%**, above 23.2%, which is the average in telecommunications sector.

We have increased the ratio of women at the middle level by **2%** when compared with the previous year and reached **30%**.

Within the scope of occupational and personal development, we have reached our employees with **554** various class training sessions and **560** various e-learning contents in a year.

Diversity and Inclusion

The Diversity and Inclusion Department was established in 2012 and it works to offer equal opportunities for all employees and create a rich and productive work environment built on diversity. Our human resources policy is based upon the principles of diversity and inclusion and the human resources processes we implement in accordance with this policy helps us to perform above the average of our industry.

In this regard:

- Believing that differences create value, we are committed to turn our diversity into benefits for our customers, employees, business partners and the society.
- In recruitment and promotion processes we are committed to selecting competent people with qualifications required for the position, regardless of their gender, age, race, ethnic background, physical strength, opinions, religion, or social status.
- We contribute to the inclusion of women in the labour force and equal opportunity not only with our human resources policy, but also our social investments.

Women involvement in business and equal opportunities

Priorities in our diversity and inclusion agenda are shaped largely by the social and economic conditions of our country as well as the expectations of our industry. Women involvement in business and equal opportunities are the two top priorities. Therefore, we have embedded the employment of women into our corporate culture. We at Vodafone believe that achieving equality in social life and consequently increasing female employment should be considered part of a "smart economy model".

While the ratio of women working in the telecommunications sector is 23.2%, this ratio is 42% at Vodafone Turkey. Although this figure is a positive performance indicator, we are committed to increase it further and to employ more women in our executive staff. In the 2015/16 fiscal year, we have increased the ratio of women at the middle level by 2% compared to the previous year and reached to 30%.

With our vision of providing equal opportunities to women and men within our corporate culture, in 2012 we became the first telecommunications company to receive the "Equal Opportunities Certificate (FEM)" and our works in this area are increasingly continued. In addition, the Great Place to Work Institute awarded us the "Diversity Special Award" in 2014 and the "Inter-Generational Collaboration Special Award" in 2015. We have renewed our commitment by becoming a signatory of the Women's Empowerment Principles (WEPs) initiative of United Nations in September 2015. We have shared the women-centered practices and their results at the panel named "WEPs World Tour: Actions and Achievements" at Vodafone Turkey at the event named Women Empowerment Principles held in New York between March 15-16.

In order to promote "diversity and inclusion" across the company, we are providing "Diversity and Inclusion" training to all executive staff, mainly to our team leaders.

We implemented a mentoring program within our Technology function, which has the least number of female executives. Female employees within the mentor and mentee pool that was created in line with the criteria identified before the program are matched. We train mentors and mentees on how to better manage the mentoring process and how to focus on the development targets of the mentee. The program has been recognized as an exemplary initiative across the Vodafone Group and promoted as "the best in class program" among 22 Vodafone countries.

We are planning to implement a new development plan in the following period. The program aims to generate a transformative learning experience for the individual and career developments of our female employees at different levels of their careers. The program will include various development activities such as seminars, workshops, trainings, coaching and mentoring and we will give priority to our female employees in the fields of sales and technology.

With reference to the focus of Vodafone Group on diversity and inclusion, we also focus on the gender equality of team members that implement the large scale transformation projects within our company. Within this scope, we aim to increase the ratio of women in project teams to higher than 30%.

In line with our diversity and inclusion targets, we offer equal opportunities to women in new recruitments. The tables below summarize the results we achieved in this respect.

Gender Distribution of New Recruits (%)	2013/14 Fiscal Year	2014/15 Fiscal Year	2015/16 Fiscal Year
Male	58	50	51
Female	42	50	49

Gender Distribution by Staff Category (%)	2013/14 Fiscal Year		2014/15 Fiscal Year		2015/16 Fiscal Year	
	Male	Female	Male	Female	Male	Female
Senior Management	68	32	66	34	67	33
Middle Management	73	27	72	28	70	30
Other	57	43	55	45	55	45
Total Average (%)	**59**	**41**	**58**	**42**	**58**	**42**

Selection and Placement

Without compromising the goal of employing the best talents at Vodafone, we use a careful and meticulous selection and placement process with the help of expert talent acquisition consultants. Considering that "every candidate is a potential customer", we request all candidates fill out a survey after the interviews (whether positively concluded or not) and we take actions based upon the feedback.

We give priority to employees when filling vacant roles at Vodafone and continue to develop our future leaders from within. Thanks to this road map, 66% of job openings in the 2015/16 fiscal year were filled by internal candidates. We have achieved a four point increase in this field when compared with the previous fiscal year and we continued to support the career development of our employees by offering them various solutions.

In parallel with our goal of becoming a "Leader of Digital Transformation", we have continued to implement video interviews for the Discover Young Talent selection and placement processes in 2015/16 fiscal year in order to help our candidates to have a perfect candidate experience, to speed up our processes and to implement digital transformation in our selection and placement processes. According to his, we have conducted video interviews with 2,500 candidates and had them experience a digital recruiting process.

We continue to regularly provide information about our processes as part of our goal to provide the candidates with a perfect recruitment experience. We personally return to more than 90% of the applications made through the career portal named "Kariyer.net" from which we receive more than 200,000 applications annually. In this direction, we have been awarded with 2015 "Respect to Humanity" by Kariyer. net and became the single operator awarded with this in the telecommunications sector.

200,000

We **personally return to more than 90% of the applications** made through the career portal named "Kariyer.net" from which we receive **more than 200,000 applications** annually.

Performance Management

The main objective of Vodafone Performance Management is to contribute to build a "high-performing culture". In our company there is a four-stage performance dialogue cycle. At the beginning of each fiscal year, we set our employees' annual individual targets and development plans. Then we record their progress against the goals and plans. We evaluate individual achievements at the end of each year according to the goals and key performance indicators. In the final stage of the cycle, as required for a fair awarding system, we conduct performance assessments and determine our employees' remuneration based on their results. Outcomes of the performance management process provide input for other critical human resources processes such as training and development, talent management, remuneration management and awarding, and career management.

91%

The percentage of our employees proud to be employed at Vodafone is **91%.**

Employee Engagement Index and Employee Net Promoter's Score

Through a regular "People Survey" conducted every year in Vodafone Group, we do a pulse check of our current working climate. The results of the survey questions which are answered anonymously are used to measure the engagement of Vodafone employees, to find ways to improve this engagement, and to evaluate the performance of managers. According to the 2015 survey, our employee loyalty index score was 81%.

At the same time, the "Employee Net Promoter's Score", which measures the extent to which our employees recommend Vodafone products and services, increased 6 points compared to the previous year. The percentage of our employees proud to be employed at Vodafone is 91%.

Also, questions about being customer oriented that were included in 2015 survey were evaluated under a separate index called "Customer Index". Our score for "having the right strategy to gain in the market," which indicates the faith of our employees to company strategies, was raised 3 points compared with last year, reaching 88.

Talent Management

Our talent management strategy starts with employing professionals with high potential at Vodafone and continues with identifying talented employees, facilitating their development and preparing them for leadership positions.

We attach great importance to talent management to make sure that we continue to achieve our business objectives and develop our future leaders internally. As a global process within Vodafone Group, Development Boards are critical for creating a corporate culture in which high-performance and talent is recognized and developed for leadership roles. At Development Boards, we review the professional development of employees at executive levels and identify high-performing and high-potential employees. We consider the personal development needs of these individuals and assess their participation in global talent programs.

Vodafone Global Talent Programs

Vodafone Group has two long-term development programs designed for executives who make a difference with their performances and potential and is realized in parallel with the talent management processes. In order to be qualified for the program, candidates should be nominated by the Vodafone Turkey leadership team, they should have no restrictions for international work and should be successful at the measurements realized by an external consultancy company during the global selection process. Participants who are qualified to join the "Inspire" and "Excellence" programs attend different training modules for a year and they will have the opportunities to receive coaching, develop their leadership skills, and to be assigned to different global projects for development.

Career and Development

In order to keep development continuously alive and to have a feedback culture, we aim to provide various feedback opportunities for employees and ensure that this feedback contributes to their development. With this goal, we have implemented a new application in the feedback processes in order to increase the contribution of assessment center processes on development to its highest level to which they participate in the assessment stage for executive positions. In the 2015/16 fiscal year, we have reminded our 141 employees who have attended to assessment center implementations to create a leadership development plan after the implementation and organized Leadership Development Plan Workshop studies to guide the employees in this process. After the feedback sessions, employees participate in these workshop studies and are practically informed about how they can use their assessment notes for development and the aspects to consider when preparing a healthy development plan.

The score for the question "In general, I think that development center is useful for my career and personal development" on the Assessment Center Survey we conducted in the end of the 2015/16 fiscal year in order to measure the efficiency of Assessment Center application and employee experience was 92%, an 18 point increase.

Discover Young Talent Program

At Vodafone Turkey, we give great importance to new graduates to make their career choices in a way to support their professional development. We believe that right choices support the sustainable development of both the organization and the employee. From this, we have been recruiting new graduates since 2008 through the Discover Young Talent program which is implemented by all countries on a global scale.

The Discover Young Talent program is a platform that helps young individuals with high potential seize the opportunity to gain experience in a global company as they step into the telecommunications industry offering a fast, competitive, entertaining and stretching working environment that also aims to extend the talent pool of Vodafone Turkey.

The program is open to all university students in Turkey and starts with a five stage assessment and selection process, providing young people joining the Vodafone family with a three week long orientation. By this, Discoverers gain end-to-end experience as a sales representative at Vodafone stores or as customer representatives at our call center. New graduates make two rotations in the first year of the program and they have the opportunity to recognize different functions and lines of work at Vodafone for six months and to learn the expertise of these issues in detail.

In the 2015/16 fiscal year, 39 new young talents joined the Vodafone family as staffed personnel. We aim to employ 40 young talents in the following fiscal year. Since the launch of the program in 2008, approximately 250 young talents joined our company.

