



— We talked to Syrian immigrants who came to our country, fleeing from war. We came to know them more closely while recycling papers together. We talked about life memories centered around humans and what the wars left behind. Many of our perceptions are common such as the warmth of human connection and that love begins with language. —

**GÜLSÜM ÖZKOCA**

BORUSAN MAKİNA VE GÜÇ  
SİSTEMLERİ

**#TheEarthIsOurHome**

# [dünya]\*

\* *dünya means "world" in English*

*noun*

1. The earth and seas we live above,  
earth's surface.

2. One of 6500 words that we use in  
common with Syrians.

— We have discovered  
the magic of the words  
together with Syrians! —

**#TheEarthIsOurHome**

— When we came together with Syrian friends to pulp paper, first we kneaded on the same pot the paper on which we wrote our names. It was not yours or mine, but “ours”. —



— We learnt that paper is “the dough of civilizations”. The way to understand each other is through art, language and producing and sharing together. —





12	> The Scope of Our Report
14	> Message from Group CEO
20	> Borusan Facts and Figures
22	> Borusan Holding and Group Companies
24	> Strategy and Management
26	- Corporate Governance
28	- Ethics Management
32	- Ethics Management of Suppliers
34	- Our Sustainability Journey
36	- Sustainability Management
40	- Material Sustainability Topics
42	- UN Sustainable Development Goals
40	- Communication with our Stakeholders
48	> Economic Performance
50	- Investments
52	- Industrial Investments
60	- Renewable Energy Generation Investments
66	> Social Performance
68	- Employment and Training
78	- Employee Rights
79	- Occupational Health and Safety
94	- Corporate Responsibility
110	> Environmental Performance
114	- Energy Management and Combatting Climate Change
118	- Waste Management
120	- Water Management
122	> Appendices
122	- Memberships
125	- Awards
127	- Performance Indicators
138	- GRI Content Index

**[merhaba]\***

\* *merhaba means "hello" in English*

*noun*

1. The expression for salutation.
2. One of 6500 words that we use in common with Syrians.

**With our sustainability reports at Borusan Group;**

we present our management approach regarding economic, social and environmental impacts resulting from our products, services, and activities to all our stakeholders, especially Borusan staff and our customers.

# [the scope of our report ]

Unless otherwise stated, the data in this report cover Borusan Group's ongoing activities in four major areas of activity and six major industries during January 1<sup>st</sup> - December 31<sup>st</sup> 2016. Although the priorities of these industries are diverging from each other, we identified their mutual material topics through the workshop and the strategy survey we held. In the report, we included the performance data and good practices regarding mutual topic of the companies that constitute 95% of total Borusan Group revenues. These companies are: Borusan Mannesmann, Borçelik-Kerim Çelik, Borusan Otomotiv and Automotive Group companies, Supsan, Borusan Lojistik, Borusan EnBW Enerji and Borusan Makina and Güç Sistemleri. We included Kerim Çelik data along with Borçelik data. Borusan Manheim's performance is outside the boundaries of this report. (GRI 102-46)

## THE PRINCIPLES OF OUR REPORT

This report has been prepared in accordance with the GRI Standards: Core option.

[www.globalreporting.org](http://www.globalreporting.org)

In the process of identifying our strategic sustainability aspects, we considered the GRI principles of materiality, stakeholder inclusiveness, sustainability context and completeness besides the UN Global Compact principles that we signed in 2003.

[www.globalcompact.org](http://www.globalcompact.org)

## OUR NEXT REPORT

We plan to publish our next report that will reflect our sustainability performance in 2017, in the second half of 2018. Previous Borusan Group Sustainability Reports are present at our corporate web site.

[www.borusan.com](http://www.borusan.com)



## [message from group CEO]

— Today,  
with over 8,000 employees in 3  
continents and 10 countries, we aim to  
sustain our business with a transparent  
and accountable management approach,  
respect people and environment. —

**AGAH UĞUR**  
**GROUP CEO**

### Dear Stakeholders,

As Borusan Holding, we continue to share our sustainability performance with our stakeholders through our reports since 2009. We are glad to share with you our seventh sustainability report that we prepared based on the new GRI Reporting Standards.

Today, with over 8,000 employees in 3 continents and 10 countries, we aim to sustain our business with a transparent and accountable management approach, respect people and environment.

Our consolidated group revenue in 2016 was USD 4.3 billion, and operational profit was USD 394 million. We continued to engage in many efficiency and saving oriented innovative projects and investments in our companies. We aimed to manage these efforts with a wide sustainability perspective considering their economic, social, environmental and corporate impacts. In 2016, the Group's investments amounted to USD 204 million which was mainly accounted by the investments we made in our energy business.

We are aware that our business decisions have social and environmental impacts and pay special attention to the risks associated with global warming. Therefore, we conduct studies to reduce the impacts of our operations on climate change. In this regard, we try to develop more energy efficient processes in operations, save natural resources, and offer products that consume less energy.

We continue to strive towards the goals in our strategic plans with the essential aids of our main three main enablers; innovation, digitalization and R&D initiatives. Our innovation journey gained pace with the maturing startup companies and new products and services added in our portfolio.

Thanks to our investments to these five start-up companies which amount to c. USD 20 million every year, they grew their volumes significantly in 2016. 6 new products in the flat steel sector created USD 10 million in returns in their first year. Despite difficult market conditions, we will continue our investments in innovation and we

## [MESSAGE FROM GROUP CEO]

plan on launching at least two new start-up companies and three new products over the next year. In 2016, we prepared a digital transition strategy and roadmap for the Group, reviewing the experience we offer our customers, the productivity of our internal processes, newly developing technological solutions, and business models. We will further expand our companies' competitive power by executing this roadmap.

In accordance with the Group's strategic goals, Borusan R&D, founded to develop innovative, high added-value, competitive products and processes that enable our companies to attain the required competency and proficiency, supported our com-

panies in acquiring technology throughout 2016. To reach our goal of establishing R&D centers in Borusan companies, in 2015 we applied to found the Borusan Lojistik R&D Center and, with Ministry of Science, Industry and Technology approval, the center became operational in April 2016. We have made TÜBİTAK TEYDEB applications for 10 of the 17 R&D projects we launched in 2016, and the two projects with completed assessments have become eligible for TÜBİTAK funding. We have completed preliminary studies and formed time, resource and project plans for the 37 projects we have planned for 2017.

We continued the training activities to support career development of our employees

with programs we organized under Borusan Academy, to develop and improve each level of employees. We continuously improve our occupational health and safety performance with regard to our priority to create safer and healthier workplaces for our employees, customers and suppliers; and our zero-accident objective.

We continue our projects that will contribute to the global sustainable development goals of United Nations. Detailed information regarding these projects is given throughout the report. We give back to community through our activities regarding education, arts and culture, environment, human rights and empowering women along with our volunteer staff.

In this context, in 2016 we maintained the support of Borusan Kocabiyık Foundation to education institutions; gathered thousands of music lovers with many prominent musicians from Turkey and from around the world via Borusan Sanat, presented original examples of modern art to art lovers through Borusan Contemporary and worked for a more equal and fair community through our women empowerment practices. In the reporting period, we allocated USD 11 millions funds to community projects.

We hereby thank all our stakeholders, primarily to our employees, for their efforts during our sustainability journey of creating value.



— You need to blend and acquaint yourself with different cultures in order to overcome prejudices. What can better achieve this than a learning experience which involves sharing and collective production? —

**RASİM RASİMOĞLU**  
BORUSAN MANNESMANN



**#TheEarthIsOurHome**

# [Borusan facts and figures]

## ECONOMIC

Corporate Profile	Sustainability Profile
 Operations in <b>3 Continents</b> 10 Countries	 <b>70+ Years</b> Industry and Service Experience
 <b>16 Companies</b>	 <b>4 Industries</b> 6 Business Lines
 <b>USD 4.3 Billion</b> Consolidated Revenues	 <b>USD 394 Million</b> Operational Profit
 <b>USD 5 Million</b> R&D Investments	 <b>4 R&amp;D Centers</b> (Targeted Establishments by 2017)

## SOCIAL

Corporate Profile	Sustainability Profile
 <b>8,000</b> Employees	 <b>%12</b> Executive Level Women Managers Ratio <b>%81,5</b> Ratio of Factory Employees Covered by Collective Bargaining Agreement
 <b>599</b> Volunteer Employees	 <b>3,772 Hours</b> Time Spent for Volunteer Projects
 <b>TRY 5.5 Million</b> Loan Amount Provided by Branches	 <b>2,800 Women</b> Number of Entrepreneurs Provided with Microloan Support



## ENVIRONMENTAL

Corporate Profile	Sustainability Profile
 <b>388.6 MW</b> Renewable Energy Installed Capacity	 <b>666 Thousand Tons</b> CO <sub>2</sub> Emission Reduction
 <b>1,638 People</b> Participants of Environmental Trainings	 <b>4,023 Hours</b> Environmental Trainings
 <b>12,332 Trees</b> Number of Trees Saved with Green Port	 <b>25 Thousand People/Year</b> Oxygen Need Equivalence

# [Borusan Holding and group companies]

— At Borusan, we achieve sustainable growth by means of our strong corporate business culture. —

Borusan Holding and Borusan Danışmanlık ve Ortak Hizmetler Company oversee the central management of our group together.

Borusan Holding assumes responsibility of increasing the value created to shareholders and other stakeholders through the leading, supportive, and controlling role it plays as the strategic leader of group companies. Holding fulfils the critical responsibilities such as; deploying “innovative competition” understanding throughout the organization and value chain, managing relations with partners and other stakeholders, efficient use of resources, and defining sustainability strategy.

Borusan Danışmanlık ve Ortak Hizmetler is in charge of providing the expertise necessary for our group to reach its strategic targets and support business outcomes, and managing the processes regarding optimum cost/maximum efficiency. The company also oversees major initiatives such as; Lean 6 Sigma, Sustainability and Corporate Social Responsibility projects across the group.

