



# AKFEN HOLDING

## UN GLOBAL COMPACT REPORT 2016

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### 2016

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## **ABOUT AKFEN HOLDING**

Operating with a mission of creating value in all segments of business, Akfen Holding is a leading infrastructure developer contributing to the economic and social development of Turkey by paving the way for the establishment of new lines of business, thanks to its pioneering investments in areas showing high and sustainable growth potential in the long term.

Established in 1976, Akfen Holding brings its deep-rooted knowledge and experience into sectors in which it specializes, such as airport management and operations, construction, port operations, energy, real estate, marine transportation, water distribution and wastewater services.

In line with its growth plans, Akfen Holding places great emphasis on creating new lines of business, and takes an active approach in managing its portfolio accordingly. Thanks to its extensive experience in asset trade, the Company uses the resources obtained through sales to both enter into new sectors and to create funding for its existing investments.

Group companies continue their trend of rapid organic and inorganic growth, and complement this with investments funded by the effective use of financing instruments. In this context, the operational advantage gained through the growth of its subsidiaries also boosts the Company's profitability.

As in the past, Akfen Holding is committed to carry this vision into the future by developing new lines of business with new investments, as part of its efforts to create employment and contribute to the development of Turkey's economy while creating value to its shareholders.

With an innovative approach and its focus on accountability in all levels of operation, both within the Company itself and in its subsidiaries, Akfen forms strategic partnerships with the leading names in their respective fields to bring in foreign investments, playing a leading role in the development of the region.

A major factor in Akfen Holding's success, besides the solid financial structure of the Company and its subsidiaries, is its strong human capital. In addition to the qualified workforce trained by its well-established management team, Akfen has been taking part in the social development of Turkey with its focus on social responsibility for the last 41 years, particularly through its affiliate, TIKAV, alongside its contribution to the country's economy.

A reliable business partner for local and international markets thanks to its success in risk management, dedication and commitment to deliver, Akfen continues its course of strong growth.

## **MILESTONES**

### **1976**

- Hamdi Akın lays the foundation for Akfen by establishing Akınısı.

### **1977**

- Hamdi Akın's first company, Akfen Mühendislik Müşavirlik Müteahhitlik ve Mümessillik is founded.

### **1980**

- Akfen wins its first public tender from İller Bankası to manufacture forged parts and molds.

### **1986**

- Akfen Construction is established.

### **1990**

- First contract with DHMİ, regarding the renovation of Antalya Airport Terminal, is signed.

### **1992**

- Construction of runways and aprons at DHMİ's Isparta Airport begins.

### **1993**

- Akfen Construction enters the housing sector with the Ankara Oran Çarşı residences.

### **1997**

- The BOT tender for Istanbul Airport International Terminal is won, leading to the establishment of TAV Istanbul, and laying the foundation for TAV Airports

### **1999**

- With the establishment of Akfen Holding, all Akfen subsidiaries are reorganized under the Holding structure.
- TİKAV is founded.

### **2000**

- TAV Airports commence operations at Istanbul Atatürk Airport International Terminal.

### **2003**

- TAV Construction is established.
- Tender for the privatization of the Kusadası cruise port is won in a joint venture with Royal Caribbean.

### **2004**

- Akfen Holding sells its stake in Kusadası cruise port to other shareholders.
- TAV Construction secures the contract for the Cairo Airport project in Egypt.

### **2005**

- Akfen Holding wins the tender for the privatization of vehicle inspection stations, leading to the establishment of TÜVTURK as an equal stake partnership between Akfen, Dogus Group and TÜV SÜD.
- PSA-Akfen joint venture wins the tender for the privatization of Mersin Port.
- TAV Airports assumes the construction and operation of Izmir Adnan Menderes International Terminal.

- TAV Airports wins the tender for Georgia's Tbilisi and Batumi International Airports.
- Akfen Holding and Accor sign a framework agreement for cooperation.

## 2006

- Izmir Adnan Menderes Airport International Terminal and Esenboga Airport Domestic and International Terminals begin operations.
- Akfen Water wins the tender for the Water and Sewage Concession Project of Güllük Municipality and the facility begins its operations.
- Akfel Turizm Yatırımları ve İşletmecilik is restructured into Akfen REIT.
- TAV Construction is awarded the tender for the Doha Airport Project in Qatarx.

## 2007

- TAV Airports' initial public offering is completed.
- Batumi International Airport commences operations.
- TAV Airports wins the tenders for Monastir and Enfidha Airports in Tunisia.
- TAV Airports wins the tender for the operation of Antalya Gazipasa Airport.
- AkfenHES Yatırımları ve Enerji Üretim A.S. is established as a 100% subsidiary of Akfen.
- Mersin Port is taken over from TCDD.
- Four hotels belonging to Akfen REIT commence operations.

## 2008

- The BOT tender for the Wastewater Treatment Project at Dilovası Organized Industrial Zone is won.
- TÜVTURK İstanbul Tasıt Muayene İstasyonları İşletim A.S. commences operations.
- The company applies to EMRA for a generation license to build a natural gas power plant in Mersin.
- TAV Airports assumes the operation of Monastir Airport, Tunisia.
- TAV Airports wins the tender for the operation of Skopje and Ohrid airports, as well as the construction of the Shtip Cargo Airport, which it retains as an optional right to operate, the related concession contracts are signed.
- One hotel belonging to Akfen REIT becomes operational.