Global Columbus Talent Exchange Program

Young talents attending Vodafone Group's Global Columbus Talent Exchange program since 2011 have had the opportunity to gain international and project-based business experience. The young talents who join the Vodafone family as a Discoverer can participate in the program. We provide some of our high performing employees the opportunity to get 2 years' experience in one of Vodafone's companies abroad. This year, two employees who had previously attended Vodafone through the Discover program had the opportunity to work abroad. In the same way, we transferred two young talents to our company from Vodafone Germany. By the end of the 2015/16 fiscal year, 20 young talents participated in the Global Columbus Talent Exchange program.

Women in Technology Internship Program

At Vodafone Turkey, we give great importance to the participation of women in economic life for the sustainable future of Turkey within the framework of our activities that we conduct with the vision of leading digital transformation. We provide opportunities for female students with high potential who wish to continue with their career in the field of technology / telecommunication and to train them. For this purpose, we have launched the Women in Technology Internship- WIT program in 2016 at Vodafone Turkey.

WIT is a technology focused internship program designed by Vodafone Turkey for the female university students enrolled at the third year of engineering faculties. Within the scope of this program, we assess the applications of female students enrolled in relevant departments of engineering faculties who wish to advance their professional careers in the field of telecommunications and technology. After the successful assessment process, the program continues for one year and the participant female students will have a right for internship within the departments at Vodafone Turkey technology function by rotation. The work plan within the scope of program is designed in a way not to hinder the students' studies throughout the academic year and within the organizational needs of Vodafone Turkey. With this program, students have the opportunity to work full time during the summer period and part time throughout the academic year.

The students who successfully complete WIT internship program also gain the right to participate in the selection process of Vodafone's global scale Discover Young Talent program from the Assessment Center phase.

Employee Opinion

Hande Yalgın Dolcel, Talent Acquisition, Training and Development Director

Vodafone Turkey is a company that places the customer in the center of all its activities and focuses on offering end-to-end solutions for its customers. Moreover, it is a company that values the welfare of its employees, that provides training and development opportunities for its employees with the aim to be Turkey's most admired company attracting the best employees in their fields, and that takes care to manage the cultural change in the best possible way. I think that Vodafone Turkey has two main characteristics distinguishing it from other companies in Turkey; that it is a company implementing everything as a "single body" and reaches to people in various fields with the philosophy of "technology serves for life".

Considering the 2015/16 fiscal year, "Vodafone Women First" program which we developed with the aim of ensuring the equal participation of women in social and economic life by utilizing mobile communication possibilities is very exciting for me. The contribution to the economy is considerably high and it reveals women's place in working life along with their potential. I think these make this project a good example.

I can say that the sustainability report was the first link in the chain for my decision to start working at Vodafone. The transparent share of this information and the ability to express the purpose of its existence is one of the most important indicators that this company is a reliable one with definite goals.

I wish that designing how we can help today's children say "Ready Business" will become one of our material issues. This is a long journey, and now is a good time to begin.

Vodafone RED Academy

In full awareness of the fact that investing in people is what creates the highest value, we are committed to being a global brand that leads the business world with the development opportunities we offer to our employees, stakeholders and society.

With our training and development centre Vodafone Red Academy, we create projects to empower our target audience of 3,365 Vodafone Turkey employees, 8,600 store and 22,500 sub-dealer employees, business partners, university students, and customers in using the new technologies efficiently.

> **Vision of Vodafone Red Academy:** To become a unified communication academy committed to support the digital transformation leaders of Turkey through innovative and out-of-the-box development solutions for the satisfaction of Vodafone customers.
>
> **Mission of Vodafone Red Academy:** To become a development centre that leverages on Vodafone's global knowledge and experiences to benefit our entire eco-system.

Internal Training Process

We are committed to learn and teach continuously and thus to improve our operational performance. Red Academy guides our employees on their professional and personal development journey with an internal trainer staff of 218 people. Our trainers design learning solutions in line with our business objectives and transform these into efficient training programs in various areas.

Our trainers also support a variety of platforms, especially universities, with training and development programs. They also provide guidance to a large ecosystem of Vodafone employees, suppliers and stores. Employees that attend assessment centres opened periodically by Red Academy become internal trainers if they succeed in the assessment.

We organize "Internal Trainers Day" every year for our internal trainers, who deliver **76% of** our training courses annually. On this special day we bring our Human Resources Team together with all internal trainers and their managers. Thus, we help all stakeholders that support trainings and ensure continuous development at Vodafone to meet on a joint communication platform.

Training Management System

With Red Academy, we offer our employees all personal and professional development trainings via Vodafone Learning — our training management system. Used throughout Vodafone Group, the platform helps participants easily plan, follow and report in-class and online trainings as well as examine training contents and access the courses required. Vodafone

Learning Platform also operates in integration with seven professional development portals for various functions created by Vodafone Group. With this integration, our employees can access all training courses they applied for through professional development portals.

When a training needs to be made available rapidly to all channels, we make use of mobile training and videos which we develop with our in house resources by using various content development tools. In addition, we use interactive e-learning methods to provide all field staff and call centre employees with the training courses on systems and the products-services that is compulsory to learn.

Vodafone Red Academy Learning Center

Vodafone Red Academy, which acts with the aim of providing the best digital learning experience to its employees, opened its new learning building Learning Center in operation on June 10, 2015 at Taksim Istanbul. This center is designed as the best digital academy in Turkey and provides a customized learning experience to the participants by using mobile applications. The "beacon" devices within the building are used to automatically monitor the participation of employees in the trainings.

Red Academy Mobile Application

The Red Academy mobile application aims for end-to-end digitalization of the learning process within our company. By using this application we have removed the utilization of paperwork such as training participation signature form and training assessment forms. We have integrated global and local mobile learning resources on this application and ensured our employees have access education and development resources from anywhere from a single point. By means of Red Academy mobile application:

- Our employees can always access their training schedules,
- Training planning and announcements can instantly be done by means of application notifications,
- Management of borrowing and returning of the books and DVDs at learning center library center is possible.

Selections from Vodafone Red Academy Programs

Within the scope of a team work for working teams "Vodafone United" competency development program, we have reached to 265 people. We execute this program with the purpose of improving team spirit and increasing inter-departmental cooperation and we have been awarded with the "Best Program that Supports Transformation in Business Strategies" by Brandon Hall and with the "Education and Development Program With the Best Impact on Results" award by the TEGEP Association in 2015.

With our Transformational Leadership Program, we aim to support the adherence to transformation culture within the company. All the members of the executive team were involved in "TLP Mastery" trainings within the scope of this program. We have reached other employees who did not obtain TLP by our monthly "TLP Fridays" sessions. We have also provided coaching support to the project teams for the establishment of Transformational Leadership Pioneering Strategic Project teams and to support their project processes.

554 training

Within the scope of occupational and personal development, we have reached our employees with **554 various class training sessions** and **560 various e-learning contents** in a year.

Training Indicators

In the 2015/16 fiscal year, we provided an average of 41.3 hours of employee training per person, which amounts to a total of 137,459 man hours. In terms of stores and third party employees, we reached a training volume of 10.6 hours per person, with a total of 129,964 man hours.

Based upon the number of trainings completed, we offered more training designs and 50% of our trainings were online. When we compare the share of online trainings in terms of hours of training, we see that 11% of the time spent on employee training and development has been through online channels.

Indicators related to in-class and online training programs during the last two fiscal years are provided on the tables below.

137,459 man hours

We provided an average of **41.3 hours** of employee training per person, which amounts to a total of **137,459 man hours**.

Vodafone Red Academy and University Partnerships

Since 2012, Vodafone Red Academy has been partnering the universities for the "Data, Everywhere!" The program gave 378 students the opportunity to get to know the telecommunications industry. The program, designed and delivered entirely by the internal trainers of the Red Academy, give students theoretical and practical information on the nature and applications of mobile data. From 2015 through the present, we continued our "Data Everywhere!" program which we organized in four universities.

For the 2015-2016 academic year, we have planned courses in Agile Management and Communication Systems and Networks. At these courses, students had the opportunity to hear about the new technologies and methodologies through live examples in the sector and also a chance to implement them. Students who comply with the determined success criteria at the end of the program get the opportunity to exclusively participate in the preliminary selection process for the Vodafone Discover Young Talent Program. We aim to improve the same programs in 2016-2017 years and continue with our university programs.

Seeking to re-define the concepts of "student" and "classroom" during university education, Kadir Has University partnered with Vodafone Red Academy to implement a "Tablet-based Mobile Education" system. The system enables students to reach all information on courses anytime and anywhere via tablets. The Mobile Education System made it possible to share all presentations, images, and videos of courses with the students anytime anywhere. In addition, assignments, projects and exams were also delivered via smart tablets. This program was awarded with Jury's Special Award by TEGEP (Turkish Education and Development Platform) Association under "Education Technologies Implementation Category".

Also, we have created "pricing" courses for Boğaziçi University Faculty of Business students. The courses were realized by our in-house trainers and they continued for a year.

Corporate Athlete Program

Corporate Athlete is a program which we launched to contribute to our employees, allowing them to optimize their performance in their business and private lives. The program focuses on managing our energy in four different dimensions and it provides critical tips related with physical, emotional, mental and spiritual energy dimensions to generate awareness among people on what they can do in this field and help them to implement it in their lives. The program was launched at the "One Vodafone" meeting in May 2016. In the 2016/17 fiscal year, we aim to reach 1,000 employees within our Company through trainings and various applications.

Trainings Provided to Our Employees	2014/15 Fiscal Year		2015/16 Fiscal Year	
	Number of Participants Man-training	**Training Period Man Hour***	**Number of Participants** Man-training	**Training Period Man Hour**
Behavioral Trainings	**21,304**	**59,744**	**13,675**	**57,029**
Senior Management	232	1,184	137	1,011
Middle Management	856	4,160	702	3,850
Other**	20,216	54,400	12,836	52,168
Functional Trainings	**20,051**	**88,344**	**12,094**	**80,431**
Senior Management	42	112	37	171
Middle Management	130	848	173	726
Other**	19,879	87,384	11,884	79,534
Total	**41,355**	**148,088**	**25,769**	**137,459**

* 2014/15 data is assured by EY.
** Includes all the staff not below Senior (E, D and C bands) and middle management (F band).
Note: The figures for training hours are as of March 31, 2016, which is the last day of fiscal year.