## STEEL

### STEEL

Borusan Mannesmann Boru Yatırım Holding  
Borusan Mannesmann  
BM Vobarno  
Borusan Mühendislik  
Borusan İstikbal Ticaret

### FLAT STEEL

Borçelik  
Kerim Çelik

## LOGISTICS

Borusan Lojistik  
Borusan Logistics International

## DISTRIBUTORSHIP

### MACHINERY AND POWER SYSTEMS

Borusan Makina ve Güç Sistemleri  
Borusan Makina Kazakistan

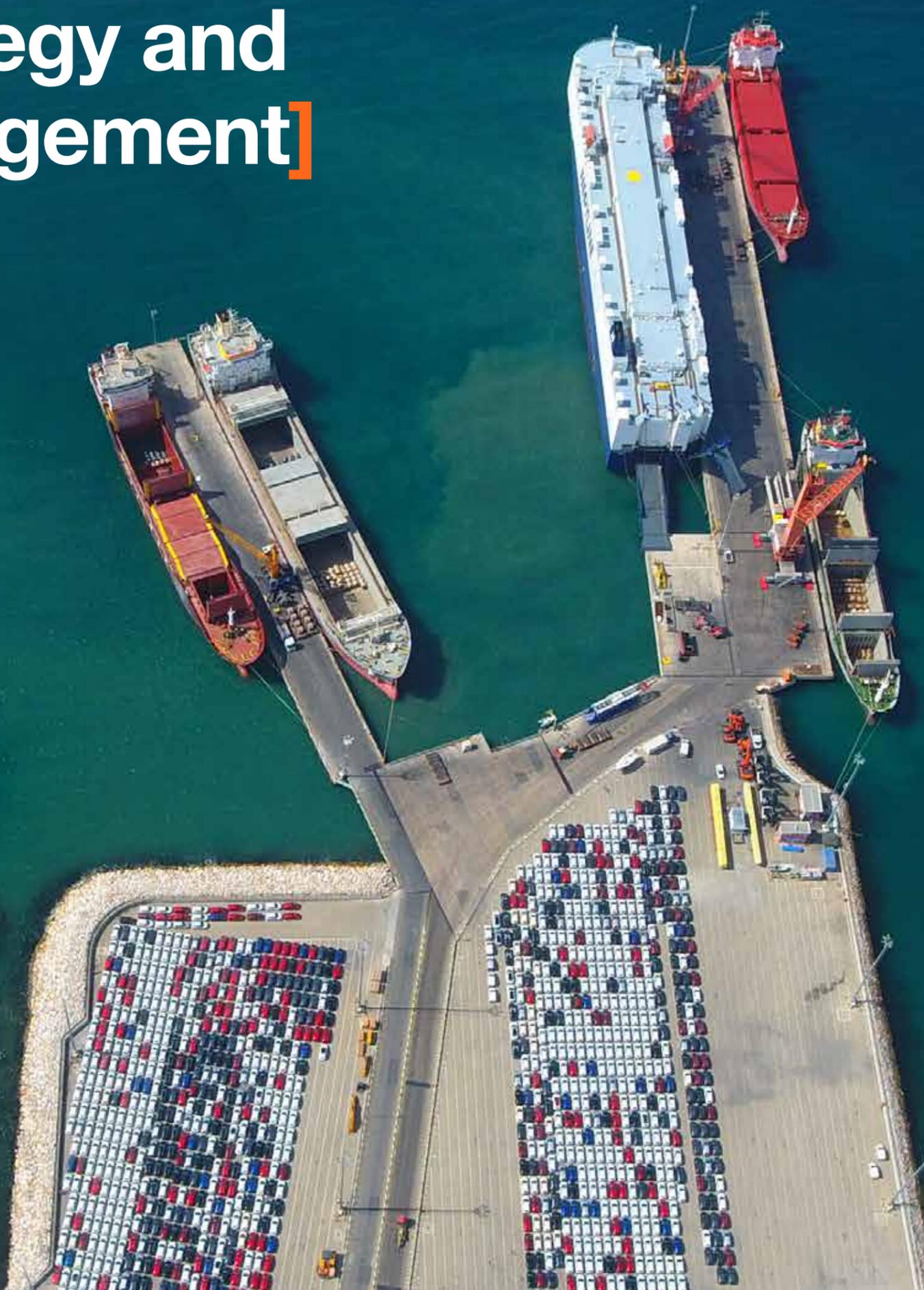
### AUTOMOTIVE

Borusan Otomotiv  
Borusan Oto  
Borusan Otomotiv Premium Kiralama  
Supsan  
Manheim Türkiye

## ENERGY

Borusan EnBW Enerji

# [strategy and management]



— Borusan Holding’s management approach is based on communicating effectively and transparently with all our internal and external stakeholders. —

We determine the long-term strategies of Borusan Holding group companies in the framework of a five-year perspective and four major concepts. These are; Profit Growth, Strategic Market Positioning, New Products & Services and Business Excellence.

Borusan Holding’s management approach is based on communicating effectively and transparently with all our internal and external stakeholders. We take into consideration both industry and stakeholder priorities in defining our sustainability priorities. While realizing our strategic plans, we prioritize our social, environmental and economic aspects, create continuous and ever-increasing value for our stakeholders.

Our vision for 2024 is “Borusan to grow, achieve high profits, dominate its markets, consist of innovative companies, have a culture that nurtures the best skills, and is successful and responsible.” In every step, we take with this vision, we continue monitoring our sustainability impacts.

# CORPORATE GOVERNANCE

— We conduct all operations at Borusan Group companies according to transparency, fairness, responsibility and accountability principles of corporate governance. —

Borusan Holding that plays a central role and does not participate in management of group companies, along with Borusan Yatırım which participates in companies with minority shares and functions as a portfolio company, comprise the Corporate Parent. Holding corporate governance structure is based on effective communication and audit mechanisms that establish control over the entire group.

Borusan Holding Board of Directors, the supreme decision-making organ of the group, undertakes the general responsibility of group activities towards shareholders and other stakeholders. The Board determines the group objectives and develops strategy to achieve these objectives and thereby works for sustainable development of group companies.

Borusan Holding Board of Directors, with a balanced structure of both executive and non-executive members, is comprised of seven members, including two independent ones. Holding

Executive Board is positioned under the Board of Directors in the organizational structure, and acts as the management platform that oversees the achievement of group strategic objectives. Executive Board members lead specific industry and business line related studies by taking part in the management boards of group companies as chairman or member.

Holding Financial Control, Internal Audit, Finance and Investor Relations departments cooperate with Corporate Risk Management Department in implementing risk processes. Internal Audit Department inspects group companies' processes and offers them improvement suggestions by identifying the risk areas. The inspections conducted by Internal Audit department includes social topics such as ethics, employee rights, and OHS, in addition to environmental topics. In 2016, 44% of group companies' departments were inspected by Holding Internal Audit Department on social and environmental topics.

<b>STRUCTURE OF BOARD OF DIRECTORS 2015-2016</b>	<b>WOMEN MEMBERS</b>	<b>29%</b>
	<b>FOREIGN MEMBERS</b>	<b>29%</b>
	<b>MEMBERS 50 YEARS AND ABOVE</b>	<b>100%</b>



## ETHICS MANAGEMENT

— Our business ethics approach based on honesty and accountability creates the basis for all stakeholder relations of Borusan Group. We lead the way in the industries we operate regarding ethics, fair competition and fight against corruption, and make maximum effort to raise community awareness in these issues. —



The booklet “Handbook for Borusan Employees: Business Principles, Business Ethics and Human Resources Practices”, composed by Borusan Group Ethics Board, which defines in detail the business principles concerning topics such as human rights, environment and public activities, the outline for the implementation of ethical rules and the rules of conduct regarding stakeholder relations, which all employees are obliged to act accordingly, can be reached on our corporate website.

Besides the responsibility of our employees to comply with the ethics rules, they are expected to guide relations amongst employees and stakeholders according to these principles. The responsibilities of investigating notices received through the Borusan Group Ethical Rules Consultation and Information Line, where complaints regarding violations of ethical rules are also conveyed, and developing solutions in relation to these notices belong to the Ethics Board that works under Borusan Holding Inc. Chairman of the Board of Directors.

The Ethics Board may be reached 24/7 by phone or e-mail. The processes of investigating the notices received from group companies are conducted by Borusan Holding Audit Director and Borusan Holding Legal Director; notices conveyed to the Ethics Board by Borusan Group employees or third parties are undisclosed. The examination and investigation works are conducted by independent experts in secrecy.

Every year, we provide trainings to all the white-collar employees working at group companies, about ethics and risks associated with corruption, which is an ethics subtopic. In the reporting period, 170 hours of ethics training was provided. Borusan Holding is among the founding members of the Ethics and Reputation Society (TEID), which was established with the aim of enhancing business ethics awareness in Turkey and raising awareness about this issue both in the business world and the community.

— I have seen that Syrian painters, sociologists, translators, pharmacists, actor/actresses and their educated young people are glimmers of hope for the future of the world. —

**ÖZGÜL DEMİR**  
BORUSAN LOJİSTİK



**#TheEarthIsOurHome**

ETHICS MANAGEMENT  
OF SUPPLIERS

— Borusan Group companies don't do business with clients and suppliers who disregard business ethics and break the laws. In 2015, we prepared Borusan Group Supplier Working Conditions Protocol to be signed by subcontractors and suppliers, according to the objectives set by Audit and Purchasing departments. More than 150 contracted suppliers signed the protocol. In 2016, there was no unethical action, legal noncompliance or corruption case identified throughout the Group or in business partners and suppliers to our knowledge. —

# Our Sustainability JOURNEY

Signed UN Global Compact

Signed Turkey Quality Association's 'Management is Women's Right' Manifesto

Signed Energy Efficiency in Buildings Manifesto of World Business Council of Sustainable Development.

Signed UN Women's Empowerment Principles

Established Equal Borusan Platform.

2006

2009

2011

2013

2015

2008

2010

2012

2014

2016

Prepared our First Sustainability Report

Signed UN Fight Against Climate Change 2°C Memorandum as one of the 3 Turkish companies

Signed Ethics in Business Manifesto

Became the first Turkish company to join in UN Women's Empowerment Principles Leadership Group

Won the 1st Place Award from League of Amerikan Communication Professionals with our sustainability report.

## SUSTAINABILITY MANAGEMENT

— As Borusan Group, we define our social and environmental impacts created by our economic activities as our responsibilities. We act with the consciousness that the business strategies we develop and the decisions we take today will shape the future, and we conduct our operations with the objective to create value for our stakeholders. —

Borusan Holding CEO is the primary supervisor of Borusan Group's economic, social and environmental sustainability performance. We ensure our economic sustainability performance through practices led by Holding CEO and group companies' general managers; social sustainability performance by

Holding HR, Corporate Communications and OHS Group; environmental sustainability performance by Environmental Management Units and Lean 6 Sigma office. We conduct our corporate social responsibility practices by Holding Corporate Communications and Borusan Kocabiyik Foundation.