## 2009

- Akfen Holding sells its stake in TÜVTURK to Bridgepoint Capital Limited.
- Akfen's first renewable HEPP project is commissioned.
- TAV Gazipasa begins its operations in Antalya Gazipasa Airport.
- TAV Construction and its partner win the tender for Muscat Airport MC1 package.

## 2010

- Akfen Holding offers 28.3% of its shares to the public.
- Akfen Holding undertakes its first bond issuance of TL 100 million, the first and biggest real sector bond issuance in Turkey.
- Akfen sells the 22.5 MW Piriçlik HEPP under its HEPP Group.
- TAV Airports assumes the operation of Skopje and Ohrid airports.
- Havas purchases 50% of the shares of North Hub Services, which provides ground services at Latvia's Riga International Airport.

- Akfen Water commences wastewater treatment operations at Dilovası Organized Industrial Zone.
- Five hotels belonging to Akfen REIT commence operations.

#### 2011

- A consortium comprising Akfen Holding, Tepe Insaat, Souter and Sera wins the privatization tender for IDO.
- 29.41% of Akfen REIT shares were offered to the public in May.
- Four HEPPs and one hotel commence operations.
- Akfen Holding successfully issues TL 80 million in bonds to the public.

#### 2012

- The sale of Akfen Holding's 18% stake in TAV Airports and 20.325% stake in TAV Investment, and Akfen Construction's 0.5% stake in TAV Investment, to ADP Group, is completed.
- Akfen Holding finalizes the sale of 40% stake in five power plants in Karasular to Aquila.
- TAV Airports assumes the operation of Medinah Airport in which it has a 50% stake.
- A joint venture of TAV Construction wins the tender for the Midfield terminal in Abu Dhabi.
- Akfen Holding issues TL 200 million in bonds to the public.
- Two HEPPs and two hotels become operational.

#### 2013

- MIP issues US\$450 million in bonds to be listed on the Irish Stock Exchange for qualified foreign investors.
- Akfen Construction wins the tender for the Isparta City Hospital PPP.
- Akfen Construction commences development of the Incek Loft residence in Ankara.
- Akfen Holding finalizes the sale of its remaining 60% stake in Ideal A.S., which operates 5 power plants in Karasular, to Aquila.
- Two HEPPs and three hotels commence operations.
- Generation license for the Mersin Natural Gas Combined Cycle Power plant is revised to 1,148 MW.
- Akfen Thermal Energy acquires 50% stake in Adana Ipekyolu.
- TAV Construction wins the tender for the construction of the terminal building at Riyadh Airport in Saudi Arabia, and signs a contract for the "Damac Towers by Paramount" project in Dubai.
- The consortium including TAV Airports assumes the operations of Zagreb International Airport.