Average Hours of Training Per Person Per Year Based on Staff Category		
Staff Category	**2014/15 Fiscal Year***	**2015/16 Fiscal Year**
Senior Management	30	25
Middle Management	40	34
Other**	45	42

* 2014/15 data is assured by EY.
** Includes all staff other than Senior and Middle Management.

Average Hours of Training Per Person Per Year	2014/15 Fiscal Year	2015/16 Fiscal Year
Our People	44.9 *	41.3
3rd Party Employees	18.9	10.6

* 2014/15 data is assured by EY.
Note: All Vodafone employees benefit from training under equal conditions and training indicators are not tracked on the basis of female/male employees. Therefore, there is no gender distribution of the data above.

Corporate Security

We evaluate technical, commercial, ethical and reputational risks in an objective manner and manage them in line with Vodafone Business Principles.

Material Issues	Our Commitments	Objectives for the 2015/16 Fiscal Year	Our Performance in the 2015/16 Fiscal Year	Objectives for the 2016/17 Fiscal Year
Corporate security	We will audit the compliance of corporate security awareness and practices of our suppliers with Vodafone standards and related laws.	To implement the due diligence process with 50 suppliers.	We have implemented the due diligence process with 43 suppliers.	To implement the due diligence process with 50 suppliers.
	We will develop and apply the Sense of Security Program with the aim of increasing awareness on security and its applications among individuals in Vodafone eco-system.	New target	New target	To realize the five actions we have set in order to monitor the success of the Sense of Security project.
Business ethics and anti-corruption	We will continue our anti-corruption practices with our "zero tolerance" approach.	To give anti-corruption e-training to all employees.	80% of our employees have received this training.	To give anti-corruption e-training to all employees
Information security and privacy of customer information	We will continue to put emphasis on compliance with international standards regarding the management of information security and privacy of customer information.	To conclude ISO/IEC 27001:2013 certification of Vodafone Northern Cyprus.	Vodafone Northern Cyprus has obtained the ISO/IEC 27001:2013 certificate.	To continue with regular certification of our processes in accordance with ISO/IEC 27001:2013.
	We will establish a new corporate access management structure in order to manage the authorizations on our critical system more efficiently and to make all business units except technical teams a fundamental part of process.	New target	New target	To establish the Vodafone Turkey Corporate Access Management structure and to realize the necessary implementations.
	We will realize work to comply with the Law on Protection of Personal Data dated April 7, 2016.	New target	New target	To establish a structure for fast and complete responses to information requests on data processing by our customers. To review our data processing and to launch the work for compliance with the law.
Business continuity	We will continue to put emphasis on emergency and business continuity management at all stages of our services.	To conclude ISO 22301 certification of Vodafone Northern Cyprus.	The certification process of Vodafone Northern Cyprus is delayed to the next fiscal year due to regulations.	To conclude ISO 22301 certification of Vodafone Northern Cyprus.

Our Approach to Corporate Security

The main purpose of our activities within the scope of Corporate Security Management is to identify the possible threats and vulnerabilities that may damage Vodafone Turkey's income, image and reputation, and to take preventive and mitigation measures. Our Corporate Security Management approach includes antifraud and anti-corruption, prevention of laundering of crime revenues, due diligence, information security, privacy, business continuity, personnel and asset security, and awareness on security. With this end-to-end approach, in order to protect Vodafone's ecosystem and customers from damage, we objectively assess technical, commercial, ethical and reputational risks and manage these in line with Vodafone Business Principles.

Sense of Security

In order to ensure that the awareness and practices of security transforms into a culture and attitude in all Vodafone Turkey employees, third party users, stakeholders, and everyone in the Vodafone ecosystem, we launched the "Sense of Security" program in the 2014/15 fiscal year and continued this year. We have reviewed the flow of business in cooperation with human resources, internal communication and corporate security teams, we have determined target groups, we have created the authorization and responsibility matrix and conducted workshop, focus group studies and field survey. As a result of these processes, we have made a status analysis and created five outcomes for strategic approach. These are:

1. To connect the SoS program with our corporate value "trust"
2. To match all human resources processes experienced by our employees throughout their employment at Vodafone with the SoS program,
3. To develop 360 degrees communication campaigns in order to sustain awareness,
4. To generate new projects with the support of employees,
5. To develop and execute the SoS Executive Program.

In order to support the internal communication on this issue, we have determined the character "owl" as the speaker of corporate security. We have organized a competition among the Vodafone employees to name the character and the name was determined as "SoSA" (Sense of Security Ambassador).

This program is a first among Vodafone Group companies and it will be developed according to results on an annual basis.

Anti-Fraud and Anti-Corruption

We expect all employees within Vodafone Turkey's ecosystem to comply with our Business Ethics Principles and Business Principles. The "Zero tolerance" policy is applied in anti-fraud and anti-corruption practices. We perform risk assessments against all types of internal and external misconduct that may happen at Vodafone within the frame of Anti-Fraud Management Policy and we take measures to prevent risks from taking place or reoccurring.

We provide training on fights against corruption for all our employees and raise awareness. With ethics reporting hot line services such as Speak Up and Red Line, we enable all employees within our ecosystem to share their questions and opinions and report misconduct incidents they have witnessed and/or suspected anonymously, without the need to disclose their ID. We receive Ethics Reporting Hot Line services via an impartial, third-party global company.

Privacy and Information Security

We consider our customers' trust in us regarding the security of their personal information as our most essential asset. Maintaining this trust is amongst our most fundamental responsibilities. We protect our customers' personal information and mobile contact details with the security controls defined by ISO/IEC 27001:2013, which is the International Information Security Management System Standard. Also, the credit card information of our customers is protected in compliance with PCI DSS, which is an internationally recognized global standard for data security. Our compliance with this standard is audited and certified every year by an independent institution.

In the 2015/16 fiscal year, Vodafone Northern Cyprus was aligned to ISO/IEC 27001:2013 Standard in addition to Vodafone Turkey (offering mobile services) and Vodafone Net (our subsidiary operating in fixed line services). In addition to compliance to international standards, as a member of the Vodafone Group, we apply the best practices identified by the Vodafone Group on information security and privacy in all our workflows and information systems.

Information Security Risk Management

With our Information Security Risk Management activities regularly held since 2008, we ensure that the measures we take for information security are aligned with our ever-improving business processes and infrastructure and are in continuous improvement. In the 2015/16 fiscal year, we have analyzed the risks for Vodafone Turkey Group Companies and realized the necessary enhancements.

Corporate Access Governance Structure

One of the most sensitive processes we apply is that the access to our customers' data and sensitive company data is within the limits that match with company requirements and that only those employees are authorized with the requirement to access. With the work we launched in the last quarter of the 2015/16 fiscal year which we aim to conclude by the end of the 2016/17 fiscal year, we will develop a corporate access governance structure and reduce human-based risks.

Information Security Scorecard

We have continued to evaluate the effectiveness of our information security processes and controls through quarterly detailed controls and measurements and report to senior management with "Information Security Scorecard". We identified and documented the parameters to be included in the measurements/controls by considering the objectives and strategies of our company. Areas to be improved and root causes were analysed after the measurements. Then we planned and monitored suitable remedial actions. Monitoring process is continuing.

Confidentiality of Customer Information

We will set the necessary work for compliance with "Law on Protection of Personal Data" dated April 7, 2016 and we will ensure that these are implemented within the company. Through these, we will review the existing products and services in terms of compliance with law. We will establish the processes and technical infrastructure to respond the requests of information from our customers in relation with utilization of personal data.

Business Continuity

Business continuity, emergency and crisis management are issues with high importance in telecommunication and Internet services. We have continued to implement the indicator that we provide uninterrupted communication for our customers with good and quality service, ISO 22301 Business Continuity Management System for Vodafone Turkey, Vodafone Net and Vodafone Information and Communication Services in the 2015/16 fiscal year. We have renewed our certificates as a result of an external audit. We will conclude (VMOL) ISO 22301 certification of Vodafone Northern Cyprus in November 2016. We will provide training, audit and consultancy services for Vodafone Egypt throughout the ISO 22301 Business Continuity Management System certification process it plans to obtain within the 2016/17 fiscal year.

Emergency Management

In order to become a strong society and institution that has the capacity to survive through natural disasters and other emergencies, individuals must be aware of such emergencies. With this insight and in accordance with ISO 22301 and ISO 27001 Standards, we have disaster and emergency management procedures and teams. We have continued our strategic collaboration with Search and Rescue Foundation (AKUT) for emergency management and added new practices to our emergency management efforts. We performed risk analyses in Vodafone buildings and call centres of suppliers. In addition to general evacuation drills, we created scenarios for different risks for buildings (epidemics, fire, etc.) and made drills.

For the new fiscal year, we are planning to start conducting risk analyses in the office and warehouses of our solution partners and in the warehouses managed by a third party on our behalf and to upgrade their conditions with Vodafone standards.

Supplier Due Diligence

We implement a due diligence procedure in supplier companies in order to objectively (and in line with Vodafone Business Principles) evaluate all technical, commercial, ethical and reputation risks that may result from our suppliers and harm our reputation. As a result of this evaluation, companies that are found to be at "high-risk" are audited on site in line with Vodafone Policies, 5188 Private Security law, ISO 27001 Information Security Management System, ISO 22301 Business Continuity System Standards, and related local laws and regulations. After the audit, actions are taken to minimize the identified risks of our suppliers during the audit. In the 2015/16 fiscal year, we implemented the due diligence procedure with 43 suppliers.