### SUSTAINABILITY MANAGEMENT AT BORUSAN

#### ECONOMIC

Holding Executive Board  
General Managers of Group  
Companies

#### SOCIAL

Borusan Kocabiyik Foundation  
Holding Human Resources  
Holding Corporate Communications  
Operational Health and Safety Group

#### ENVIRONMENTAL

Group Companies Environmental  
Management Units  
Lean 6 Sigma Office

— It has been an incredible source of happiness for me to blend with our brothers and sisters from the neighboring country, helping their youth feel themselves as part of our society, embracing each other and to be able to say that you are welcome here. —

**ÇİHANGİR GÜLEN**  
BORUSAN LOJİSTİK



**#TheEarthIsOurHome**

## MATERIAL SUSTAINABILITY TOPICS

In order to maximize focus on material aspects, we held the sustainability strategy workshop by gathering 25 representatives from eight group companies' operational health and safety, environment and quality departments mainly. Through analyses and intensive discussions, we reviewed our material aspects in economic, social and environmental perspectives separately and prioritized them for each company.

We identified mutual topics for all our companies. In the reporting period, with

the participation of members of the Borusan Danışmanlık Board who are the general managers of our group companies, we held a strategy survey to prioritize our sustainability topics.

Additionally, our employees and group companies' customers participated in the strategy questionnaires we organized. Through these survey we have gathered their feedback regarding the topics they expect Borusan Group to focus on. All priority topics were the same for both of our stakeholders.

Our top management also added Industry, Innovation and Infrastructure, Gender Equality, Quality Education and Clean Water and Sanitation topics among our strategic topics. We updated Borusan Holding Materiality Matrix according to the results of the questionnaires.

The upper right-hand part of the graph displays aspects that are of high importance for both our stakeholders and our group, and influence our company's performance directly and significantly. These aspects constitute the main headings of the rele-

vant sections of our report, and data on our group companies' performance in those areas are covered extensively in the report.

The main objective of creating such a matrix was to clearly identify aspects important to both our company and our key stakeholders, and to develop our plans and set our targets around these aspects. In the coming terms, we intend to exchange ideas with more of our stakeholders, and to further develop the aspects and related targets we will focus on. (GRI 102-46)

### Employees' Priorities

Decent Work

Economic Growth

Partnerships for The Goals

Affordable and Clean Energy and Climate Action

Life Below Water and Life on Land

(GRI 102-44)

### Customers' Priorities

Decent Work

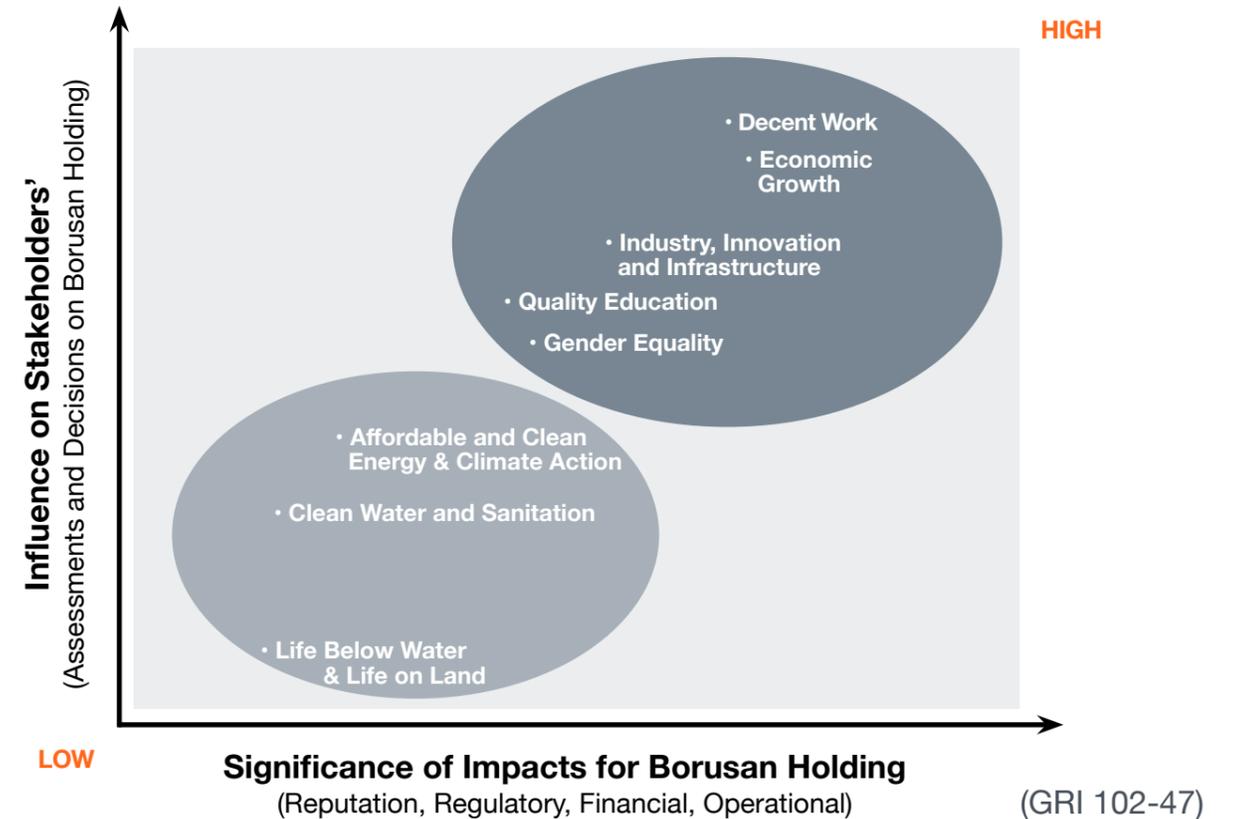
Economic Growth

Partnerships for The Goals

Affordable and Clean Energy and Climate Action

Life Below Water and Life on Land

Borusan Holding Materiality Matrix



[STRATEGY AND MANAGEMENT]

# UN SUSTAINABLE DEVELOPMENT GOALS

We support UN Sustainable Development Goals!



Although we focus on 8 of the global goals regarding top management and key stakeholder priorities, we run projects that support all 17 of the Sustainable Development Goals.



SDG	UN 2030 SUSTAINABLE DEVELOPMENT GOALS	PROJECTS AND IMPLEMENTATIONS
	SDG 1: No Poverty	Micro Finance Branches My Mom's Job is My Future Project
	SDG 2: Zero Hunger	Micro Finance Branches
	SDG 3: Good Health and Well-Being	OHS Implementations Avita Employee Support Program LÖSEV Stand
	SDG 4: Quality Education	Borusan Kocabiyık Foundation Borusan Academy Let's Code, Girls! Project Vocational High School Coaches
	SDG 5: Gender Equality	My Mom's Job is My Future Project Let's Code, Girls! Project
	SDG 6: Clean Water and Sanitation	Waste Water Reduction and Disposal Projects
	SDG 7: Affordable and Clean Energy	WPP Investments LED Investments
	SDG 8: Decent Work and Economic Growth	Occupational Health and Safety Implementations Vocational High School Coaches New Generation Talent Development Program
	SDG 9: Industry, Innovation and Infrastructure	Efficiency in Production Projects (Lean 6 Sigma) Borusan Lojistik Green Harbor

SDG	UN 2030 SUSTAINABLE DEVELOPMENT GOALS	PROJECTS AND IMPLEMENTATIONS
	SDG 10: Reduced Inequalities	Equal Borusan Platform My Mom's Job is My Future Project Let's Code, Girls! Project
	SDG 11: Sustainable cities and communities	Borusan EnBW Enerji Local Community Engagements Borusan Lojistik Green Harbor
	SDG 12: Responsible Consumption and Production	Efficiency in Production Projects (Lean 6 Sigma) WPP Logistics
	SDG 13: Climate Action	WPP Investments Natural Gas and Electricity Consumption Reduction Projects Afforestation Projects
	SDG 14: Life Below Water	Waste Reduction and Disposal Projects
	SDG 15: Life on Land	Waste Reduction and Disposal Projects Afforestation Projects
	SDG 16: Peace, Justice and Strong Institutions	Business Ethics with Suppliers CSR Projects
	SDG 17: Partnerships for The Goals	UNWEP's, UNGC and TBCSD Memberships

**[STRATEGY AND MANAGEMENT]**  
**UN SUSTAINABLE DEVELOPMENT GOALS**

**COMMUNICATION WITH OUR STAKEHOLDERS**

We define our stakeholders as persons and organizations that are influenced by our activities, and at the same time, who could have an impact on our group’s efforts to achieve its business targets. In order to plan a more intensive communication scheme with our key stakeholders for the coming terms, we reviewed all key stakeholders of each company in the group in the previous reporting period.

During the sustainability strategy workshop, we held last year with the representatives of each group company, we prioritized the key stake-

holders that had intensive economic, social, and environmental interactions with our companies and prepared the stakeholder maps for each.

As a result of these studies, it was revealed that the primary key stakeholders identified at the workshop and the ones identified by Holding Corporate Communications were coherent. The communication platforms we employ for these stakeholders, along with their content and communication frequency, are given in the table; Stakeholder Communication Platforms. (GRI 102-42)