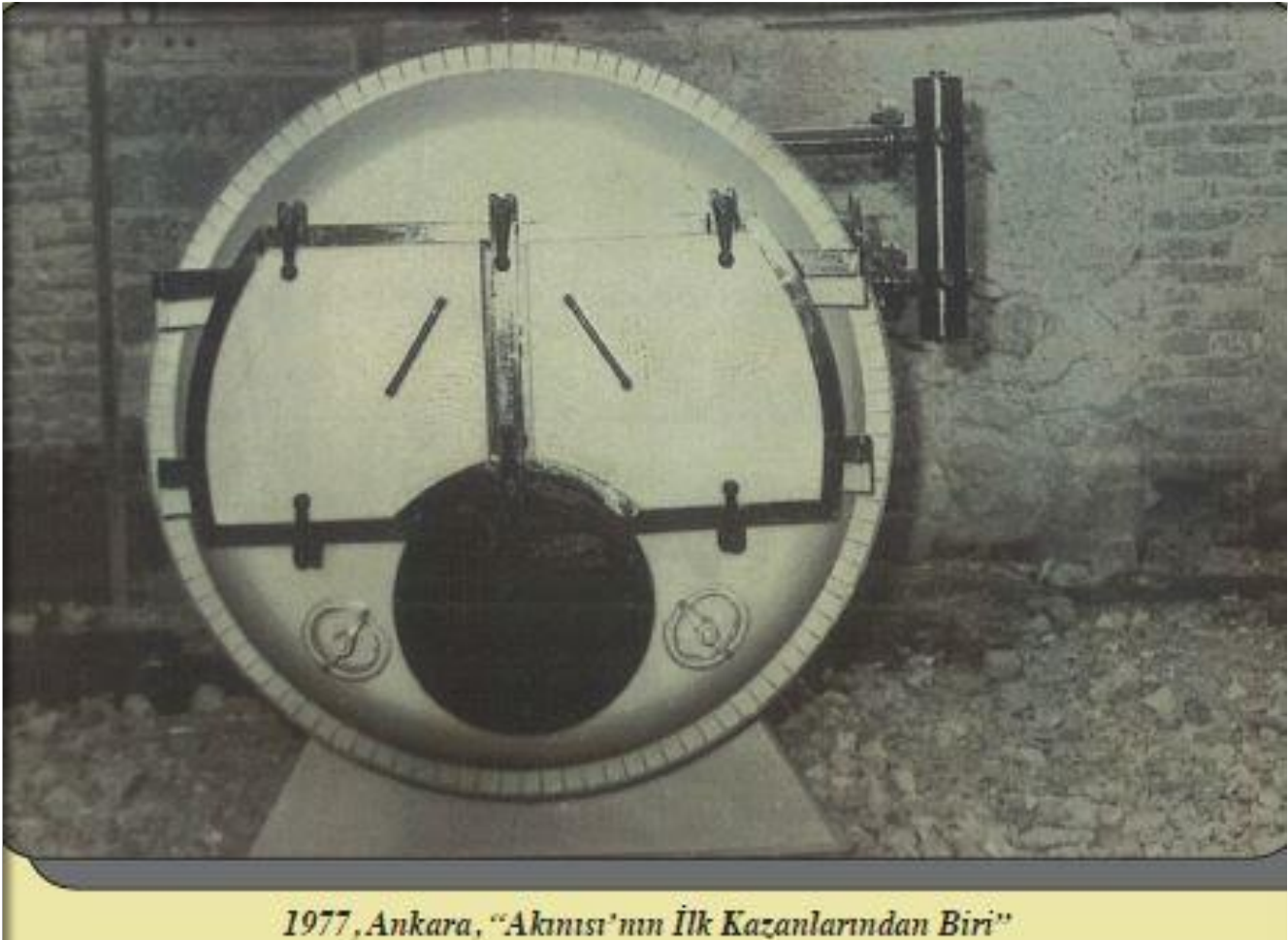
#### 2014

- Akfen Holding issues bonds worth TL 400 million in total, and completes a share buyback program in April.
- MIP launches a new berth and harbor deepening investment worth US\$170 million.
- TAV Airports takes over the Domestic Terminal at Milas-Bodrum Airport.
- TGS, 50% affiliate of HAVAS (subsidiary of TAV Airports), wins the ground services tender lodged for eight THY airports.
- Engineering News Records magazine selects TAV Construction as the "World's Top Biggest Airport Contractor Construction Company".

- Akfen Construction submits the highest bid in the Eskisehir City Hospital auction, and participates in the guesthouse project to be established within Hacettepe University with 45% stake.
- One HEPP and one hotel become operational.

## 2015

- Investors became eligible to exercise their sell-out rights in the period from December 23, 2015 to March 22, 2016 as a group of partners including Hamdi Akın, acting in concert, became the controlling shareholder of the company.
- A consortium of TAV Airports, ADP and Metro Pacific Investments Corporation passed preliminary qualification in the PPP tender for five local airports in the Phillipines.
- ATU acquired operating rights of the duty-free stores at Houston George Bush Intercontinental Airport.
- EBRD signed a US\$100 million partnership agreement for 20% stake in Akfen Renewable Energy.
- ENR named TAV Construction the “World’s Biggest Airport Construction Company” for the second consecutive year.
- One HEPP and one hotel become operational.



*1977, Ankara, “Akınısı”nın İlk Kazanlarından Biri”*

## 2016 MILESTONES

### Akfen Holding

- Akfen Holding reduced its capital in January 2016 by cancelling the shares it acquired as part of its second share buyback program.
- In February 2016, the company acquired 100% stake in Karine Enerji Üretim ve Sanayi A.Ş.
- As a group of partners acting in concert, including Hamdi Akın, became the controlling shareholder of the company in December 2015 with an aggregate stake of above 97% stake, investors became eligible to exercise their sell-out rights at TL 13.07 per share in the period from December 23, 2015 to March 22, 2016.
- Upon CMB's approval, trading of Akfen Holding shares ceased on April 29, 2016, and the company's shares were delisted as of May 12, 2016.
- In June 2016, the company's Board of Directors ruled for the demerger of the company. Accordingly, it has been determined that all assets excluding MIP, TAV Airports and Akfen Renewable Energy will be transferred to Akfen Engineering. The demerger was concluded in February 2017.
- TIKAV continued its activities in 2016 with the ongoing Personal Development Program at Elazığ Fırat University, TIKAV Career Workshop Mentee-Mentor Program, the We Repair for You to Study project financed by MIP in Mersin, as well as the Duke of Edinburgh's International Award for Young People program.

### MIP

- On March 30, 2016, MIP distributed TL 58.9 million in cash dividends. In addition, on June 10, 2016, the company distributed advance dividends of TL 40.8 million.
- MIP completed the first phase of its berth expansion project on August 8, 2016. The expansion increased MIP's port capacity to 2.6 milyon TEU, and its yard capacity to 2.2 milyon TEU.
- On May 18, 2016, MIP signed a Collective Labor Agreement for the period from January 1, 2016 to December 31, 2018.
- On September 1, 2016, Fitch Ratings confirmed MIP's credit rating as "BBB-" stable. In addition, on September 26, 2016, Moody's Investors Service affirmed MIP's long-term credit rating and senior unsecured bond rating as an above country average Baa3, and its outlook as "stable".
- MIP won the "Port of the Year" award by Logitrans Logistics for the sixth consecutive time.

### TAV Airports

- On February 15, 2016, BTA Yiyecek İçecek Hizmetleri A.Ş., a subsidiary of TAV Airports, was awarded the tender for the operating rights of food courts at New Muscat International Airport, in Muscat, capital of Oman.
- In March 2016, the company distributed TL 347.6 million in gross cash dividends.
- As of August 1, 2016, BTA Yiyecek İçecek Hizmetleri A.Ş. has begun providing in-flight catering services by taking over the operation of the food courts at the Zagreb International Airport.
- Atatürk airport international terminal expansion investments have been largely completed as of the end of 2016.