Personnel and Physical Security

We ensure that all security measures are taken for the safe and comfortable business of all our employees, visitors, and other employees within the eco-system in compliance with Private Security Law in Turkey and Vodafone Group Policies. In addition to this, we inform our business partners and suppliers on the necessary security measures to be taken at business travels and various events.

Award

With the PADLOCK Project, which prevents any negative applications on Vodafone profitability and customer satisfaction through doing the interim connections for international calls on SIMBOX; one of our employees has obtained the 2015/16 fiscal year 4th quarter **Customer Heroes Hero** award.

**Vodafone
Turkey
Foundation**

Vodafone Turkey Foundation

Being one of the 27 Vodafone Foundations in the world, the Vodafone Turkey Foundation has been committed to the mission of leading social change and development since 2007.

In order to support sustainable development in Turkey, we at the Vodafone Turkey Foundation cooperate with non-governmental organizations and our other stakeholders to develop long-term projects and implement them. Our aim is to contribute to the steps Turkey musrt take for creating a well-trained, well-equipped, and productive society. Thanks to our social investments, we act on the basis of the social needs map we created as a result of a long and diligent study into the social requirements of our country.

Türkiye Vodafone Vakfı'nın Hedefi:

- To cooperate with non-governmental organizations and other stakeholders for sustainable development.

- To introduce the opportunities offered by communication technologies to women, thus improving their socio-economic conditions and creating an environment where their entrepreneurship skills can flourish.

- To support the participation of the socially and physically disadvantaged individuals into social life.

- To provide solutions for social problems using mobile telecommunication technologies.

- To support people, primarily Vodafone employees, in carrying out volunteer efforts for the community in which we live.

Vodafone Turkey Foundation Advisory Board

The Vodafone Turkey Foundation Advisory Board was created with the aim to develop projects, to put together strategies and to determine a road map for the future. Members of the Advisory Board are esteemed leaders of the business world and non-governmental organizations: Leyla Alaton, Cem Bakıoğlu, Yavuz Canevi, Bülent Eczacıbaşı, Üstün Ergüder, Hüsnü Özyeğin, Ali Sabancı, Meral İnci Zaim, and Ebru Özdemir in October 2016.

Vodafone Turkey Foundation in Figures

9th Year of our establishment

28 million TL social investment

Reaching to more than **3.5 million** citizens

→ **Vodafone Volunteers**
551 participants

→ **Dreams Academy**
47 Workshops and **4,000** students

→ **Accessible World**
2,300 downloads

→ **Women First Movement in Entrepreneurship**
The amount of shopping done at Oncekadin.gov.tr digital store: **105,106 TL**
The number of advertisements added to Oncekadin.gov.tr digital store: **16,534**

→ **Easy Rescue**
296,000 downloads

→ **First6Years**
150,000 downloads

→ **International Entrepreneurship Centre**
Provided training to **22,520** people

→ **Vodafone Wheel of Ideas Entrepreneurship Program**
453 project applications

→ **Vodafone Wheel of Ideas Internal Entrepreneurship and Innovation Program**
78 patent applications

The Vodafone Women First Program **touched the lives of**
639,000 women during FY 2015/16 by providing them with
income opportunities as well as access to information and communications.

Women First Program

We strongly believe that women should enjoy equal opportunities with men in the business world to achieve sustainable growth, a powerful society and strong generations in Turkey. In line with our "Technology for Women" approach, we are committed to using technology to support women to improve their presence in social and economic life. With this purpose, we launched the "Vodafone Women First Program" in 2013 in partnership with the Ministry of Family and Social Policies in order to solve their communication problems and help them to contribute to the economy.

At Vodafone Turkey, we have become a signatory of Women's Empowerment Principles (WEPs) which is an initiative of United Nations, and committed that we will continue with our work to empower women in every field of life.

Vodafone Women First, a "first of its kind" umbrella program combining a large variety of products, services and projects for women, reached 639,000 women as of the end of the 2015/16 fiscal year. With this program, we offer women key benefits including income opportunities as well as access to information and communications.

Theme	Women First in Entrepreneurship: Training Technology Training
Starting Date	April 2015
Partners	Ministry of National Education (MEB)
	Turkey Informatics Foundation (TBV)
Objective	To introduce the opportunities offered by communication technologies to women, support them in entering the business world and improve their entrepreneurship skills.
Target Audience and Achievements	Women without profession
	With 100 consultants, 10,000 women in 10 cities were trained in entrepreneurship, communication skills, financial legislation, digital and mobile technologies, and marketing.

Women First in Entrepreneurship

Women First in Entrepreneurship program was realized in April 2015, aiming to introduce the opportunities offered by communication technologies to women and to increase their employment levels and build their entrepreneurship skills. The program's goal is to facilitate the sale of hand-made products through information technologies and transform a hobby into a source of income. Thus, housewives will also be encouraged to contribute to the economy and to create extra income to improve their families' welfare.

The target audience of the project are the female students/trainees at the public training centres, vocational training centres and advanced technical schools in the cities of İstanbul, Ankara, İzmir, Antalya, Eskişehir, Samsun, Bursa, Diyarbakır, Elazığ, and Giresun. Program attendees are able to sell their products via a digital store named "oncekadin.gov.tr". 3,000 attendees are members of the site, where 16,534 product advertisements were entered and a total of 1,500 products were sold for the amount of 105,000 TL. The total economic value of all the entered products is above 15 million TL and the digital store was viewed 1,142,000 times during the implementation period. We aim to provide entrepreneurship and technology training to 10,000 women at 10 new provinces in the new fiscal year.

Within the scope of this project, we have encouraged the attendees to become members of the site and to enter advertisements and awarded a total of 26,500 TL to those who were placed in Women First in Entrepreneurship Contest organized to create success stories.

The project has provided an opportunity of income for thousands of women in Turkey and it was awarded with the Golden Compass Award at 15th Golden Compass Public Relations Awards in 2016 organized by TÜHİD (Turkish Public Relations Association) under the category "Corporate Responsibility".

Success Story:
Sebahat Oral (Eskişehir Odunpazarı Public Training Centre Attendee and 1st Rank in Women First in Entrepreneurship Contest)

"Within the scope of Women First in Entrepreneurship Project, I have entered 280 advertisements for my jewelry and needle knit products and made 3,000 lira in sales.

I am the mother of three boys and I have worked for years to support my husband, who works a lot to meet the needs of house, in material and non-material ways. I wanted to have an occupation, to stand on my feet as a free individual and live as an independent woman. I am the one who knows the real value of my hand made products I sold to my relatives, friends, and acquaintances. I was introduced to the Women First in Entrepreneurship Project. With this Project, I have learned about how to become an entrepreneurial woman. I have learned to become a member of society, to publish a product, to take orders and make sales and to have confidence in myself in the digital environment. I have improved my communication skills with people. I have had the chance and joy to spend the money I have earned through my great efforts."

Women First Program

Women First Training and Production Cooperative in Soma

The aim of this initiative is to introduce women in the town of Soma to the opportunities of communication technologies and promote their involvement in social and economic life. The business model is based on women making and selling handicrafts for income.

At the "Soma Women First Training and Production Cooperative" opened in a special building allocated by Soma Municipality, there are two workshops for a total of 50 people and a seminar room. In addition to the computer room for 25 people, there is a recreational area for women and a playground for their children. Opened in December 2014, "Soma Women First Training and Production Cooperative" started to give training on technology, entrepreneurship, psychological counseling and handicrafts.

The Soma Women First Training and Production Cooperative has provided a sustainable source of income for 370 women in a short period of 10 months. The centre provided the women of Soma an opportunity to stand on their own two feet and it became a cooperative, thereby transforming itself into a sustainable business model. The cooperative continues with its activities along with the aim of "becoming the center of handcraft production" and manufacturing is done in accordance with the demands generated by brand cooperation.

Women First: Social Business Model

Designed as a social business model, the Program aims to empower women through entrepreneurship opportunities and amp up their socioeconomic power. Through the "Vodafone Women First Ad Service", we provide them with the opportunity to advertise their hand-made products on sahibinden.com, Turkey's largest online ad and shopping platform, for a whole month. Women can send their ads to the platform with a single SMS free of charge. Thus, those who want to support women entrepreneurs may purchase their hand-made products via mobile technology.

Vodafone Women First Ad Service

Business results of the ad service as of the end of the 2015/16 fiscal year are as follows:

- More than 20,380 ads on sahibinden.com Vodafone Women First Shop, increasing three times when compared with previous year.
- The most popular categories: home decoration, food and beverages, clothing and accessories.
- Cities that advertised the most: İstanbul, İzmir and Bursa.

Mother-Child Service

With the Mother-Child Service which was developed together with AÇEV, we submit useful information on baby development via free text messages to mothers with babies 0-72 months old. Mothers register the information about the age of their babies and can reach the content appropriate for the age of their child. 10,400 women use this service on a daily basis.

#1GünDeğilHerGün Women First

VUnder the hash tag "#1GünDeğilHerGün Önce Kadın" (#WomenFirstEveryDayNot1Day"), we have launched a communication campaign on March 9, 2016 for a year. Within this scope, the stories of women reached by Vodafone and all the works conducted to ease the life of women are shared as videos, info graphics and news from Vodafone Turkey social media accounts.

Women First Shops

At Vodafone Turkey, we continuously expand the scope of Women First Program. As of the end of the 2015/16 fiscal year, with Women First Shops in 8 cities, namely Ankara, Adana, Gaziantep, Batman, Nevşehir, Sinop, Şanlıurfa and Tekirdağ, of which investors and all employees will be women, we will encourage women's contribution to the economy and labour force offering them new employment opportunities.

Dreams Club

Theme	Dreams Academy: Disability
Starting Date	October, 2008
Partners	AYDER
	UNDP
	Ministry of Development
Objective	To support people with disabilities in breaking through social exclusion and in becoming active and productive through arts and culture.
Target Audience and Achievements	People with physical, mental, hearing disability and visually impaired people
	Chronic disease groups
	Young people suffering from poverty and deprivation
	Volunteers (youth from Turkey and abroad)
	As of April 2015, 4,000 attendees completed our workshops.