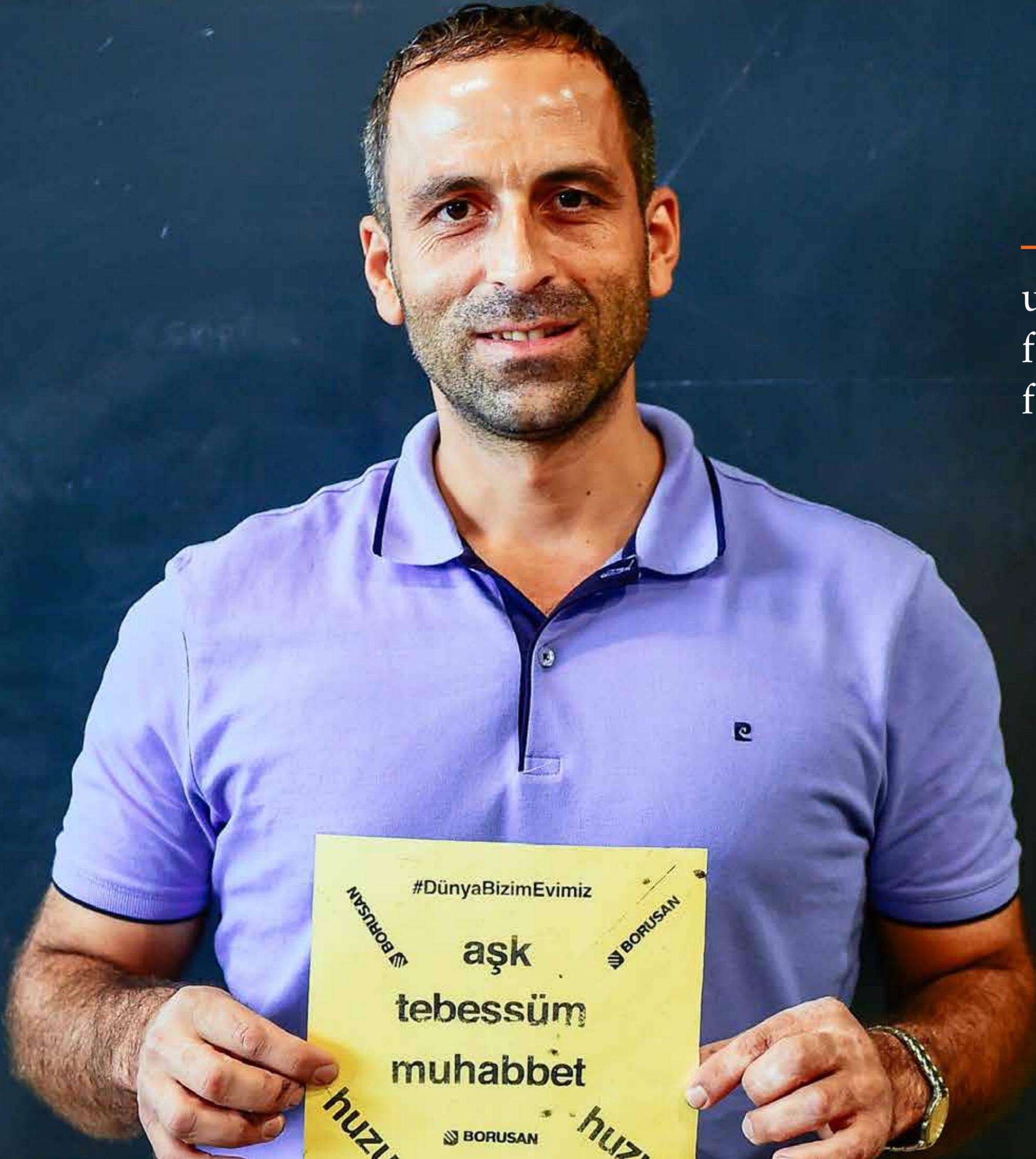


(GRI 102-40)

**STAKEHOLDER COMMUNICATION PLATFORMS**

STAKEHOLDER GROUP	COMMUNICATION TOOL / FREQUENCY
Borusan Employees	CEO and General Manager Memorandums (frequency varies according to topics of communication); Borusan Day (yearly); Annual Report (yearly); Sustainability Report (yearly); Employee Loyalty Research (yearly); Internal Communication Meetings (at least yearly in group companies); Performance Evaluation Meetings (yearly); Internal Information Notices (instant); Ocean Volunteers Platform (all year long); Recreation Clubs (all year long); Ethics Rules; Employee Trainings and Borusan Academy Faculty Programs (all year long); The Borusan Employees and Yammer Intranet Platforms (all year long); B’Alem Human Resources Portal and Applications (all year long).
Customers	Annual Report (yearly); Sustainability Report (yearly); Customer Satisfaction Research (at least yearly in Group companies); Meetings and Interviews; Internet based Applications; Ethics Rules, Corporate Website (all year long).
Business Partners	Annual Report (yearly); Sustainability Report (yearly); Corporate Website; Meetings and Interviews (all year long).
Public Institutions	Annual Report (yearly); Sustainability Report (yearly); Audits (instant / periodical); Joint Projects; Corporate Website; Meetings and Interviews (all year long).
Press	Annual Report (yearly); Sustainability Report (yearly); Annual Public Disclosure Meeting; Project Specific Press Meetings; Interviews; Press Tours (instant); Corporate Website, Social Media ((all year long).
Banks	Annual Report (yearly); Sustainability Report (yearly); Meetings and Interviews (all year long).
Suppliers	Annual Report (yearly); Sustainability Report (yearly); Corporate Website; Meetings and Interviews; Supplier Evaluation Surveys (all year long).
Local Administrations	Annual Report (yearly); Sustainability Report (yearly); Corporate Website; Meetings and Interviews; Joint Projects (all year long).
Business World	Annual Report (yearly); Sustainability Report (yearly); Corporate Website; Meetings and Interviews, Social Media (all year long).
Nongovernmental Organizations (NGOs)	Annual Report (yearly); Sustainability Report (yearly); Corporate Website; Meetings and Interviews; Joint Projects; Donations and; Memberships (continuous); Social Media (all year long).
Social Media Users	Instant Agenda Messages Shared on Corporate and Brand Accounts
Capital Markets	Annual Report (yearly); Sustainability Report (yearly); Periodic reports (on Borusan Yatırım’s website)
Universities and Academicians	Human Resources, Career Days Participations; Sabancı University and Borusan Academy Program Collaboration; Joint Program with Boğaziçi University and Borusan Internal Financial Affairs, Social Media
Other persons and institutions that may have interest in Borusan (Students, Potential Employees, Trade Associations, etc.)	Annual Report (yearly); Sustainability Report (yearly); Corporate Website; News and Information Flow through Media Tools; Communication through Corporate Social Media Accounts

(GRI 102-43)



— Paper is made  
up of pulp kneaded  
from affection, peace,  
fondness and love. —

**MUSA BAYKAL**  
BORUSAN EnBW ENERJİ

**#TheEarthIsOurHome**



While planning the group strategies; we oversee trends such as national and global variables, developing technology, diminishing natural resources, client expectations, and changes in regulations. In our long-term objectives, we mainly focus on increasing the group companies' market shares in their business lines and their sustainable growth.

We target continuity of profits and overall excellence through lean and efficient processes in Borusan Group that always works for the better. In order to reach excellence in process management, we apply 6 Sigma Management Method across our group since 2002. This year, for our growth and efficiency, we invested about USD 204 million.

## [economic performance]

# INVESTMENTS

In 2016, we continued to grow our profits in all business lines we operate. Our total revenues exceeded USD 4.3 billion. We also continued our investments to end the year with USD 394 million total investment amount where our main focus was on sustainable energy.

We accomplished many investment projects at all our companies with the objective to develop innovative products and services that are efficiency and business excellence oriented. We manage all our investments with the aim of creating sustainable benefits and evaluate according to their economic, social, environmental and corporate results.

## ECONOMIC PERFORMANCE



### INDUSTRIAL INVESTMENTS

COMPANY	INVESTMENT	OBJECTIVE	BUDGET
Borçelik	Improving Automotive Capability of CGL3 Continuous Galvanizing Line	Increasing CGL3 automotive production rate from 3.5% to 20%; realizing CGL3 automotive industry technical efficiency rate above 95%	-
Targeted Gains	<b>Economic:</b> Gaining USD 1.7 million annual yield (after tax) <b>Corporate:</b> Increasing satisfaction rate of automotive customers		

COMPANY	INVESTMENT	OBJECTIVE	BUDGET
Borusan Makina ve Güç Sistemleri Gebze Campus	Powertest Dyno Equipment	New test equipment requirement due to wearing off of the current unit	\$ 334,000
Targeted Gains	<b>Economic:</b> We completed motor tests following the motor revisions of approximately 400 heavy construction machines that work at the 3rd airport site. Company cost will decrease since malfunction and service frequency will reduce due to revisions. <b>Social:</b> We contributed 80% to customer's efficiency. <b>Corporate:</b> We invested in an area that will create value for clients by increasing quality.		

COMPANY	INVESTMENT	OBJECTIVE	BUDGET
Borusan Makina ve Güç Sistemleri Gebze Campus	TBN (Total Base Number) and TAN (Total Acid Number) analysis equipment	Conducting these tests every 1,000 hours to fulfil our oil changing commitment periods towards our clients	\$ 20,500
Targeted Gains	<b>Economic:</b> Increasing oil sales <b>Corporate:</b> Increasing client satisfaction		

COMPANY	INVESTMENT	OBJECTIVE	BUDGET
Borusan Endüstriyel Sistemleri Gebze Campus	Paint shop and Sandblasting Cabin	Meeting the quality standards prevalent in international, oil and gas projects	€ 236,000
Targeted Gains	<b>Economic:</b> Decreasing additional project costs by reducing client complaints <b>Social:</b> Running a production in compliance with occupational health and safety standards <b>Corporate:</b> Increasing client satisfaction through quality controls		

COMPANY	INVESTMENT	OBJECTIVE	BUDGET
Borusan Oto	Renovation projects commenced due to the restructuring need in the Licenced Seller and Licenced Service networks by the addition of Jaguar brand to the portfolio in 2015; and to comply with the retail standards in Ankara, İstanbul, Adana, Tekirdağ defined and imposed by our producers BMW AG and JLR Limited	Serving customers in accordance with their expectations by reaching the target audience of the brands, making accurate brand communication and enriching customer experience by enhancing the sales and after sales services	Feasibility analyses of the work that will continue until 2020 is available.
Targeted Gains	<b>Economic:</b> Reducing general costs <b>Social:</b> Enhancing employee and client satisfaction <b>Environmental:</b> Using the area efficiently, achieving energy efficiency, assessing lifetimes and environmental footprints of buildings <b>Corporate:</b> Increasing client satisfaction and corroborating brand and company image		

COMPANY	INVESTMENT	OBJECTIVE	BUDGET
Borusan Oto	Project identification works commenced within the scope of digital transformation which will last till 2020	Enhancing customer experience, making internal processes faster, reaching customers from diversified channels	-
Targeted Gains	<b>Economic:</b> Keeping up with the pace of change resulted from digitalization, increasing online sales and work efficiency <b>Social:</b> Enhancing employee and client satisfaction <b>Corporate:</b> Corroborating brand and company image and prevailing in competition		

**[ECONOMIC PERFORMANCE]**

**INDUSTRIAL INVESTMENTS**



COMPANY	INVESTMENT	OBJECTIVE	BUDGET
Borusan Oto	İstanbul Samandıra Licenced Seller and Licenced Service Investment	Presenting our clients with environmental friendly premises equipped with superior technology and up-to-date retail standards	-
Targeted Gains	<p><b>Economic:</b> Reducing general costs and increasing sales  <b>Social:</b> Enhancing employee and client satisfaction  <b>Environmental:</b> Obtaining LEED Gold Certificate given to green buildings by utilizing eco-friendly equipment in mechanical ventilation system, taking measures for saving water and managing waste.  <b>Corporate:</b> Corroborating brand and company image</p>		

COMPANY	INVESTMENT	OBJECTIVE	BUDGET
Borusan Mannesmann İstanbul Halkalı Production Plant	New Heat Treatment Furnace Investment for the Automotive Segment and Drawn Tube Production Line & Bursa Plant Investment	Increasing capacity to meet the demand as a result of new automotive projects and maintain the leading position in the domestic market; maintain a more active position in the global markets	Heat Treatment Furnace: \$ 3,245,000 Drawn Tube Production Line: \$ 4,295,000 Bursa Plant Investment: ~ \$ 750.000
Targeted Gains	<p><b>Economic:</b> This project where high value-added tubes are used in the automotive segment will significantly add to company profit.  <b>Social:</b> We believe that approximately 55 domestic and 30 global important clients will be positively impacted by this investment in addition to many small clients.  <b>Corporate:</b> These investments are crucial for us in maintaining our leading position and our market share in domestic market. The major reason for the Bursa Plant investment is to make space for Halkalı Plant's new investments. In addition, we will meet client demands with more flexibility by being closer to clients with our new plant in Bursa which is the heart of the automotive industry.</p>		