- On August 5, 2016, TAV Airports announced that it, along with its business partners Aéroports de Paris and Bouygues Bâtiment International, was invited to negotiate for a concession contract involving the operation and development rights of the José Martí and San Antonio de los Banos airports in Cuba, and that they signed a memorandum of understanding for exclusive discussions in 4Q16.
- On September 6, 2016, TAV Airports announced that it had initiated discussions for the purchase of half of Saudi Oger Ltd's 33.3% stake in Tibah Airports, in which TAV Airports also has 33.3% stake.

## **Akfen Renewable Energy**

- As part of the restructuring of Akfen Holding's energy group, Akfen HEPP and Akfen WPP merged into Akfen Yenilenebilir Enerji A.Ş. (Akfen Renewable Energy), Akfen Wholesale was transferred to Akfen Renewable Energy, and Akfen Renewable Energy subsidiary Laleli Enerji Elektrik Üretim A.Ş. was transferred to Akfen Termik Enerji Yatırımları A.Ş. in January 2016. Karine SPP and Akfen Renewable Energy's merger was finalized in March 2016.
- In June 2016, Akfen Holding signed partnership agreements with EBRD and IFC, selling 16.667% stake in Akfen Renewable Energy to each for US\$100 million. With the registration of the capital increase on July 12, 2016, EBRD and IFC each transferred US\$44.4 million to Akfen Renewable Energy for an initial 5% stake each in the company.
- The 8-MW Solentegre SPP project became operational in October 2016.
- Akfen Renewable Energy offered the winning bid of TL 1.25 billion in the Directorate of Privatization Administration's tender of November 2016 for operating for 49 years the 124-MW Menzelet and 54-MW Kılavuzlu hydroelectric power plants and related properties owned by EÜAŞ.

## **Akfen REIT**

- Novotel İstanbul Bosphorus became operational on February 16, 2016.
- In 2016, a total of 2,409,000 Akfen GYO A.Ş. shares were repurchased as part of the "Share Buyback Program" approved in the May 2016 General Assembly. The repurchased shares represent 1.31% of the company's paid-in capital.

## **İDO**

- In the second half of 2016, İDO expanded its all-inclusive offering on Eskihisar-Topçular ferries with the addition of new services such as complimentary buffet and playground areas.
- The company continued its digital infrastructure investments. In addition, it commenced the revision of its customer relations management and loyalty programs.
- On January 31, 2016, UKOME introduced a 9% increase on Sirkeci-Harem ferry line vehicle fares, and a 10% discount on passenger fares on inner-city sea bus lines.
- As part of the İstanbul Metropolitan Municipality Council's decision to provide free public transport after July 15, İDO offered free of charge transportation on the inner-city sea bus lines and Sirkeci-Harem line until July 31, and again on the Sirkeci Harem ferry line between August 1 and August 10 from 20:00 to 06:00.

## **TAV Investment**

- On January 25, 2016, Tav Construction and its partner Arabtec won a tender worth US\$1.1 billion for the construction of the Bahrain International Airport's new terminal building and associated works (TAV Construction's stake: 40%).
- In 2016, the Engineering News Record magazine, which lists the top 250 construction companies worldwide, named TAV Construction the "World's Largest Airport Contractor" for the third consecutive year.

## **Akfen Water**

- Akfen Water started providing solid waste management services to MIP.
- Upon signing of relevant contracts, Akfen Water began preparations for providing solid waste management services at Yozgat City Hospital, Mersin Integrated Healthcare Campus, and Isparta City Hospital.

## MESSAGE OF THE CHAIRMAN

The global average atmospheric temperatures have increased significantly in the past hundred years with a negative impact on life. For instance, according to the studies conducted by scientists, 12 of the highest temperatures at the global level were observed in the past 20 years. At this stage, climate change continues to threaten our lives in all areas including environment, agriculture, food, clean water, urban life and business life, development and economy, technology, human rights, and health. As stated in the Global Compact Principles, great responsibilities fall on all individuals, primarily on policymakers, public and private sector officials as well as nongovernmental organizations in the areas of global struggle on climate change, human rights for sustainable development, and on issues related to environment, workers' rights, and the struggle against corruption.



As Akfen Holding, we undersigned the United Nations Global Compact on 2-Jul-2002 in order to do our part and we are proud to be the first Holding in Turkey to sign the Global Compact in Turkey. We are proud of sharing our Progress Report which we prepare regularly every year in pursuant to the Global Compact with all our stakeholders.

As is well known, Global Compact consists of 10 principles on issues of human rights, labor standards, environment, and anti-corruption. These principles are prepared in a guiding perspective in order to reach targets such as increasing productivity, the motivation and commitment of employees, anti-corruption, preservation of environment. As an innovative company competing globally, we will continue to fulfill all our duties and responsibilities not only in economic fields but also in the area of social responsibilities so that the future generations can live in a healthier and more peaceful world.

In the presence of all our stakeholders, we will continue to promote the steps toward adopting the principles of sustainability, providing the necessary legal infrastructure and work environment within the scope of Global Compact.

**Hamdi Akın**

Chairman of the Board of Directors at Akfen Holding

A handwritten signature in black ink, appearing to read 'Hamdi Akın', written over a white background.

## **GLOBAL COMPACT**

With the aim of contributing to creating a common culture in the business world around universal principles, Global Compact is a voluntary initiative that promotes sustainable development and good corporate citizenship practices, and is a set of universally accepted principles. Based on learning and open to sharing experiences, this forum is also a network that ensures communication between corporations and other shareholders. Akfen Holding became the first Holding in Turkey to have undersigned the Global Compact.

### **10 Principles of Global Compact**

#### **Human Rights**

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

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

#### **Labor Standards**

Principle 3: the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in employment and occupation.