In line with our "Mobile for Good" vision, Vodafone Turkey combined a wide range of products, services and projects to support equal inclusion of socially disadvantaged individuals in the social life under the "Dreams Club". When we consider the fact that the people with disabilities make up about 13% of the total population in our country, integration of disabled citizens into social life and the education and production system becomes even more important.

Dreams Club

Vodafone Turkey offers a number of products and services under the Dreams Club. For instance, **Tariffs and Services Beyond Disabilities** offers tariffs and services tailored to the needs of the people with disabilities. Members of the Dreams Club have equal and easier access to mobile technologies thanks to " Billing Info Service, Audio Subscription Contract, Hearing-based Announcement Service, Where Am I Service, Where is My Relative Service and Audio Info Service". Within the **Dreams Club Campaign**, Vodafone RED and Smart tariffs offer a 43% (the amount of value added tax and special communication tax) discount on fixed monthly fees for the people with disabilities. In addition, the **Mobile Employment Pool for the People with Disabilities** service created in partnership with the Ministry of Family and Social Policies and Yenibiris. com is the first mobile service to offer special employment opportunities for people with disabilities in Turkey where four out of every five disabled individuals are unemployed.

In the 2015/16 fiscal year, the number of disabled individuals benefiting from Vodafone Turkey Dreams Club products and services exceeded 130,000, up from 80,000 in the previous year.

Dreams Academy

In 2008, the Vodafone Turkey Foundation partnered with Alternative Life Association (AYDER), the Ministry of Development, and the United Nations Development Program (UNDP) to launch the Dreams Academy social responsibility program aiming to enable inclusion of disabled and socially disadvantaged individuals into social life through arts.

At Dreams Academy, 3-month alternative skill development workshops are being organized free of charge for young people suffering social disadvantages for varying reasons. In painting, drama, dance, photography, rhythm, pantomime, yoga, sign language, and kitchen workshops, young people find the opportunity to develop their skills and artistic identities.

Dreams Academy in Ataşehir

With Dreams Academy, disadvantaged young people suffering from "social exclusion" due to physical and/or psychological disabilities or financial problems have a significant opportunity to express themselves through art and become active members of the society At the Dreams Academy building located in Ataşehir-İstanbul; there are not only special art workshops for the people with disabilities, but also self-development workshops on business and communication skills as well as personal coaching.

Young individuals completing these workshops are set for professional careers in the arts. **Social Inclusion Band** is made up of members trained in music workshops as well as volunteer professional musicians, while **Dreams Company** was created by young drama workshop attendees and **Dreams Kitchen** is where cooking workshop attendees practice their culinary skills provide employment opportunities for the young attendees of the Dreams academy. Driven by the motto "No Boundaries for Art and Artists", the project has so far touched the lives of 4,000 people.

Dreams Academy in Kaş

In 2014, we opened Kaş Dreams Academy (Antalya), which is the largest living and leisure space for people with disabilities in Turkey. In addition to social life and arts trainings, participants have the opportunity to develop their skills in a variety of areas from water sports to ecological farming.

Girls on Attack Project

The Girls on Attack Project is realized as a sub project of Dreams Academy. It was launched to train young girls between the ages 12 and 18 in sports, environment and team work, thereby strengthening their mental and physical capabilities. The project aims to bring highly-motivated, self-confident, courageous and entrepreneurial young women into society with an increased impact.

Within the scope of this project, we have hosted the young daughters of women from Soma at Dreams Academy Kaş with the sponsorship of Vodafone Volunteers. Attendees have come together under this structure and to discover what makes them special and the necessity to respect differences and working together with those different than them.

Mobile for Good

We open the gates of a better future to everyone through communication technologies.

Within the framework of Vodafone Turkey's "Mobile for Good" vision, we use our global know-how in mobile technologies and our innovation power to create value and to make life easier for people. We support the development of mobile applications for women and people with disabilities.

"Easy Rescue" Mobile Application

We believe that the surging violence against women is a severe violation of human rights and a serious social problem. Mobile technologies play a critical role in combating violence against women. Therefore, Vodafone Turkey, working with the Vodafone Turkey Foundation, developed the "Easy Rescue" application allowing women facing violence to contact the police or relatives immediately and easily with an SMS or access them via phone. Alo 183 (hotline for violence against women), 155 Police Hotline, Ambulance and Military Police emergency numbers can be called with a single button. Having been downloaded approximately 296,000 times, the Easy Rescue application also contains information on the nearest Centre for Preventing Violence and Monitoring (operating under the Ministry of Family Affairs and Social Policies), and other organizations advocating personal rights.

The Vodafone Easy Rescue campaign received the Grand Prix award, which is considered the most prestigious award of the Cannes Lions International Creativity Festival, the summit of creativity worldwide in the field of advertisement and marketing. Following its success at Cannes Lions, Vodafone Easy Rescue has also brought the Grand Prize to Turkey for the first time at the CLIO Awards, which is considered as another summit for the advertisement and marketing world. After its success at Cannes and CLIO, it was nominated at the Global Mobile Awards provided by World GSM Association (GSMA), also known as the Oscars of GSM sector.

"Accessible World" Mobile Application

The "Accessible World" mobile application is supported in accordance with our vision of equal participation of individuals with a disability to social and economic life and it is the first and most comprehensive social share and information platform in terms of accessibility. This application provides the individuals with a disability a facilitation to participate in social life and also provides users with information on the accessibility status of their locations. The "Accessible World" mobile application provides accessibility status evaluations about certain locations along with map integration and can be downloaded for free to smartphones.

"Sign Language" Mobile Application

Turkey Vodafone Foundation has executed the most comprehensive sign language education application to facilitate the three million hearing impaired individuals and their relatives through Dreams Academy. This application is prepared as courses under a certain curriculum and it is a first in Turkey. With almost 1,100 videos and 1,400 words dictionary, this application is Android and iOS compliant and can be downloaded to smart phones for free via Google Play and Apple Store.

"First6Years" Mobile Application

Developed by Vodafone Turkey Foundation and AÇEV, the application offers up-to-date information on the first six years representing the most critical period in a child's life, thus making life easier for parents. This free application guides parents with an information database of 1,200 different questions. Information sent to the user's smartphone every other day is supported with photographs, educational videos and animations. Reaching 150,000 users, the application also includes a calendar to record important days for parents and children, a section to monitor children's height and weight, as well as an album to store and share photos and videos.

Vodafone Volunteers

Our voluntary activities constitute an important part of our social responsibility projects and we believe that they contribute a lot for the development of our employees, to Vodafone Turkey and to society. We aim to include our employees for the projects we implement under the Turkey Vodafone Foundation within the scope of the Vodafone Volunteers Program and we also aim to improve our projects with their ideas and opinions. A total of 551 Vodafone Turkey employees have participated in our voluntary program to support our projects through the end of March 2016. Each year, we bring our Dreams Academy students together and we celebrate World Volunteers' Day. We paint pictures with our disabled students and we accompany them in a rhythm show.

Our main activities:

- With the Girls on Attack Project we launched at Dreams Academy Kaş in summer 2015, we provided a week long camp for the young daughters of women attending our Soma Women First project. Our volunteers accompanied the girls from Soma at the camp for a week and shared their experiences with them.

- We organized an aid campaign for children at Soma within the scope of Soma Women First project. We visited the Soma Women First Training and Production Cooperative with our volunteers and delivered the gifts collected.

- We delivered the products we collected via intra-company aid campaign we have organized for our animal friends to the animal shelter we visited together with volunteer Vodafone employees.

- With the "Audio Book Reading" project we launched this year, Vodafone volunteers read books and recorded them for the visually impaired students at Dreams Academy. After our volunteers complete the Red Academy online training, they can visit Dreams Academy Ataşehir and make the book recordings.

International Entrepreneurship Centre

Theme	Entrepreneurship
Starting Date	November 2012
Partners	Habitat Development and Governance Association
	Ministry of Development
	UNDP
Objective	To contribute to positive perception of entrepreneurship.
	To support women and young individuals in becoming successful entrepreneurs.
	To ensure development of national entrepreneurship policies to drive entrepreneurs' competitive edge.
	To support entrepreneurs in global competition.
	To facilitate Turkey's capacity for building collaboration and partnerships with neighboring regions.
Target Audience and Achievements	Young entrepreneurs and entrepreneurs-to-be.
	22,520 people were reached.

International Entrepreneurship Centre (IEC) was established by the Turkish Ministry of Development, UNDP, Habitat Development and Governance Association, and Vodafone Turkey Foundation, in collaboration with the Turkish Union of Chambers and Commodity Exchanges (TOBB) Youth and Women Entrepreneur Boards. EC operates in collaboration with more than 120 active stakeholders within the entrepreneurship ecosystem, including technology companies, public institutions, international organizations, non-governmental organizations, and initiatives.

IEC is co-coordinator of the Global Entrepreneurship Week with Endeavor which is simultaneously celebrated in 157 countries for the aim of structuring the perception of entrepreneurship and creating an entrepreneurship culture so that innovative, creative, responsible and extensive initiatives and environmentally friendly businesses can be developed throughout Turkey. IEC also sponsors G3 Forum, which is the biggest event in the Global Entrepreneurship Week. Within this scope, Boston-based MassChallenge, the third biggest entrepreneurship eco-system has met together with Turkey entrepreneurship eco-system in November 2015 as IEC being the host. The team also had the right to organize the Global Entrepreneurship Congress in Istanbul in 2018, which is organized at a different place every year and where approximately 3,000 entrepreneurs are hosted.

With the collaboration of IEC and Çukurova Development Agency, the third Entrepreneurship Eco-System Meeting was held in Adana which brought the public agencies, universities, non-governmental organizations, investors and related individuals active in the field of entrepreneurship together. 118 people from 80 institutions attended the meeting and subjects such as the ways to improve entrepreneurship eco-systems in Turkey how to increase cooperation among domestic and international cities were discussed.