COMPANY	INVESTMENT	OBJECTIVE	BUDGET
Borusan Mannesmann Bursa Gemlik	Roll-Form Profiles Production Line Investment	Ensuring customer loyalty by meeting customer demands as a local provider in a niche market where the tubes are currently imported	\$ ~3,500,000
Targeted Gains	<p><b>Economic:</b> With the investment to produce high value-added tubes, our company will localize the imported tube supply and therefore will contribute both to company profitability and country economy.  <b>Social:</b> This investment with which we aim to serve the present and potential clients in automotive, agricultural machinery and construction industries, will impact our internal stakeholders and company positively.  <b>Corporate:</b> Although not operational yet, the undertaken investments enhance our clients' loyalty and trust in our company.</p>		

COMPANY	INVESTMENT	OBJECTIVE	BUDGET
Supsan	Reducing Operational Supply Consumption and Developing Consumable Materials Usage System	Meeting OEM customer demands and improving cost to get more projects	TRY 39,600
Results and Gains	<p><b>Economic:</b> Costs have improved by 19%.  <b>Social:</b> Employee motivation increased due to grinding wheel and collet replacement frequency. The project team was rewarded as a result of successful completion of the project.  <b>Environmental:</b> Less energy, consumables, stones, clips, carton box and cooling oil were used.  <b>Corporate:</b> Cost improvement was accomplished and targeted sales projects were obtained.</p>		

COMPANY	INVESTMENT	OBJECTIVE	BUDGET
Supsan	Improving efficiency of production lines	Reducing energy consumption per unit valve by increasing efficiency	-
Results and Gains	<p><b>Economic:</b> Costs have improved by 27%.  <b>Social:</b> Existing machinery have sped up and stoppage durations has reduced. Hence, employee satisfaction raised. The project team was rewarded as a result of successful completion of the project.  <b>Environmental:</b> Less energy, consumables and cooling oil were used. Electric consumption which was 1.14 kWh/unit in 2015 dropped to 1 kWh/unit in 2016.  <b>Corporate:</b> Cost improvement was accomplished and targeted sales projects were obtained.</p>		

— We either get superficial impressions from our daily encounters with Syrian refugees or learn about them from the media stories. However, one of the best ways to get to know someone is to do things together, creating our common stories by talking to and communicating with each other. —

MERVE ERGÜN ARSLAN  
BORUSAN MANNESMANN

#TheEarthIsOurHome



## Borusan Lojistik Port Site Expansion Investment

We carried out port site expansion work to create a safer storage area for the clients in terms of occupational safety and client property in addition to fulfilling the necessity to increase the vehicle site capacity at Borusan Port due to growing vehicle industry.

Vehicle capacity at the port increased by 40% as a result of the project which we built closed, backfill storage on 28,5 thousand m<sup>2</sup> area with a budget of USD 3 mil-

lion. With this investment which also be effective in growing our market share, we increased the number of Ro-Ro lines to 5 by adding another one in October 2016.

Borusan Port that focuses on preserving natural resources and being sustainable in all its operations and offered services was entitled to obtain 'Green Port' certificate upon document and site controls conducted by Ministry of Transport, Maritime Affairs and Communication in 2016.



## Borusan Lojistik WPP\* Logistics (\*WIND POWER PLANTS)



Wind power has become one of the most crucial channels to reach clean energy. We focused on heavy freight investments to solve energy sector issues by developing beneficial and distinctive solutions. We commissioned our rotor blade adaptor project, which makes a huge difference in transportation of Wind Power Plants, as a first in Turkey with a USD 2 million investment. We expanded our heavy vehicle pool and increased our service capacity by investing in new 8 and 10 axle trailers, 6x4 tow trucks and rotor blade adaptor.

Through blade adaptor technology, we can carry rotor blades with a 50 degrees angle from the ground, turning them 110 degrees right or left. Hence, we reduce cost of building roads and minimize idle time due

to reasons such as opening new roads.

We accomplished 10 sets of turbines transportation in 2016 for Fuat WPP. We carried 30 rotor blades from 300 meters of sea level to 1,100 meters. We eliminated approximately 10,000 trucks load of excavation thanks to this technology. In addition, we preserved ecological balance by preventing more than 100 thousand m<sup>3</sup> soil loss.

Our first-year target is to carry 40 WPP turbines of our 7 turbine producers. Also, we aim to carry 300 units of rotor blades and towers each annually in the WPP export market originated by the increase in the number of local producers in parallel to sectoral development.

## ECONOMIC PERFORMANCE

### Renewable Energy Generation Investments

The total installed capacity of Borusan EnBW Enerji where the portfolio is totally based on renewable energy resources, reached 388.6 MW by the end of 2016. During 2016, Fuat WPP, Mut WPP, Koru WPP and Harmanlık WPP completed ISO 14001 and OHSAS 18001 procedures and obtained their certifications.

- Bandırma Wind Power Plant (89.7 MW)
- Yedigöl-Aksu Hydroelectric Power Plant (50.3 MW)
- Balabanlı Wind Power Plant (50.6 MW)
- Koru Wind Power Plant (52.8 MW)
- Mut Wind Power Plant (52.8 MW)
- Harmanlık Wind Power Plant (52.8 MW)
- Fuatres Wind Power Plant (19.8)
- Dayıcık Solar Power Plant (6.6 MWp)
- Fuatres Wind Power Plant 2nd Phase (13.2 MW)

### GAINS TARGETED WITH THESE INVESTMENTS ARE TO

- > Increase diversity of energy resources in Borusan EnBW Enerji portfolio and contribute to the creation of a balanced portfolio,
- > Contribute in the environmental conservation by investing in solar and wind power that produce zero carbon and no waste,
- > Contribute directly to Turkey's 2023 policy to meet 30% of country's energy need from renewable resources, and increase wind power installed capacity to 10,000 MW in 2019 and 20,000 MW in 2023,
- > Contribute in decreasing Turkey's foreign trade deficit by reducing energy import through the use of domestic, renewable resources.



### Borusan EnBW Enerji 2016 Renewable Energy Generation Investments

INVESTMENT	TIMING	INSTALLED CAPACITY	BUDGET
Dayıcık SPP (Solar Power Plant) Mut / Mersin	Start: March 15, 2016 Commissioning of plants: July 27, 2016	6,6 MWp	\$ 9 Million

Preliminary work done before the investment: During the construction stage; all demands, complaints, suggestions and questions are received from the stakeholders such as local community, local authorities and government authorities within the scope of the Grievance system which functions as the Project/ Plant Communication Mechanism. Upon the demands received, we supported Dayıcık Village Primary School and students in various ways.

INVESTMENT	TIMING	INSTALLED CAPACITY	BUDGET
Fuatres WPP (Wind Power Plant) 2nd Phase Kemalpaşa / İzmir	Investment decision: July 2013 Commissioning of plants: November 6, 2016	13,2 MWm	-

Preliminary work done before the investment: Necessary legal permit procedures for the realization of investment were followed by Gold Standard Carbon Certification procedure conducted along with Environmental and Social Impact Assessment procedure. The public announcement meeting and the survey and focus group works conducted afterwards were carried out in line with international norms. By operationalizing Fuatres, the power of 30,000 homes will be met from renewable resources annually.

## [ECONOMIC PERFORMANCE]

# R&D and INNOVATION

As we continued our investments into innovation and digitalisation on one side in 2016, on the other side we made our companies adopt the Lean philosophy on a wider scale.

These works resulted in cost reduction and new product development in Supsan, while we have reduced the waste drastically with the improvements made under Lean Service Project implemented in Borusan Makine ve Güç Sistemleri.

## Supsan Leadership in Grassroots Project

In Supsan, in order to focus on the career development of the factory workers, the “Leadership in Grassroots” concept was implemented. Through this process, we helped factory workers adopt Lean philosophy better, and integrate it into their daily lives. Under the direction of the team leaders, many 10-step Kaizen and Before-After Kaizen projects were implemented, and major improvements were achieved in small steps.

Thus, the efficiency values increased continuously, making the production costs globally competitive. Our employees’ loyalty has increased and they started to come up with innovative ideas all the time to take the company even further. Production cost excluding the raw materials was brought down from 1.49 €/valve in 2014 to 0.99 €/valve by the end of 2016.



## Supsan Product Development Laboratory

In 2016, we have targeted to increase our spare parts market share drastically in a short period by the introduction of 60 new products into our product range within 3 years, through the transformation project we have developed under innovation works.

The main theme of the aforementioned project was to introduce new products to the market with Supsan quality. At the beginning of the project, a Product Development test and control laboratory was designed aimed at the new product ranges. The equipment acquisition was realized within that scope, and a state-of-the-art laboratory was born. Through this lab, 6 projects and 17 new product ranges were commissioned in 2016. A strong infrastructure was also established for the new products planned for introduction in the upcoming years.



## Borusan Makina ve Güç Sistemleri Lean Service



We had started the Lean Service Project in Borusan Makine ve Güç Sistemleri service organizations in order to serve our customers faster and more efficiently.

Thanks to this project, we have managed to get our technicians to know the Lean 6 Sigma equipment closely, and place the waste hunt right in the center of their workflow. Thanks to the initiative which was realized through the training programs and workshops with the participation of Gebze Campus CRC (Component Revision Centre) and Service Teams, new rooms for improvement were spotted, 27 being in CRC, and 26 in Diyarbakır. When we looked at these rooms for improvement, they varied from environmental and structural problems that may concern the administrative department to the lack of tools-equipment, from irregularities in the exchange processes with the spare parts division to the violations that concern the health and safety in the workplace.

As the feedbacks were mostly focused on the wastes under the topics of action, stand-by and errors, we have noticed that there were actions available among them that were easy to implement yet would make an impact. A list of actions such as the elimination of oil accumulation in the workshop, prevention of air leakages in the compressors, and rearrangement of the materials that take up space unnecessarily within the workshop have been introduced in stages, and more are being introduced.

Our greatest gain here is that our technicians in aforementioned locations embraced the progress culture, and had their motivations increased thanks to an environment where their ideas taken into account and they can have their voices heard in different departments within the company.