#### **Environment**

Principle 7: support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote environmental responsibility; and

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

#### **Anti-Corruption**

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



## **ABOUT THE REPORT**

This report is the annual declarations of Akfen Holding, published for informing its shareholders about its activities directed at putting into practice the principles of United Nations Global Compact, which Akfen Holding undersigned on July 2, 2002.

## **HUMAN RIGHTS AND LABOR STANDARTS**

Businesses should adopt and support the proclaimed Universal Declaration of Human Rights and should abide by the articles of the declaration. Businesses should support the unionization and the freedom of collective bargaining of employees, and should not participate in forced labor or child labor. Businesses should respect Human Rights and Akfen Holding supports and implements all the rules that are included in the declaration of human rights.

### **Akfen Holding respects the personal rights of employees;**

Akfen Holding does not discriminate language, religion, ethnicity, gender, social class, and respects differences such as physical impairments and disabilities;

- Akfen Holding values and respects the tradition and culture of the village, town, city or country in which it operates;
- Akfen Holding provides equality of opportunities to all its employees;
- Akfen Holding ensures the implementation of Human Rights rules, and enforces labor discipline and workplace rules in case of a breach.
- About all these above mentioned issues, we aim that all our contractors / subcontractors approach their employees according to the same understanding.

### **Human Resources Policy of Akfen Holding**

As Akfen Holding, the basis of our human resources policy depends on selecting, improving, evaluating and administering human resources according to contemporary criteria and with the principle of equal opportunity for all, through matching the requirements of the job with the skills and competence of employees. Human resources management is obligated to increase the performance of employees and to transform the corporate targets into personal targets by creating an innovative environment that is open to improvement, and thus to support the attainment of the Company's objectives in an effective and efficient way.

Our employee profile is composed of human resources who are open to change and improvement; are highly motivated for success; believe in team work and team spirit; use time and resources properly; and, have a high notion of social responsibility.

## Corporate Values and Future Outlook

### Our Goal

We aim to take advantage of growth opportunities and new areas of business in all our sectors inside and outside Turkey, and to add value to all of our stakeholders, especially our employees and our partners as strive to sustain our achievements in our areas of expertise to become a sustainable “national corporation.”.

### Our Corporate Values

The following are the foundation stones that make us a sustainable national corporation:

- All tasks are important, all employees are valuable.
- We are dynamic and enterprising.
- Integrity is the sign of our quality.
- Our investments have both tangible and intangible value
- We walk off the beaten path.
- We stand by our business and learn something every day.
- Our identity is our reputation.

### Our Principles

- To bring together a dynamic, competent and participatory workforce under Akfen Holding that assigns importance to continuous improvement and to adding value.
- To maintain our understanding of quality and ethical values at the forefront of all of our business and management processes.
- To fulfill all our business commitments promptly and at the highest quality.
- To fulfill our promises to our employees, business partners, shareholders and social stakeholders and to protect their interests.
- To maintain the sustainability of transparency and our approach to doing honest business.
- To manage risks with an inventive and innovative approach to business when undertaking new initiatives and exploring opportunities.
- To invest in people and the community through social responsibility projects.



## **Organizational Development**

In an effort to ensure sustainable success and innovation; organization, human resources, business processes and job descriptions are structured according to necessities and are systematically revised. Activities include those with an aim to sustain, improve and generalize goal and competence oriented human resources systems that uphold a culture of high performance and constant development.

## **Selection and Placement**

Akfen Holding's Human Resources Management strives to recruit and retain dynamic, swift, flexible employees that add value to the Holding and are responsible toward the environment, society and human beings; who are able to take initiatives and are open to innovation and change and aim to improve themselves and their work. The department also determines the required functional competencies in job descriptions and recruits the candidates who are best fit to the job descriptions in the Company departments.

## **Training Management**

Akfen Holding regards continuous training an essential factor in creating sustainable values and an integral part of its corporate culture. To that end, the Holding offers various training opportunities to improve staff qualifications and enhance their intellectual capital.

In addition to the know-how trainings, orientation programs and on the job training, the Holding also provides a training program on soft skills and technical knowledge, offered either by internal experts or external consultants. Training programs are determined with the participation of employees and are revised each year in line with demands and necessities.

## **Performance Management**

In order to reward workforce who adds value and identify points for improvement, a performance appraisal system comprised of basic, functional, professional, process and management competence stages where success is assessed on the basis of measurable criteria is currently under development. Efforts are in place to define development programs that support career paths for employees in line with feedback from managers while communicating expectations from employees concretely.

## **Career Management**

In an effort to offer personal development opportunities to our staff while catering to corporate needs, employees are offered promotions in lateral or vertical transfers within the company or across subsidiaries. Labor force competencies are enhanced by job enrichment practices.

## **Employee Profile**

Akfen Holding's employees are open to change and development, are highly motivated for success, believe in teamwork and team spirit, use their time and resources efficiently, and have a high sense of social responsibility.

## **Wage and Personal Rights Management**

Akfen Holding ensures the administration of related transactions with governmental agencies with the aim of providing wage and personal rights of its employees within the framework of related regulations.

## CORPORATE SOCIAL RESPONSIBILITY



Assuming that sustainable welfare is only possible with investments in people and the society as well as economy, Akfen Holding delivers its corporate social responsibility under the Turkish Human Resources Education and Health Foundation (TIKAV) founded in 1999 by Akın family.