To support development of not only positive perception, but also innovative and creative human resources, IEC organizes such events as Idea Creation Camps, Startup Weekend and hands-on trainings like hexatones. Thus, it improves problem solving skills, teamwork, innovative business ideas, business model development, prototype production, and presentation skills.

ULUSLARARASI GİRİŞİMCİLİK MERKEZİ

Vodafone FikirÇarkı Entrepreneurship Program

Vodafone FikirÇarkı supports digital projects at every stage

In line with our vision to lead the digital transformation in Turkey, we created the Vodafone Wheel of Ideas to hear, gather and support digital ideas of entrepreneurs in Turkey. The Vodafone Turkey Foundation, IEC (International Entrepreneurship Centre and Boğaziçi University Alumni Association Business Angels (BUBA) partnered to launch this program in November 2014.

Vodafone
Fikir Çarkı

Wheel of Ideas is an entrepreneurship program focusing on innovative solutions from an entrepreneur's perspective and providing the entrepreneurs with funding, information and networking opportunities. The program offers benefits that address the needs of entrepreneurs in all stages from idea generation to growth. At the first stage, ideas are received via fikircarki.com. Secondly, potential entrepreneurs are trained through training and mentorship activities organized by IEC. At the third stage, prospective entrepreneurs are trained through mentorship, business incubator, technical support and seed capital, which is provided through BUBA and IEC. The fourth stage involves transforming the initiative into a start-up company through mentorship, business incubator, technical support and seed capital. At the final stage, the initiatives are introduced to the wider investor eco-system of Vodafone.

FikirÇarkı in Figures (November 2014 – June 2016)

453 projects applied.

32 projects were provided direct support.

There were **71 business angel** members of BUBA, which is the investor partner of FikirÇarkı Program.

2 of 3 projects had companies established in London, and **1** in Malta.

A total of **660.000 TL** support was provided to entrepreneurs via BUBA and IEC.

Entrepreneurship training was provided **to 22,100 individuals in 45 provinces** via IEC.

An eco-system meeting was organized with **410 attendants from 19 provinces** via IEC. This eco-system meeting brought **148 institutions** together and five cooperations were established as a result of meeting.

Vodafone FikirÇarkı Entrepreneurship Program

In the 2015/16 fiscal year, 11 of our portfolio initiatives have opened up their stands under the sponsorship of Vodafone at Ankara ISAF, Crystal Apple and G3 Forum and explained their own business models. Starting from the second half of 2016, we are developing different models for FikirÇarkı Program portfolio initiatives integrate with Vodafone and to provide various products and services for Vodafone customers.

One of our Portfolio initiatives, Segmentify, has attended World Mobile Congress in Barcelona under Vodafone sponsorship. The speech made by founding partner and general manager of Segmentify was in the news at more than 30 national publications. Segmentify also obtained 300,000 Euros of investment from one of the risk capital funds BUBA works closely with and thereby accelerates its growth.

Sinemia is another FikirÇarkı portfolio initiatives and it has expanded the contracted movie theater network throughout the whole of Turkey. Sinemia obtained 250,000 USD in investments from a risk capital fund in December 2015 and it started its activities in England by February 2016.

Segmentify: Segmentify is a cloud-based platform that ensures the identification of micro-groups determined according to behaviors (segment), and distributing the visitors between these segments by monitoring their web page clicks and which can take customized actions (SMS, e-mail, pop-up, banner etc.) for the visitor/registered user after this.

Sinemia: Sinemia is a private cinema club that provides unlimited cinema tickets for its members. Sinemia integrates location-based technologies and pre-paid bank card systems, and it was created in Turkey for the love of cinema. Sinemia members pay a certain price each month and watch a certain number of movies at movie theaters.

Vodafone FikirÇarkı Internal Entrepreneurship and Innovation Program

We have implemented the Vodafone FikirÇarkı Internal Entrepreneurship and Innovation Program with the goal of improving the innovation culture within Vodafone and to realize the innovative business ideas of our innovative employees. Within the scope of program, Vodafone employees share their innovative business ideas with their teams and the ideas developed with the contribution of related business units become real under the leadership of opinion leaders. Experienced innovation mentors accompany the idea owners during the realization and thereby Vodafone raises its internal entrepreneurs.

This program, in which Vodafone has positioned innovation as an inseparable part of company identity, was launched in February 2016. Within four months, more than 180 innovative business ideas arrived and more than 100 employees from 67 different departments applied. Other purposes of the program are to add new ones among the patents owned by Vodafone and to train Vodafone employees in the fields of innovation, creative thinking and curiosity. We had 78 patent applications in the 2015/16 fiscal year and 570 Vodafone employees were trained in the fields of innovation and patents. Our goal for the new fiscal year is to realize a minimum of 100 patent applications and train our 1,300 employees in the fields of innovation, patents and creative thinking.

Vodafone Fikir Çarkı Supports Women Entrepreneurs

At Vodafone Turkey, we support the participation of women in business life and consider the employment of women and empowering the women our material issues in the whole eco-system. We assess the women entrepreneurs who are our suppliers and who have applied to FikirÇarkı with their new digital initiatives, and ensure that the selected women entrepreneurs are supported by our Supply Chain Department.

Reporting Principles

Principles of Reporting relate to the collection and calculation of greenhouse gas emission (GRI G4-EN 16, 17, and EN18) and energy consumption data (GRI G4-EN 3) disclosed in this report.

The methodology for calculating greenhouse gas emissions is "greenhouse has operational data x greenhouse gas emission or removal factors".

Greenhouse gas emissions are calculated in accordance with the Greenhouse Gas Protocol methodology of the WRI/WBCSD. The boundaries of the company were identified based on the control approach and all Vodafone buildings, call centres, base stations, switching sites, and data centres as well as greenhouse gas emissions resulting from generators and cooling gases are included in the inventory. Operation boundaries are defined as scope 1 (direct), scope 2 (indirect) and scope 3 (other indirect). In calculations, CO_2 equivalent factors of CO_2, CH_4, N_2O and HFCs (cooling gas) emissions are used. Global warming potential (GWP) coefficients are taken from the 4th Assessment Report of IPCC. Network emission factor is calculated by using the data provided by the Turkish Electricity Transmission Company (TEIAS).

Distribution from sources causing greenhouse gas emissions are as follows: Scope 1: Leased vehicles, F-gases used in air conditioners, fuel used in buildings, diesel and gasoline generators used in base stations in emergencies. Scope 2: Electricity consumption. Scope 3: Service buses for employee transfers and business trips by airplane.

Energy consumption of all buildings, switching sites and data centres, base stations, vehicle fleets, and generators under the control of Vodafone is monitored regularly. These data are also included in the energy consumption data given in the report. Waste heat values and ton of oil equivalent (ToE) conversion coefficients are taken tables published in the "Directive for Improving Efficiency of Energy Sources and Energy Use", issued in the Official Gazette on October 27th, 2011, numbered 28097. In the conversion of energy units the following formulas are used: 1 kcal = 4.184 kJ, 1 GJ = 0.2777 MWh (1 MWh = 3.6 GJ).

The annually updated Turkish Electricity Transmission Company is used for the calculation of greenhouse gases originating from electrical energy. The emission factor due to electricity was used as 0.5250 kg CO2e/kWh in the 2013/14 fiscal year, and this amount was updated as 0.4946 kg CO_2e/kWh in 2014/15 and as 0.5521 kg CO_2e/kWh in the 2015/16 fiscal year.

The rate of uncertainty is the greenhouse gas emission data was calculated as +/- 4.8%. The major reason for the uncertainty compared to the previous year is the increase in the consumption of cooling gases which have a higher uncertainty rate.

The Greenhouse Gas Protocol (GHG Protocol) prepared by World Resources Institute (WRI) and World Sustainable Development Business Council (WBSD) sets the standards for measuring emissions, their management and reporting. On January 20th, 2015, the guide for Scope 2 emissions was renewed. Starting from this date, companies need to report their Scope 2 emissions both with the market-based method and the local-based method. However, as there is no descriptive and confirmed information about Vodafone's electric supply source, no market-based calculation could be done. According to the Standard, the market-based emissions were considered to be the same as local-based emissions.

Emission Factors	Unit	CO_2	CH_4	N_2O	Total CO_2-e
Natural gas	kg CO_2e/m³	1.9365	0.0043	0.0010	1.9418
Diesel (mobile)	kg CO_2e/liter	2.6248	0.0035	0.0412	2.6694
Gasoline (mobile)	kg CO_2e/liter	2.2164	0.0030	0.0543	2.2738
Diesel (stationary)	kg CO_2e/liter	2.6248	0.0089	0.0063	2.6399
Gasoline (stationary)	kg CO_2e/liter	2.2164	0.0080	0.0057	2.2301
Cooling gases - R410A	kg CO_2/kg	2,087.5			2,087.5
Cooling gases - R407C	kg CO_2/kg	1,773.9			1,773.9
Cooling gases - R134A	kg CO_2/kg	1,430.0			1,430.0
Fire extinguishers - HFC 227ea	kg CO_2/kg	3,220.0			3,220.0
Electricity (network)	kg CO_2e/kWh	0.5503	0.0002	0.0016	0.5521
Employee transportation	kg CO_2e /vehicle km	0.5641	0.0001	0.0055	0.5698
Flights – domestic	kg CO_2e /vehicle km	0.1560	0.0001	0.0015	0.1576
Flights - Europe	kg CO_2e /vehicle km	0.0889	0.0000	0.0009	0.0897
Flights – intercontinental	kg CO_2e /vehicle km	0.1037	0.0000	0.0010	0.1048

Energy Consumption and GHG Emissions

Energy Consumption (GJ)*	2013/14 Fiscal Year	2014/15 Fiscal Year	2015/16 Fiscal Year
Base Stations	**1,280,439**	**1,312,789**	**1,430,689**
Purchased electricity	1,226,778	1,257,844	1,378,365
Diesel and gasoline (generator)	52,815	54,059	51,440
Renewable energy (solar and wind power)	846	886	884
Switching Sites and Data Centres	**205,167**	**215,809**	**253,497**
Purchased electricity	202,986	212,464	249,455
Diesel (generator)	2,143	3,271	3,968
Natural gas	0	0	0
Renewable energy (solar power)	38	74	74
Office Buildings (including call centres)	**54,041**	**65,853**	**51,512**
Purchased electricity	49,256	57,588	44,896
Diesel (generator)	406	887	865
Natural gas	4,379	7,378	5,751
Vehicle Fuels	**47,158**	**47,891**	**50,698**
Diesel	46,814	47,669	50,580
Gasoline	344	222	118
TOTAL	**1,586,805**	**1,642,342**	**1,786,396**

Note: Detailed information on conversion factors and methodology is provided in the "Reporting Principles" section of this report.
* Energy data for the 2013/14, 2014/15 and 2015/16 fiscal years was assured by the independent audit firm EY.