— For the first time, I have listened firsthand what Syrian refugees go through, the attitude of Turkish people towards them and what refugees feel in the face of those attitudes. We can understand each other only by spending time together, familiarizing ourselves with each other's culture and exploring the common ground. —

**İLKE ENGİN**

BORUSAN DANIŞMANLIK

**#TheEarthIsOurHome**



# [social performance]

— Our employees are our most crucial assets at Borusan Group. We oversee employee and human rights in all our operations, encourage equal opportunity and raise awareness among employees regarding all kinds of discrimination. —

In order to improve employee experience, loyalty and thereby increase personal and corporate performance, we measure our employees' satisfaction every year, and work together to provide them with healthy, safe and fair work places.

We constantly invigorate our teams with talents and provide the necessary training and working environment by Borusan Academy's leadership, for the professional and personal of our current employees.

We initiated many good practices to retain our talents for long tenures. Besides these practices initiated within the Holding, other projects specific to companies are detailed in this section.

## EMPLOYMENT and TRAINING

— Maximizing the competence, motivation and performance of its employees and thereby supporting them to create a competitive edge in their industries constitutes the basis for the human resource practices of Borusan Group companies. It's fundamental for the sustainability of our group to attract talents and retain them by constantly supporting their developments. —

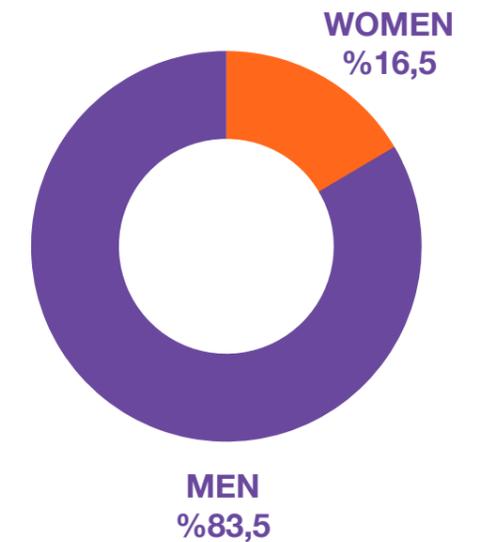
At all Borusan Group locations, we have nursing rooms available for working mothers. We provide special discounts for those women-men employees who own 0-6 years of age children at specific day-cares, preschools and development programs. All white-collar employees of our group are covered by health insurance that involves both inpatient and outpatient treatment.

Besides providing yearly check-up and health insurance in various contents according to management level; we also offer Employee Pension Plan for employees who are over 35 years of age with more than 3-year seniority that would help them manage their retirement. In this context, we deduct employees' salaries and add a company share to invest in their plans. Employees who complete 5 years at Borusan Group can redeem their savings.

At Borusan Group companies, total number of employees increased by 7.5% in 2016. Women employee ratio increased by half point and became 16.5%. We provided more than 118 thousand hours of training to our employees in 2016 in both professional and personal development contexts.

At Borusan Group we especially aim to retain our specialist employees who take critical tasks and technical roles. In 2016, we started a project to describe Borusan's technical specialist career development model and the complementary technical/occupational skill sets. In the coming periods, we plan to review the critical technical specialist roles biannually and take the necessary actions.

At Borusan Group companies, total number of employees increased by 7.5% in 2016. Women employee ratio increased by half point and became 16.5%.





## Avita Employee Support Program

We initiated Avita Employee Support Program in order to support our employees outside their work life and thereby create a better employee experience at our group companies.

The program which reaches approximately 3,000 employees, involves consultancy and information services where our employees and their family members who live together can benefit 7/24 on any topic that may cause stress on the person or need further inquiry. Psychological and medical consultancy, financial and legal information, back-waist-neck pains and office ergonomics, healthy diet, new born care, social life and similar topics are included in the service.

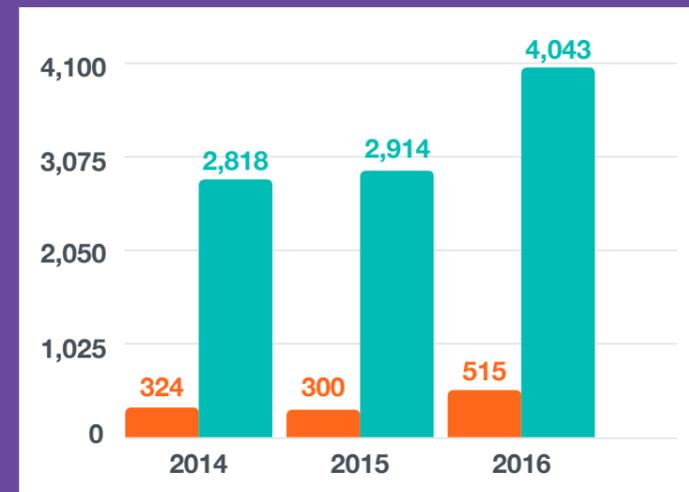
In the next term, after making some communication adjustments, we intend to deploy this practice that we implement to create happier Borusan employees, increase loyalty thereby increase personal and corporate performance.

### BORUSAN HOLDING EMPLOYEE SATISFACTION APPROACH

- > Borusan Academy Training and Development Programs
- > Competence Assessment System
- > Performance Management Practices
- > Career Planning
- > Private Pension Scheme
- > Annual Satisfaction Survey
- Recommendation Systems
- Effective Internal Communication
- > Borusan Social Clubs
- > Borusan Arts Activities

## Performance Management Practices

We oversee Performance Management Processes via online platform to measure employee performance throughout the year, and prepare and implement their development plans according to the results of these measures. Our objectives of this process that consists of 3 stages which are target setting, interim and annual evaluations, are to measure performance accurately to identify good performance; conduct analyses and assess-



■ Employees at the Factories ■ Employees at the Offices

ments that would form a basis for personal development plans, trainings, wages, rewarding and career planning; create mutual target ownership and as a result, increase personal and corporate performance. During the reporting period in our Group, we gave feedback to 86% of our employees working at the offices and 20% of our employees working at the factories, on their performances.

## Career Management Process

In Borusan Group, we follow through career management process with regard to creating the required leadership pool internally by identifying potential from performance and offering employees with development opportunities. Our objective with career management is to make career plans that will provide occupational and personal development in line with group and company strategies by evaluating contributions of Borusan Group employees to their companies and jobs. Each year, 4,500 office employees are included in this process. We intend to move maximum 10-15% of our white-collar employees with high potential and performance to 3P pool (Group of Employees with High Potential and Performance).



## Borçelik Gemlik Factory Employment Project

Human Resources Department initiated a Project in March 2016 at Borusan Gemlik Campus in order to solve the skilled blue-collar employment issue which is one of the major issues of HR today and enhance the candidate pool.

Online application screens are placed at the security entrances, content of factory employee recruitment exams is revised and prepared online and collective exam days are organized in cooperation with İŞKUR within Project scope.

### RESULTS AND GAINS

In addition to diminishing economic losses due to challenges in finding the right candidates, process time losses of HR employees and costs of consultants, and candidate assessment and recruitment processes are cut short. Number of candidates who apply at the doors increased. 3,000 graduate candidates are reached through vocational high school visits. Borçelik employer brand is corroborated at vocational high schools. For monitoring and continuity of the process, an employee in charge of factory employee recruitment process is employed at Gemlik Campus.



## 360° Competency Assessment Process

We intend to objectively assess the traits that help an employee fulfil and exceed the necessities of her duties, authority, responsibilities and targets, and to identify and develop improvement areas within a specific term through Competency Assessment.

We anticipate that the employee is evaluated by various parties such as her team, superiors, peer stakeholders and that she receives an objective feedback through a multidimensional picture of her perfor-

mance. Approximately 4,500 white-collar employees are subject to this process every year.

Competency result is an effective feedback tool to utilize in education and training, performance evaluation and career management. In 2016, we decided to renovate this process in line with our performance management perspective to improve our development areas. We will share the new process and system with our employees in 2017.

## Borusan Leadership Development Program (BOLD)

The purpose of the BOLD Program which has been on since 2011 across all locations of Borusan Group is to improve the climate of the organization through supporting our executive management team and thus, to increase the business performance of our leaders.

The program that involved the participation of our 109 managers in 2016 included group coaching sessions in addition to 360 degrees inventory, preparation of inventory reports and giving one-to-one feedback on results, coaching on action plan preparation, holding workshops and trainings. We monitor improvement through BOLD scores obtained from inventory exercise results.



## Borusan New Generation Talent Development Program

We execute New Generation Talent (NGT) program in Borusan Group for the purpose of recruiting new graduates with high potential to be future managers, who are suitable for group companies' needs and developing them to be the future leaders.

We participated in career days, published adverts on social media, held case studies and made one-to-one interviews with university students. NGTs go through numerical, verbal, foreign language tests, video interview and face-to-face interview stages before recruitment. For those NGTs who successfully complete these stages, we provide monthly structured mentorship support for 1 year besides an 18-months development program. By means of mentorship program, our new NGTs quickly adapt Borusan culture and benefit from the experiences of Borusan leaders. Company orientation programs follow introductory meetings. We intend to ensure that no NGT leaves Borusan Group except for private reasons.

### TARGETED GAINS

#### ECONOMIC

We aspire to reduce our costs and win time for our group in the long run by recruiting the talents whom we believe would be beneficial managers in the future and promoting them instead of looking for the right candidates at the market.

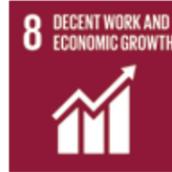
#### SOCIAL

We corroborate our brand power by social events we organize for increasing the recognition and awareness of Borusan Group brand.

#### CORPORATE

Through adoption of talent and leaders of the future contexts by all employees, we intend to develop a mutual new generation consciousness.

## Borusan Academy Faculty and Proficiency Programs



There are faculty and proficiency programs under the roof of Borusan Academy. We have been running the Leadership Faculty since 2007 and the Sales Faculty since 2008 with Sabancı Edu Partnership, the Financial Affairs Proficiency Program since 2014 and Purchasing Proficiency Program since 2016 with Boğaziçi University Partnership.

The target group of Leadership Faculty is the future leaders of Borusan Group, and all newly recruited sales teams at Borusan

Group are the target group of the Sales Faculty. In addition to these, we aim to develop black belt managers in Lean 6 Sigma Faculty Black Belt Development Program which was revised in 2016 and adopted as the preferred business methodology in Borusan. The Black Belt Development Program, which solely teaches Lean 6 Sigma Methodology, aims to develop skills such as change management, conflict management, facilitation, gaining the cooperation of others, and creating a positive perception.