TIKAV adopts an innovative approach in today's rapidly changing world of information, carrying out national and international activities to aid society's adaptation to change,

to integrate into the society leaders of development, and to spearhead the propagation of social responsibility awareness.

Through long-term social responsibility projects it runs to this end, TIKAV aims to improve the knowledge base, manners and experience of the young generations and contribute to the elimination of today's environmental problems. Thanks to projects launched so far, TIKAV has reached various segments of the society including university students, members of the business world, young people, children in mountain villages, women, mukhtars, relatives of the disabled, children under treatment in hospitals and mothers accompanying them. TIKAV also undertook the renovation of numerous schools.

2016 was a year marked with periodic results from TIKAV's social responsibility projects as well as youth activities including conferences and summits organized in different cities across Turkey as part of "Support for Youth and Entrepreneurs" initiatives with direct participation by Akfen managers.

### Human investment

TIKAV's projects aim at creating a benefit for the society in an effort to raise individuals who adapt to innovations of the constantly evolving information age, are respectful towards social and universal values, are environmentally-conscious and demonstrate a sense of social responsibility.

TIKAV's projects are divided into three categories: Local, National, and International.



## **LOCAL PROJECTS**

### **Personal Development Program**

Personal Development Program is one of the leading projects implemented locally by TIKAV. The goal of the program is to create equal opportunities, in particular for university students with limited access to educational, cultural and personal development opportunities due to socioeconomic reasons.

To this end, the foundation provides scholarship to students from freshman year to the senior year to help them enrich their knowledge and skills through a variety of personal development and foreign language and computer training programs, culture & arts and community service programs as well as national and international projects, talks, and professional programs.

The program was launched in 1999 for the students of Elazığ Fırat University. It was later applied in Van Yüzüncü Yıl University in 2003, Middle East Technical University, Hacettepe University, Ankara University and Eskişehir Osmangazi University in 2006.

Adopting the goal of providing equal opportunities in access to educational resources, TIKAV focused on universities older than a decade in Eastern and Southeastern Anatolian Regions in 2009 and launched the project in educational institutions such as Elazığ Fırat University, Şanlıurfa Harran University, Kahramanmaraş Sütçü İmam University and Erzurum Atatürk University. Continued at Fırat University students since 2014, the Personal Development Program has reached out to approximately 300 young people since its inception in 1999. In 2016, a total of 36 students received scholarship.

### **Career Workshop – Mentee-Mentor Program**

Career Workshop Mentee-Mentor Program aims to help students of the TIKAV Personal Development Program who are set to become the “Leaders of the Future”, as they take their first steps towards professional life and develop a sense of social responsibility in the business world. The program brings together Akfen Holding managers and staff (as mentors) and senior TIKAV scholarship holders (as mentees).

Volunteers receive an “E-Mentorship Training” in the program and share their professional experiences with mentees, giving them ideas about how to devise their own career plans. As part of the program, mentors and mentees hold weekly talks over the internet, on telephone, or via email about topics specified in advance. Career Workshop Mentee-Mentor Program was launched in the 2012-2013 academic year and has been carried out each year since then, including the 2016-2017 academic year. Since its inception, a total of 52 mentors joined 52 mentees. In 2016 alone, 11 TIKAV scholarship holders and 11 mentors attended the program.



## **National Projects**

TIKAV aims to launch sustainable projects for the education and development of individuals in order to offer permanent solutions to problems it has addressed since 2010. To serve that end, TIKAV runs joint projects with various organizations in different parts of Turkey, reaching various segments of the society including university students, members of the business world, young people, children in mountain villages, women, mukhtars, relatives of the disabled, children under treatment in hospitals and mothers accompanying them. TIKAV also undertook the renovation of numerous schools.

## **Projects Carried Out in Cooperation with MIP**

Since 2010, TIKAV has been coordinating various social responsibility projects for different target groups financed by Mersin International Port (MIP), an affiliate of Akfen Holding.

As part of a project entitled “New Customs to Old Villages” launched in 2010, nearly 150 students of ages 7 to 14 living in mountain villages of Mersin received training on computer use and hygiene/personal care. In 2011 and 2012, 470 mothers received training on hygiene, reproductive health, and breath therapy within the scope of the “School for Mothers” Project. Those who benefited from the project in 2011 were mothers of kindergarten students in the Akdeniz district while mothers from Toros district villages joined in 2012. In 2013, 100 mukhtars in Mersin received trainings on Communication Techniques, Effective Leadership, Rules for Official Correspondence and Computer Use through the “Hand in Hand with Mukhtars” project. In 2014, 1,000 relatives of persons with disabilities received training as part of the “Disabilities Within” project. In 2015, panels were organized on “Work Life and Women” and “Domestic Communication” in order to create a social benefit. Furthermore, through the “We Repair for You to Study” program launched in 2012 in Kazanlı Primary School, Kindergarten of Dikilitaş Primary School in 2013, Halil Akgün Primary School in 2014, Vali Sabahattin Çakmakoğlu Middle School and Mimar Sinan Middle School, Kuvayi Milliye and Kıbrıs Primary School in 2016, the said schools were repaired and renovated to provide better conditions of study for students.



## INTERNATIONAL PROJECTS

### The Duke of Edinburgh's International Award for Young People



The international social responsibility project applied by TİKAV is The Duke of Edinburgh's International Award for Young People. The Award Program is run by The Duke of Edinburgh's International Award-Turkey National Authority

under support by Akfen Holding and the representation of TİKAV.