Greenhouse Gas Emissions (ton CO_2 – equivalent)	2013/14 Fiscal Year	2014/15 Fiscal Year	2015/16 Fiscal Year
Scope 1	**10,697.7***	**27,103.0***	**19,217.2**
Vehicles	3,552.3	3,608.1	3,820.1
F-gases	2,879.1	18,857.8	11,027.8
Fuel used in buildings	246.4	415.1	323.5
Generators	4,019.9	4,222.0	4,045.8
Scope 2	**215,705.9***	**209,914.1***	**256,530.6**
Electricity consumption in base stations	178,918.1	172,812.3	211,388.4
Electricity consumption in switching sites and data centres	29,604.1	29,189.9	38,256.9
Electricity consumption in office buildings	7,183.7	7,911.9	6,885.3
Scope 3	**5,781.8**	**5,049.5**	**5,137.3**
Service buses	4,505.4	3,990.7	3,981.3
Business travels by airplane	1,276.4	1,058.8	1,156.0
TOTAL	**232,185.4**	**242,066.6**	**280,885.1**

Note: Detailed information on the methodology and approach used in calculations is provided in the "Reporting Principles" section of this report.
* Scope 1 and scope 2 emissions data for the 2013/14 and 2014/15 fiscal years was assured by the independent audit firm EY.

GRI G4 Content Index for "In Accordance - option Core"

This report has been prepared and issued in order to disclose Vodafone Turkey Group Companies' sustainability performance and practices as well as future targets and strategies between April 1st 2015 and March 31st 2016. This report is also published as a UNGC Progress Report.

The contents of the report are developed in accordance with the G4 "core" option of the GRI (Global Reporting Initiative) Sustainability Reporting Guidelines. The report has received "Materiality Disclosures Services" from the GRI Secretariat, stating that indicators between G4-17 and G4-27 are given correctly in the report and in the GRI Content Index.

The GRI Content Index below shows the information and data provided in the report for each relevant GRI G4 indicator and the page numbers where related information can be found. Unless mentioned otherwise, GRI indicators cover issues material to our company.

GENERAL STANDARD DISCLOSURES

Profile Disclosure	Description	Reported in	Scope of Reporting	Reference page/ Explanations	External Assurance	UNGC Principles
STRATEGY AND ANALYSIS						
G4-1	Statement from the CEO	CEO Messages	Full	2, 3		
ORGANIZATIONAL PROFILE						
G4-3	Name of the organization		Full	Vodafone Telekomünikasyon A.Ş.		
G4-4	Primary brands, products and services	Vodafone Turkey	Full	5		
G4-5	Location of the organization's headquarters		Full	Vodafone Plaza, Büyükdere Cad. No: 251, Maslak 34398, İstanbul, Turkey		
G4-6	Countries where the organization operates		Full	Turkey		
G4-7	Nature of ownership and legal form	About the Report	Full	4 All shares of Vodafone Turkey Group of Companies are owned by Vodafone Group Plc.		
G4-8	Markets served		Full	Turkey		
G4-9	Scale of the organization	Vodafone Turkey	Full	5		
G4-10	Breakdown of workforce	Our Contribution to the Economy	Full	6 35		Principle 6
G4-11	Percentage of total employees covered by collective bargaining agreements		Full	We respect our employee's right for collective bargaining. Our employees are not unionized.		Principle 1, 2, 3
G4-12	Describe the organization's supply chain	Responsible Supply Chain	Full	24		

Profile Disclosure	Description	Reported in	Scope of Reporting	Reference page/ Explanations	External Assurance	UNGC Principles
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain		Full	During the 2015/16 fiscal year, there were no significant changes regarding size, structure, ownership, or supply chain.		
G4-14	Addressing the precautionary approach or principle	Environment Base Stations and Health	Full	26 Vodafone supports the application of the European Commission's framework for a precautionary approach as contained in the 2000 EC Communication on Precaution.		
G4-15	External charters, principles or initiatives endorsed	Our Approach to Sustainability	Full	13		
G4-16	Membership of associations and advocacy organizations	Our Approach to Sustainability	Full	13		
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES						
G4-17	Report coverage of entities included in the consolidated financial statements	About the Report	Full	4	Not assured	
G4-18	Process for defining the report content and the aspect boundaries	Our Approach to Sustainability	Full	10	Not assured	
G4-19	Material aspects identified	Our Approach to Sustainability	Full	10 Material Aspects are provided in the top right quadrant of the graphic found on page 10.	Not assured	
G4-20	For each material Aspect, report the Aspect Boundary within the organization		Full	Material Issues are relevant for all entities within the company.	Not assured	
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	Our Approach to Sustainability	Full	10 Aspects that are material outside the company are indicated as a footnote of the graphic found on page 10.	Not assured	
G4-22	The effect of any restatements of information provided in previous reports		Full	There were no restatements.	Not assured	
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries		Full	There are no significant changes in the Scope or Aspect Boundaries.	Not assured	
STAKEHOLDER ENGAGEMENT						
G4-24	List of stakeholder groups engaged by the organization	Our Approach to Sustainability	Full	12	Not assured	
G4-25	Basis for identification and selection of stakeholders	Our Approach to Sustainability	Full	10	Not assured	
G4-26	Approaches to stakeholder engagement	Our Approach to Sustainability	Full	10, 12	Not assured	

Profile Disclosure	Description	Reported in	Scope of Reporting	Reference page/ Explanations	External Assurance	UNGC Principles
G4-27	Response to key topics and concerns raised	Our Approach to Sustainability	Full	10, 12	Not assured	
REPORT PROFILE						
G4-28	Reporting period			1 April 2015 - 31 March 2016 fiscal year		
G4-29	Date of most recent previous report		Full	Vodafone Turkey 2014/15 Sustainability Report		
G4-30	Reporting cycle		Full	Sustainability report is published annually.		
G4-31	Contact point for questions		Full	Corporate Relations Department: surdurulebilirlik@vodafone.com		
G4-32	"In accordance" option, GRI content index and external assurance	GRI G4 Content Index	Full	In accordance with the "Core" option of G4. External assurance statement is provided on pages 62-63 of this report.		
G4-33	Policy and current practice regarding external assurance	Independent Assurance Statement	Full	This is the fourth year that received assurance from an independent assurance firm. The assurance statement is provided on pages 62-63 of this report.		
GOVERNANCE						
G4-34	Governance and Ethics structure of the organization	Our Approach to Sustainability	Full	7		
ETHICS AND INTEGRITY						
G4-56	Values, principles, standards and norms of behavior, such as codes of conduct and codes of ethics	Corporate Security	Full	42-43		Principle 10

SPECIFIC STANDARD DISCLOSURES

Profile Disclosure	Description	Reported in	Scope of Reporting	Reference page/ Explanations	External Assurance	UNGC Principles
Economic						
DMA Aspect: Economic Performance		Our Contribution to the Economy		6		
G4-EC1	Direct economic value generated and distributed	Our Contribution to the Economy	Partial	6		
DMA Aspect: Indirect Economic Impact		Our Contribution to the Economy		6		
G4-EC7	Development and impact of infrastructure investments and services supported	Our Contribution to the Economy	Partial	6		
G4-EC8	Significant indirect economic impacts including the extent of impacts	Our Contribution to the Economy	Partial	6		
Environmental						
DMA Aspect: Energy		Environment		26		Principle 7, 8, 9
G4-EN3	Energy consumption within the organization	Energy and GHG data	Full	55	Assured	Principle 7, 8
G4-EN5	Energy intensity	Environment	Full	27		Principle 7, 8
G4-EN6	Reduction in energy use	Environment	Full	27, 28		Principle 7, 8
DMA Aspect: Water		Environment		29		Principle 7, 8
G4-EN8	Total water withdrawal by source	Environment	Full	29 The water we consume at our buildings is from the municipal supply.		Principle 7, 8
DMA Aspect: Emissions		Environment		26		Principle 7, 8, 9
G4-EN15	Direct GHG emissions (Scope 1)	Environment	Full	55		Principle 7, 8
G4-EN16	Energy indirect GHG emissions (Scope 2)	Environment	Full	55		Principle 7, 8
G4-EN17	Other indirect GHG emissions (Scope 3)	Environment	Full	55		Principle 7, 8
DMA Aspect: Effluents and Waste		Environment		28-29		Principle 8
G4-EN23	Total weight of waste by type and disposal method	Environment	Partial	28		Principle 8
DMA Aspect: Product and Services		Environment		29		Principle 8, 9
G4-EN27	Mitigation of environmental impacts of products and services	Environment	Partial	29		Principle 8, 9
DMA Aspect: Supplier Environmental Assessment		Responsible Supply Chain		24		Principle 8
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	Responsible Supply Chain	Full	All our new suppliers are screened using environmental criteria.		Principle 8