## In-House Trainer Development Program



Across Borusan Group, all trainings are outsourced, with the exception of Lean 6 Sigma and the product trainings. We also specify individuals with skills to teach and transfer their own knowledge accumulation and expertise to others as 'Internal Trainers' in Borusan Group, and develop their trainer skills and enable them to transfer what they have to offer to other fellow Borusan members. To date, 102 white and blue-collar employees applied to this program.

### TARGETED GAINS

**ECONOMIC** Reducing training budget by replacing outsourced training courses with in-house training courses given by internal trainers.

**SOCIAL** Creating a cultural environment where people share their knowledge and expertise within Borusan Group and learn from one another.

**CORPORATE** Benefiting from our expert employees' potentials at maximum level, increasing motivation and the sense of ownership, creating a learning organisation, maintaining enriched business, and meeting expectations of the participants at the highest level.



## Borusan Lojistik Program of Creating a Feed Back Culture (+Value Project-Phase II)

After Borusan Lojistik acquired Balnak Lojistik company, in order to merge both companies' employees as one team and to establish the collective corporate culture that will carry our company to sustainable successful future, we initiated +Value Project at the end of 2014. Human Resources Department and Executive Management sponsored the study that covered approximately 1,285 employees at Borusan Lojistik offices.

To facilitate different corporate cultures and employee profiles to work together, we introduced workshops, class trainings and survey with a budget of TRY 780 thousand. In 2016, we supported this work with video messages, learning by experience, case studies and monitoring, and top management review and decision meetings.

All our office staff joined +Value Project

while the managers joined the Culture of Feedback Creation Program. Warehouse Operations Leaders who manage the blue-collar employees on the sites also participated. 105 Managers completed 9 trainings and 9 follow up work. We also organized 6 trainings for 120 employees among managers and leaders. The aim of these trainings was to create leaders who communicate with its team who are in the process of continues development by motivating, questioning and listening to them, and also celebrating their successes.

We plan to continue all practices initiated via this project including new suggestion system, performance culture, recognition and rewarding practices, open communication platforms, using "we" language, celebrating achievements and dissemination of feedback culture, in the following years as well.

### RESULTS AND GAINS

**ECONOMIC** We started experincing the positive impacts of open communication and instant feed backs of employees and managers on various platforms, on our business results

**SOCIAL** We were able to increase employee loyalty and motivation and maintain all employees from different units to work for mutual goals. We also contributed to our managers' competence in team management, leadership, feed back and performance communication.

— No matter what language you speak and which culture you are a part of, the first step of connection is to smile... —

ÇİĞDEM TELLİOĞLU

BORUSAN MAKİNA VE GÜÇ SİSTEMLERİ

mühim

tabiat

dünya

mümkün

niyet

adalet

ask

merhaba

huzur

#TheEarthIsOurHome

## EMPLOYEE RIGHTS

At Borusan Group companies, we promise fair, safe and healthy work environment for our employees and we guarantee that they practice all labor and human rights in line with laws and regulations. Business Ethics Rules policy guides our group regarding human and employee rights.

According to our business ethics rules and company policies, child labor and forced labor are strictly prohibited at group companies. To date, no incidents regarding violation of the freedom of association and union rights have occurred and none of our operations carry an obvious risk in this manner at group companies. As of 2016 end, 81.5% of our blue-collar employees are covered by a collective bargaining agreement. This ratio is %28 for all employees. (GRI 102-41)

Due to the nature of industries we operate in, Borusan Group companies are preferred mostly by male employees and thus, the ratio of women employees to all office employees was

16.5%. The ratio of women executives to all executives was 12%.

At Borusan Group, we believe that social and personal welfare reside in unconditional equality of women-men. Human resources policies based on opportunity and social gender equality constitute the basis for our human resources practices, while works aiming at raising awareness among stakeholders and the society are conducted.

For this purpose, we established the social equality platform named “Equal Borusan”. In the scope of this employee-initiative platform, we transform our language, perspective and the way we do business into an equal structure. We aim to create awareness in mind set via this transformation. Our objective is to form a happy and successful future where no social perception or role, especially gender, will prohibit equality. Details about this platform are located in the Women Empowerment section of our report.



## OCCUPATIONAL HEALTH AND SAFETY

At all Borusan Group companies, providing a safer, healthier work environment for employees, clients and suppliers is our business priority. In 2016, we continued risk analyses, performance measurements, trainings, practices and infrastructure improvements in accordance with our zero-occupational accident target. We provided 85,420 hours of OHS trainings to 7,460 people, including contractor employees.

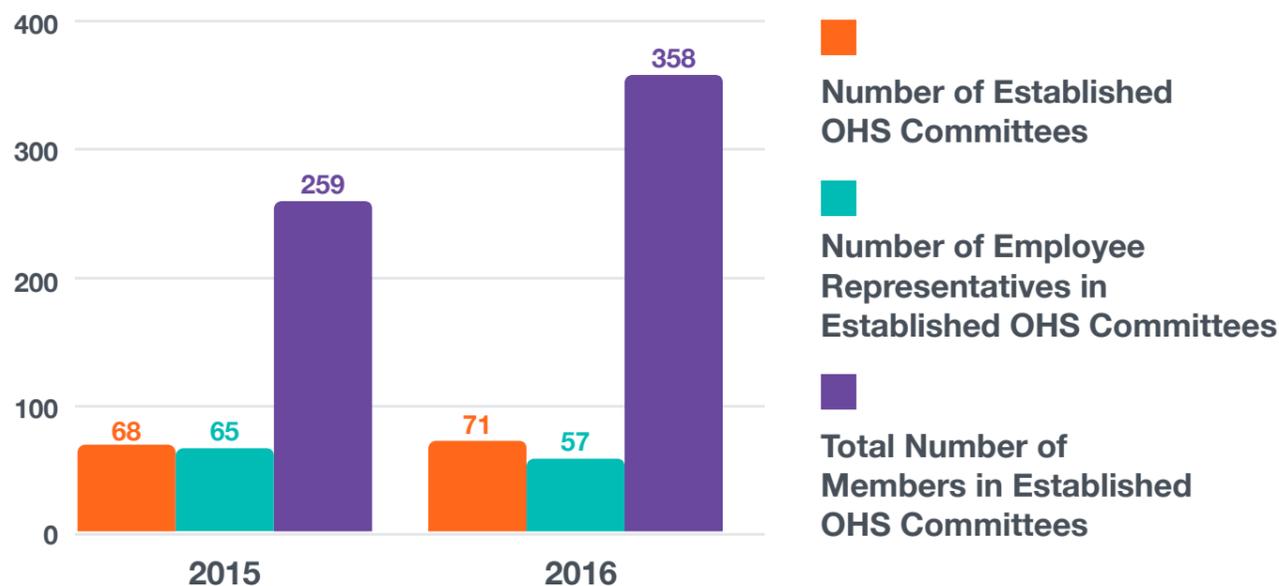
At all Borusan Group companies, we have Occupational Health and Safety (OHS) Committees that represent entire workforce. OHS Committees act as an internal communication mechanism where group employees

can convey their suggestions, complaints and expectations regarding health and safety. Suggestions from committees are one of the main enablers for the constant development of OHS performance.

In 2015, we intended to establish “Borusan OHS Group” in order to develop OHS culture among group companies and provide a platform where companies share their experiences and learn from each other. OHS trainings include 6% of all trainings across group companies. In the reporting period, we provided around 29 thousand hours OHS training to 8,500 people including sub-contractor employees.

## Our Companies and Locations With OHSAS 18001 Occupational Health and Safety Management System

- > Borçelik
- > Borusan Oto / Otomotiv
- > Borusan Makina ve Güç Sistemleri
- > Borusan Mannesmann
- > Kerim Çelik
- > Borusan EnBW Enerji Bandırma WPP
- > Borusan EnBW Enerji Fuatres WPP
- > Borusan EnBW Enerji Mut WPP
- > Borusan EnBW Enerji Kuru WPP
- > Borusan EnBW Enerji Harmanlık WPP
- > Borusan Lojistik
- > Supsan
- > Borusan Holding



## OCCUPATIONAL HEALTH AND SAFETY PRACTICES



— During the reporting period, we continued to develop projects regarding occupational health and safety at most of our companies. —

### Borçelik OHS Simulation Centre

In order to offer legally compulsory occupational health and safety trainings in a theoretical class environment, and help participants turn their unsafe actions into safe ones, our Management Systems department founded the OHS Simulation Centre in May 2016 with a budget of USD 50 thousand.

During the realisation of the project, there have been many works such as comparison visits, brainstorming to define simulation

stations, their design and production follow-ups, and scripting the scenarios of the trainings to be given. We aim to have around 1,000 stakeholders a year from Borçelik employees and visitors benefit from this project and measure their performance with a final test and pass it with at least 70 points. The applied trainings that we have included in the training program along with the legally compulsory trainings will take place every year at the OHS Simulation Centre with the participation of all of our employees.



## [SOCIAL PERFORMANCE] OCCUPATIONAL HEALTH AND SAFETY

### Borusan EnBW Enerji Working Safely Under Winter Conditions Program

For the winter conditions out in the RES and HES fields go highly adverse and risky, in order for field teams to work safely, and develop their skills in being able to make appropriate decisions to evacuate at the right time and manage the process effectively in emergency situations, and equip themselves with the necessary knowledge and experience for survival in case of being stranded, we have provided about 80 employees with two-day theory and application trainings in cooperation with AKUT and Securitas. Trainings took place in 2016 with a budget of TRY 30 thousand. The peri-

ods with heavy snow were deliberately chosen to make sure that the trainings were realistic. So even though this made the trainings more difficult, it also made them more effective.

In the upcoming periods, we aim to give the same training in new businesses and investment projects, and not only for the winter conditions, but also on how to act in cases of terrorist attacks or natural disasters like earthquakes, and on precautions that can be taken out in the field thanks to the connection established with AKUT, from the year 2017 on.



#### RESULTS AND GAINS

Our field teams developed their skills to be able to act more professionally in harsh winter conditions and take decisions that will not pose harm to themselves or to those around them.



### Borusan EnBW Enerji Safe Driving Program Specific for Company Teams

Because of the challenging road conditions in RES and HES fields where the employees need to travel very frequently, we aimed to inform all employees who drive vehicles about safe driving techniques and help them develop correct actions in order to prevent accidents. With a budget around TRY 40 thousand, we had specialist safe driving training companies give our 86 employees defensive and off-road driving courses in a one-day, two phases courses in April 2015 and 2016.

Instead of having an intensive course in one go, the HSE (Health Safety Environment) Department designed a safe driving program that aimed to keep the level of consciousness high by spreading the training over a period of time, and chose a number of companies that could offer relevant solutions to different teams. The program that was put together both allowed participants to experience the process on location by practice in the field, and develop their driving skills for all urban and country conditions.