The Duke of Edinburgh's International Award for Young People was first launched in the UK back in 1956 under the name 'The Duke of Edinburgh's Award' with the support of Prince Philip, the Duke of Edinburgh, based on the educational philosophy of Kurt Hahn, a German educator.

Regardless of their gender, culture, language, religion, race, political orientation, mental or physical disability, all young people between the ages of 14 and 24 can attend the Award Program, which is implemented in more than 140 countries around the world and considered to be one of the world's leading youth development programs.

Solely run on a voluntary basis, the award program intends to support young people in self-discovery and self-development and in acquiring self-confidence and discipline. The



project is specifically considered as a selection criterion in acceptance to universities in the UK. In Turkey, the Award Program is run in 15 provinces in 70 different schools, universities and non-governmental organizations approved by the Ministry of National Education.

Receiving applications from about 2,000 new participants every year, the Duke of Edinburgh's International Award for Young People has been attended by more than 12,000 young people so far. The Award Program comprises three categories, namely Bronze, Silver, and Gold.

Receiving applications from about 2 thousand new participants every year, the Duke of Edinburgh's International Award for Young People has been attended by more than 12 thousand young people so far. The Award Program has a total of 3 separate categories, namely Bronze, Silver and Gold.

Under these categories setting the duration of completing the program (6 months, 12 months, 18 months), there are specific sections on Community Service, Physical Recreation, Skills Development and Adventurous Journey and Expedition. The participants complete their tasks by setting aside at least one-hour every week for each section. For the Gold category, in addition to the activities they deliver under other sections, the participants are asked to live with others under the same conditions in an unfamiliar environment for at least five days within the scope of a "Residential Project".



More than 3 thousand young people graduated from the Duke of Edinburgh's International Award for Young People Program so far, with the total number of young people attending the program from Turkey expected to reach 20,000 until 2020. As part of the initiative, the Duke of Edinburgh's International Award for Young People Program hosted Prince Edward, Earl of Wessex, KG, GCVO of

the United Kingdom as guest of honor at the 11th National Gold Award Ceremony on October 14, 2015. A total of 21 Gold Awardees received certificates at the ceremony.

Two separate award ceremonies were organized for the Award Program in 2016, with XXII. National Bronze, XVIII. National Silver and XII. National Gold Awards distributed to winners on December 13 and 14, 2016. In 2016, a total of 307 participants received attendance certificates in 28 Gold, 156 Silver and 123 Bronze categories.

The Duke of Edinburgh's International Award for Young People Program has reached more than 13,000 young people so far. Globally, the program has reached more than eight million young people.

Also in 2016 Turkish Human Resources Education and Health Foundation (TİKAV) was named "Star of HR" in the "Highest Contribution to Employment by a Company this Month" category as part of the "Stars of HR Awards" organized quarterly by human resources website secretcv.com. The award acknowledges TİKAV's contribution to employment with the Duke of Edinburgh's International Award for Young People Program.

## **INVESTING IN TURKEY'S FUTURE**

### **Abdullah Gül University**

As of 2011, Akfen Holding has contributed to Abdullah Gül University Support Foundation to help the university reach the position laid down in its vision as soon as possible, and to contribute to the public sector in the field of education.

### **London School of Economics**

Akfen Holding is a permanent member of the Advisory Board of the “Contemporary Turkish Studies” chair founded with the initiative of Ministry of Foreign Affairs of the Republic of Turkey in London School of Economics, one of the most prestigious academic institutions worldwide. Pelin Akın Özalp, Board Member, fulfills this duty on behalf of the Holding.



## Our Schools

### Ülkü Akın Secondary School

The school takes its name from Akfen Holding Chairman Mr. Hamdi Akın's late spouse Ülkü Akın, who passed away at a young age due to a sudden illness. The school was opened in Ankara at the beginning of the academic year 1993-1994 upon signing of a protocol between the Governorship of Ankara and Hamdi Akın. The school comprises 24 classrooms, two preschool classrooms, a laboratory, a multipurpose room and a library, and currently has 330 students.

### Hikmet Akın Middle School

Hikmet Akın Secondary School opened its doors at the beginning of the 2004-2005 academic year in Hamidiye Neighborhood of Düzce. Mr. Hamdi Akın, Chairman of the Board of Directors of Akfen Holding, commissioned the construction of Hikmet Akın Secondary School in the memory of his mother, the late Mrs. Hikmet Akın. The school currently has 355 students.



## **SOCIAL RESPONSIBILITY**

### **Turkish-English Tatlıdil Forum**

Turkish-English Tatlıdil Forum was founded in 2011 in an effort to extend economic relations between Turkey and the UK in other areas, primarily in business and trade.

In 2016, The Turkish branch of Tatlıdil Forum was run by Pelin Akın Özalp, member of DEİK (Foreign Economic Relations Board) English Business Council and member of the Board of Directors of Akfen Holding. The fifth meeting of Turkish-English Tatlıdil Forum was held in Bath (UK) on March 11-13, 2016.

## **WOMEN**

### **Turkish Businesswomen Association (TİKAD)**

A member of the Board of Directors of the Turkish Businesswomen Association (TİKAD) and of the Board of Directors of Akfen Holding at the same time, Pelin Akın Özalp supports projects run by TİKAD which observes a mission to assume responsibility in the democratization of Turkey and the integration of the country with the modern world.