Profile Disclosure	Description	Reported in	Scope of Reporting	Reference page/ Explanations	External Assurance	UNGC Principles
Social: Labour Practices and Decent Work						
DMA Aspect: Employment		Our People		35		Principle 6
G4-LA1	New employee hires and employee turnover by age group, gender and region.	Our People	Partial	37		Principle 6
DMA Aspect: Health and Safety		OHS		30 This issue is also material for outside of our company.		Principle 1
G4-LA6	Injuries, lost days, absenteeism and fatalities	OHS	Partial	32		Principle 1
DMA Aspect: Training and Education		Our People		40		Principle 6
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Our People	Full	41		Principle 6
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Our People	Full	40, 41		Principle 6
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Our People	Full	38		
DMA Aspect: Diversity and Equal Opportunity		Our People		37		Principle 1, 6
G4-LA12	Composition of Governance and Ethics bodies and breakdown of employees	Our People	Full	35, 37		Principle 6
DMA Aspect: Supplier Assessment for Labour Practices		Responsible Supply Chain		24		
G4-LA14	Percentage of new suppliers that were screened using labour practices criteria	Responsible Supply Chain	Full	All our new suppliers are screened using labour practices criteria.		Principle 1, 6
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	Responsible Supply Chain Base Stations and Health OHS	Full	24 25 32		Principle 1, 6
Social: Human Rights						
DMA Aspect: Supplier Human Rights Assessment		Our Approach to Sustainability Responsible Supply Chain		9 24		Principle 1, 2, 3, 4, 5, 6
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	Responsible Supply Chain	Full	All our new suppliers are screened using human rights criteria.		Principle 1, 2, 3, 4, 5, 6
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	Our Approach to Sustainability	Full	9		Principle 1, 2, 3, 4, 5, 6

GRI G4 Content Index

Profile Disclosure	Description	Reported in	Scope of Reporting	Reference page/ Explanations	External Assurance	UNGC Principles
Social: Society						
DMA Aspect: Local Communities		Base Stations and Health		25		
G4-SO2	Operations with significant negative impacts on local communities	Base Stations and Health	Full	25		
DMA Aspect: Anti-Corruption		Corporate Security		43		Principle 10
G4-SO4	Anti-corruption training	Corporate Security	Full	43		Principle 10
DMA Aspect: Supplier Assessment for Impacts on Society		Responsible Supply Chain		24		Principle 10
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society		Full	All our new suppliers are screened using criteria for impacts on society.		Principle 10
Social: Product Responsibility						
DMA Aspect: Customer Health and Safety		Base Stations and Health		25		
G4-PR1	Assessment of health and safety impacts of products	Base Stations and Health	Full	The affect of mobile devices and masts on human health is continuously being evaluated and assessed.		
DMA Aspect: Product and Service Labelling						
G4-PR5	Results of surveys measuring customer satisfaction		Full	5		
DMA Aspect: Customer Privacy		Corporate Security		42, 43		
G4-PR8	Complaints regarding breaches of customer privacy and data.		Not reported	This data is not reported. It is proprietary information.		Principle 1

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Independent Assurance Statement
to Vodafone Turkey Management,

The Vodafone Turkey Sustainability Report 2015/2016 (the Report) has been prepared by the management of Vodafone Turkey, which is responsible for the collection and presentation of the information it contains. Our responsibility, in accordance with management's instructions, is to provide limited assurance on the report in accordance with the International Standards on Assurance Engagements ISAE 3000 (Revised)[1] and AA1000AS (2008)[2], Type 2 moderate level. The assurance statement should not be taken as a basis for interpreting Vodafone Turkey's performance across the scope of issues covered in the Report.

Our responsibility in performing our assurance activities is to the management of Vodafone Turkey only and in accordance with the terms of reference agreed with them. We do not accept or assume any responsibility for any other purpose or to any other person or organisation.

What we did to form our conclusions
Our assurance engagement has been planned and performed in accordance with ISAE3000 and to meet the requirements of a Type 2 assurance engagement as defined by AA1000AS (2008).
The AA1000AS (2008) assurance principles of Inclusivity, Materiality and Responsiveness have been used as criteria against which to evaluate the Report.

In order to form our conclusions we undertook the key steps outlined below:
1. Interviewed Vodafone Turkey executives and senior managers including those responsible for sustainability to understand the current status of social, ethical, environmental and health and safety activities, and progress made during the reporting period.
2. Reviewed Vodafone Turkey's processes for determining material issues included in its reporting for its Sustainability Report. Based on this review of the company's materiality assessment, designed and implemented audit procedures on selected material environmental and social data in the report on a sample basis.
3. Reviewed selected relevant internal documents and the outputs of stakeholder engagement activities to enable us to test the coverage of topics within the Report.
4. Evaluated the design and implementation of key processes and controls over the following GRI G4 Indicator (the 'Selected Information'): G4-EN3 – Energy consumption within the organisation. (This indicator is described on page 59).
5. Reviewed the 'Selected Information' against evidence on a sample basis.

The limitations of our review
Our review was limited to the information contained in the Report shared with EY.

The assurance scope excludes:
‣ Aspects of the Report and data/information other than those mentioned above;
‣ Data and information outside the defined reporting period i.e. 1 April 2015 to 31 March 2016;
‣ The Company's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention provided by the Company;
‣ Review of the financial performance included in the Report, which we understand, are derived from the Company's audited financial records;
‣ GRI G4 indicators not included in the Selected Information as listed above.[3]

Our Conclusions
Based on the scope of our review our conclusions are:

Application of AA1000 principles
Vodafone Turkey's description of the application of the AA1000 principles in managing and reporting sustainability matters is fairly stated.

Materiality
Has Vodafone Turkey provided a balanced representation of material issues concerning its sustainability performance?
‣ We are not aware of any material aspects raised in our review of media and the Company's Sustainability documentation, which have been excluded from the Report.
‣ Nothing has come to our attention that causes us to believe that Vodafone Turkey management has not applied its processes for determining material issues to be included in the Report. The process is described in the section 'Our Approach to Sustainability' in this Sustainability Report (pages 7 to 13).

Inclusivity
Has Vodafone Turkey been engaging with stakeholders across the business to develop its approach to sustainability?
‣ We are not aware of any key stakeholder groups which have been excluded from engagement.
‣ We are not aware of any matters that would lead us to conclude that Vodafone Turkey has not applied the inclusivity principle in developing its approach to sustainability.
‣ Vodafone Turkey has established mechanisms for the identification of stakeholders and has defined the communication channels in order to know and understand their expectations, as described in the section 'Stakeholder Engagement' to this Sustainability Report (pages 12 to 13).

Responsiveness
Has Vodafone Turkey responded to stakeholder concerns?
‣ We are not aware of any matters that would lead us to conclude that Vodafone Turkey has not applied the responsiveness principle in considering the matters to be reported. Vodafone Turkey has established mechanisms for the development, assessment and prioritization of its relevant issues, in order to define the actions and any new objectives in accordance with stakeholder expectations. Vodafone Turkey has provided detailed information on the progress it has made in the reporting period against its commitments in the sections of this Sustainability Report.

Completeness and accuracy of selected GRI G4 indicators
‣ Nothing has come to our attention that causes us to believe that the data relating to the topics previously mentioned has not been collated and presented properly at the Corporate level.
‣ We are not aware of any errors that would materially affect the data as presented in the report.
Our main findings are summarized in the box at the following page.

GRI in accordance criteria
Nothing came to our attention to indicate that Vodafone Turkey's Sustainability Report is not in accordance with the GRI-G4 Guidelines – Core option

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[1] International Federation of Accountants' International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

[2] AA1000AS (2008) – The second edition of the AA1000 assurance standard from the Institute of Social and Ethical Accountability.

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Observations from our work

Our observations and areas for improvement will be raised in a separate report to Vodafone Turkey management. These observations do not affect our conclusions on the Report set out on this page.

Stakeholder Engagement

Vodafone Turkey continues to engage with its key stakeholders across various platforms though it did not conduct an external stakeholder workshop that covered aspects of the company's sustainability vision and plans during the reporting period this year. We recommend that Vodafone Turkey should continue to conduct annual external workshops and also ensure that future workshops include discussion of the Company's Sustainability Reporting. The Company should include a summary of key feedback received from key stakeholder engagement platforms such as from external stakeholder workshops and how it is responding in its next Sustainability Report.

Environmental data (G4-EN3)

G4-EN3: Energy Consumption within the organisation:

The Company's energy consumption within its organisation's boundary is predominantly from purchased electricity at its base stations and buildings. The Company has external documentation to support its data, which is regularly controlled. However, the Company also has energy consumption from a range of other minor sources including natural gas and diesel from its buildings. The documentation to support these more minor data sets can be improved. These improvements would increase the accuracy of the G4-EN3 Energy consumption, as well as from the associated G4-EN15 - Scope 1 GHG emissions data calculated from base stations and buildings. It would also help identify further opportunities to achieve reductions in energy consumption and GHG emissions.

In addition, the evidence trail for environmental data used in the company's sustainability reporting, such as for its G4-EN3 Energy data from buildings, could be strengthened and streamlined as the present approach does include some duplications and is not fully aligned with the company's sustainability reporting. We recommend that the company develop an internal sustainability reporting guidance document to ensure a streamlined and efficient process to its data collection and reporting requirements.

Our independence

This is the fourth year that EY has provided independent assurance services in relation to the Vodafone Turkey Sustainability Report. We have provided no other services relating to Vodafone Turkey's approach to sustainability reporting.

Our assurance team

Our assurance team has been drawn from our local sustainability team, which undertakes engagements similar to this with a number of significant local and international businesses.

Zeynep Okuyan

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
A member firm of Ernst&Young Global Limited

İstanbul, 28 October 2016

AA1000
Licensed Assurance Provider
000-145

Vodafone Turkey Sustainability Report was prepared solely for informative purposes and all content and information in this Report are prepared using the information and sources deemed to be accurate and reliable in the time the Report was written. None of the information and content in this Report can be interpreted as a statement, warranty and/or commitment; nor is it guaranteed that the information and content in this Report is complete and unchangeable.

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KIRMIZI

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