### **HeForShe Project**

Hamdi Akın, Chairman of the Board of Directors of Akfen Holding, and Pelin Akın Özalp, Member of the Board of Directors of Akfen Holding, are supporters of HeForShe, a global movement of solidarity for gender equality. Hamdi Akın and Pelin Akın Özalp attended as speakers to the HeForShe panel organized at the Vodafone Turkey Foundation Premier. The panel, moderated by television presenter Beyazıt Öztürk, saw directors of Akfen Holding share their experiences about gender equality, and women's position in professional and social life.

### **Turkish Enterprise and Business Confederation (TÜRKONFED)**

A member of the Board of Directors of the Turkish Enterprise and Business Confederation (TÜRKONFED) and of the Board of Directors of Akfen Holding at the same time, Pelin Akın Özalp works at the Committee of Women in Business World and extends support to the project on the Multidimensional Empowerment of Women. Pelin Akın Özalp maintained her support for Turkish Enterprise and Business Confederation and participated in meetings held in Samsun as part of Multidimensional Women's Empowerment Project.

### **Akfen Holding Signs the Women's Empowerment Principles (WEPs)**

Established in 2010 as a result of collaboration between the UN Global Compact and the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), the WEPs platform offers the private sector key areas to consider in workplaces, markets and within the society as a whole in order to ensure gender equality.

Akfen Holding is the first holding in Turkey to sign the Women's Empowerment Principles (WEPs) which intends to raise awareness to strike a gender balance in the business world established under



the collaboration of the UN Global Compact and the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women). Signed by more than 900 companies around the world, the initiative has 47 signatories in Turkey.

## **YOUTH**

### **Support to Youth and Young Entrepreneurs**

In an effort to contribute to the economic growth of Turkey and inspire young entrepreneurs and managers, Akfen Holding Executives, specifically Hamdi Akın, Chairman of the Board of Directors of Akfen Holding, delivered speeches in conferences and summits across different cities of our country in 2016.

Following are some of the events attended by executives of Akfen Holding:

- EBRD 2016 Meeting and Business Forum in London – “Investment Schedule 2016” panel
- TOBB Economy and Technology University “Leadership Camp ‘16”
- Panel on Consumer Expectations and Trends in Housing Industry at the 4<sup>th</sup> Construction and Housing Conference
- Panel entitled “İzmir Must Become Turkey’s 2<sup>nd</sup> Biggest Business Hub” organized by the Aegean Branch of TÜGİAD (Young Businessmen Association of Turkey)
- “Gala Dinner of 2016 Fair” organized by 12<sup>th</sup> CNR İMOB MOSFED (Furniture Association Federation)
- Panel entitled “Private Sector in Turkey: Sustainable Development” on the occasion of the 30<sup>th</sup> anniversary of IFC Turkey
- TÜRKONFED “İzmir Enterprise and Business Summit”
- Turkish Public Relations Association (TÜHİD) “Selection Committee Chairmanship for Golden Compass Turkish Public Relations Awards”
- “Economy Summit” in Uludağ, Bursa
- “Second Generation Board of Directors Panel” at the Crystal Apple Festival
- TÜRKONFED’s Panel on “Multidimensional Women’s Empowerment Project” in Samsun
- PPP Health Summit “Public Private Partnership Health Investments Panel”
- “These Young People have the Potential” Project by TÜSİAD
- Bloomberg HT “Turkey Will Do Good” Conference

## **FOREIGN ECONOMIC RELATIONS BOARD**

Foreign Economic Relations Board (DEİK) is in charge of carrying out foreign economic relations of the Turkish private sector, primarily in foreign trade, international investments, services, contracting and logistics. The board also engages in looking into national and international investment opportunities, contributing to raising exports by Turkey and coordinating similar business development activities.

Founded in 1986, DEİK acquired a new and consolidated status following Law No. 6552 adopted on September 11, 2014, thereby completely taking over the responsibility “to carry out the foreign economic relations of the Turkish private sector.”

As of July 2016, DEİK has 101 founding organizations, and 134 Business Councils, 127 of which are national, with more than 1,000 member companies.

## **Europe**

In 2014, senior managers of Akfen Holding continued their representation of Turkey in various working groups of DEİK. Accordingly, Pelin Akın Özalp, Member of the Board of Directors of Akfen Holding, continued to serve in the Turkish-Spanish Business Council and the Turkish-English Business Council while Mustafa Sani Şener, Member of the Board of Directors of TAV Airports and Chairman of the Executive Board, continued to serve as Chairman of the Turkish-French Business Council of the Foreign Economic Relations Board (DEİK).

## **Far East**

Süha Güçsav, Akfen Holding CEO, is the Chairman of the DEİK Turkish-Singapore Business Council. As of October 2014, Güçsav was additionally named Turkish Honorary Business Representative of the International Enterprise Singapore (IESingapore), an agency of the Singapore Ministry of Industry and Commerce, and continued to serve in this position in 2016.

## **SPONSORSHIPS**

- Public-Private Partnership Healthcare Summit
- EBRD Business Forum / London, May 2016

## **A FRIEND OF AKUT (SEARCH AND RESCUE ASSOCIATION)**

Through donations under the scope of its AKUT Friendship Program, Akfen Holding has become a Friend of AKUT, the first and leading volunteer search and rescue group of Turkey, which relies on its own resources as it mobilizes to carry out operations in Turkey and abroad in response to natural disasters such as earthquakes, floods and landslides, and accidents at mountains, sea, and traffic. Providing its services based on the principle of voluntary altruism, AKUT has saved 1,428 lives in 1,055 operations since its founding.



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