#### RESULTS AND GAINS

All Borusan EnBW Enerji drivers developed their skills to be able to act more professionally and take decisions that will not pose harm to themselves or to those around them. We aim to continue this program with different trainings for certain other groups.

## BorusanEnBW Enerji Safety in One Minute Sharings



In all RES and HES operations under Borusan EnBW Enerji, Safely One Minute Shares took place among the activities under the leadership of HSE Department and the Operations to raise the OHS and environmental awareness that lasted for a year from March 2016 on.

Safety in One Minute Sharing is the first email the employees see when they open their mailboxes in the morning three days a week. This email contains an informative letter with images explaining the precautions to do

any job safely, and what they can do to work safely without causing other colleagues or the environment any harm. Every email body contains the phrase, 'Even a minute that you will spare for safety is so valuable for us.' The facility technicians who take part in this project prepare these shares with support from HSE Department, and publish on Monday, Wednesday and Friday every week. Its purpose is to make facility teams do research on the safe work topic, thereby indigenizing the process and making the learned information permanent.

### RESULTS AND GAINS

The Facility Technician who undertook the leadership of the project received the Borusan EnBW Enerji Distinguished OHS Application of The Year Award.

In 2017, we aim to turn this practice into safety calendar and publish it monthly to the entire company, and commence every meeting with a safety note special to that date along with the Safety Calendar. It is also in the plans in the upcoming years to have a printed version of this calendar given to everyone at the beginning of each year.



## Borusan EnBW Enerji Safe Living Training (OHS and Environmental Awareness Training)

Our technicians at Borusan EnBW Enerji Yedigöl Aksu Hydroelectric Plant built over Aksu River spotted local children posing dangerous actions around the plant. Therefore, we initiated an education campaign led by the plant and head office HSE Departments to increase awareness of children at İspir district schools and preventing potential threats around the plants.

Following the legal permits obtained from National Education Provincial Directorate, İspir District Governorship and İspir Municipality, we contacted ÇEVKO (Environment Protection Association) for the videos in the education material and CME (Chamber of Mechanical Engineers) for the booklets they prepared. By organizing OHS and Environment Awareness Trainings with tailored content for different children age groups, local conditions and safe living topics were pointed out.

1,501 students from all İspir District primary and middle schools were reached in 5-7 May 2016 with the contributions of 8 volunteers from which three of them were full-time Borusan volunteers.

### RESULTS AND GAINS

Target audience is reached by completion of the project. Children were raised awareness on dangers they may encounter at home, school, park, on the road and even at an energy plant, and the protection methods from these dangers.

In 2017, the aim is to repeat the project at İspir village roads during spring when the snow melts. On the other hand, the training is planned to be deployed to other seven Borusan EnBW Enerji plants in Tekirdağ, Çanakkale, Bursa, Balıkesir, İzmir, Mersin and Gaziantep.

## [SOCIAL PERFORMANCE] OCCUPATIONAL HEALTH AND SAFETY

### Borusan Lojistik OHS Academy

In Borusan Lojistik Şekerpınarı warehouse, we shared recorded unsafe actions and near miss situation videos with all warehouse employees during all shift trainings to reduce accidents originated from unsafe actions.



#### RESULTS AND GAINS

**ECONOMIC** Job efficiency increased due to reduction in occupational accidents.

**SOCIAL** Occupational safety awareness increased. 80% increase was recorded in the number of feedbacks from the staff. Near miss reporting numbers increased by 70%.

**CORPORATE** Employees motivation to work with safer attitudes increased.

### Supsan Automated Fire Extinguishing System Investment

We installed Automated Fire Extinguishing System in merchandise storage to intervene effectively in case of fire. We completed the sprinkling system investment installed on 1,150 m<sup>2</sup> land with a budget of TRY 60 thousand.

#### TARGETED GAINS

**ECONOMIC** To reduce potential fire risk and corresponding economic loss risk  
**SOCIAL** To ensure safety and security of staff and plant in case of a potential fire.  
**ENVIRONMENTAL** To minimize environmental risks in case of a potential fire.  
**CORPORATE** To improve corporate risk assessment result.



### Supsan Supsan Indoor Ventilation System Investment

We installed Indoor Ventilation System with a TRY 40 thousand budget in order to reduce the temperature in the factory during summer and improve indoor air quality. All internal stakeholders will be positively impacted by the investment which is completed by establishing two air sucking and one air blowing lines in the factory.

#### TARGETED GAINS

**ECONOMIC** To increase employee efficiency.  
**SOCIAL** To improve workplace conditions regarding OHS.  
**ENVIRONMENTAL** To blow out air through filtration.  
**CORPORATE** To increase employee satisfaction by improving indoors and air quality.

## Borusan

### Mannesmann Boru Gemlik

## Occupational Health and Safety Cultural Development Program



According to International Labor Organisation - ILO data, 88% of occupational accidents are caused by dangerous actions. At BMB Gemlik ERW (longitudinally welded pipe production), Gemlik SP (spiral pipe) and Halkali plants dangerous action based accidents occurred as 86% in 2014 and 80% in 2015 that entailed the oversight of a cultural development program to lead employees to safe actions and avoid these accidents. For the purpose

of accomplishing zero accident target and encouraging employees to work in line with occupational health and safety and environment protection principals; we initiated a program that will increase the OHS cultural level of employees for identifying and communicating dangerous situations, and taking precautions to fix/prevent these situations. After the launch of the program, the accident rate due to dangerous actions dropped by 13 points to 73%.

## The Practices Within The Program Scope Are

> **Safety Walks Sistemi** Safety Walks System involves all plant managers to lead OHS observations according to a plan in a predetermined area for 45 minutes simultaneously and as a group and record all dangerous situations and actions they identify. 60 Safety Walks are conducted at ERW and SP plants since the beginning of 2016.

> **Accident Visual Boards** We prepared accident visual boards and put them in several spots at the plant in order to constantly remind employees and ensure that they do not forget the

accidents that happened in 2015 and the probability that they might get hurt in one of them. Accident pictures and short briefs about how the accident has happened are included on the accident visual boards.

> **Dangerous Situation, Dangerous Action and Near Miss Notification System** The purpose of the notification system is to ensure that all near miss incidents, dangerous situations and actions are communicated and to encourage everyone to do so. The reports of these incidents and actions are the most

crucial tips to prevent accidents and do workplace improvement studies. We established an infrastructure in company portal for OHS notices and we continue our works for employees to send notifications through MES.

> **Reward - Punishment System** The objective of the practice is to define rewarding and punishment practices regarding OHS and environment protection in Borusan Mannesmann Boru. The intention is not to punish the employee but rather encourage her for safe behaviour. 756 employees are rewarded in 2016 who deserved "Zero Accident Bonus" personally and as a department.

> **OHS Forum Theatre** Dramatization or forum theatre technique is an impactful method for 75% of employees through learning by experience. By this technique, information is internalised by experiencing it and therefore will be recalled longer. In 2016, 3 forums for factory employees and 1 forum for office employees are organized. We decided to organize one more forum for those who couldn't previously participate due to excuses.

> **BMB 10 Golden Rules Guide** We compiled BMB 10 Golden Rules Guide by defining the most important safety rules at BMB plants regarding OHS. We

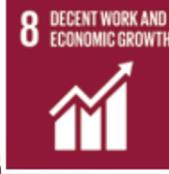
emphasized the most essential risks and intended to raise awareness of employees. By using employee pictures in the posters and brochures, we enhanced the impact of our work.

> **Crane Control Program and Team Establishment** We established a safe work system to prevent employees from occupational accidents caused during working with cranes. According to system, all crane operators check their cranes before each shift and for effectiveness reasons they record it in control form. We also check cranes everyday by a team of professional experts for technical controls.

> **Danger Hunt Competition - Mission Impossible!** The purpose of the game is to contribute to the development of OHS culture and get the support of employees in our battle against accidents. In Borusan Mannesmann where we began our journey with the slogan 'Everyone Will Be an Occupational Safety Expert One Day', we defined the target for the employees to work against occupational accidents as achievable likewise professionals in charge of occupational safety. In the competition held, teams of six people competed against each other and by rewarding each of them, we secured that this awareness raising competition is promoted.

## [SOCIAL PERFORMANCE]

### Borusan Mannesmann Boru Halkalı Occupational Safety Information Module Implementation for Factory Employees



**İş Sağlığı ve Güvenliği'ni bilirim diyorsan, sürpriz hediyelere hazır ol!**

15 Haziran - 15 Temmuz tarihleri arasında, 1 ay boyunca her gün, bilgisayarını açtığın zaman İş Güvenliği Modülü Ekranında göreceğin sorulara en çok doğru yanıt veren 10 kişiden biri ol, sürpriz hediyeler kazan.

**Sistem nasıl çalışıyor?**

- 1- Herhangi bir Mes ekranından İş Güvenliği butonuna basılır. Kullanıcı adı ve şifre girilerek seç butonuna basılır.
- 2- Mes Ekranında bulunan raporlar menüsünün altındaki uygulamalardan İş Güvenliği seçilir, kullanıcı adı ve şifre girilerek seç butonuna basılır.
- 3- Makinada vardiyayı başlatan operatör için sorular otomatik gelecektir.
- 4- İş Güvenliği sorusu ekrana gelir, cevapları seçimi yapılır ve kayıt sayfasına basılır.

NOT: Her vardiyaya başlangıcında 1 adet ve toplamda 30 adet soru değerlendirilmeye alınacaktır.

**BORUSAN MANNESMANN**

In 2016, we added Occupational Safety Module to MES Operator program which is mandatory for starting work and continuing production. Each time operators start their shifts, a question regarding occupational safety appears on the screen and before replying the question no information about production can be retrieved. Hence, we make sure the employee starts his shift considering a topic about occupational safety.

Through reports obtained from the module, we can monitor which employee answered which questions right or the rate of accurate replies given to any question. Thus, we can identify the level of knowledge and education need as a group or of each employee.

This practice enables employees to ask questions to one another, get an opinion and

share with each other during the day and even search on internet. In the first month of the initial stage of the practice, we organized an encouraging competition that measured the personal accomplishment performance. We rewarded the first 10 people who gave maximum correct answers with presents.



### Borusan Mannesmann Boru Halkalı Operating My Crane Safely Campaign

At Borusan Mannesmann Boru Halkalı Factory, steel roll plate raw materials, semi products and produced pipes are carried by ceiling cranes. A need to improve operators' competency levels for preventing danger posed by operator faults emerged because there are 56 cranes that carry very heavy and long loads intensively.

In this scope, we went through a list of all previous accidents, near miss incidents and identified unsafe actions and reviewed the root causes. Then, we prepared a visual presentation utilising experienced crane operators regarding the principles to pay attention while operating a crane and also, included all technical in-

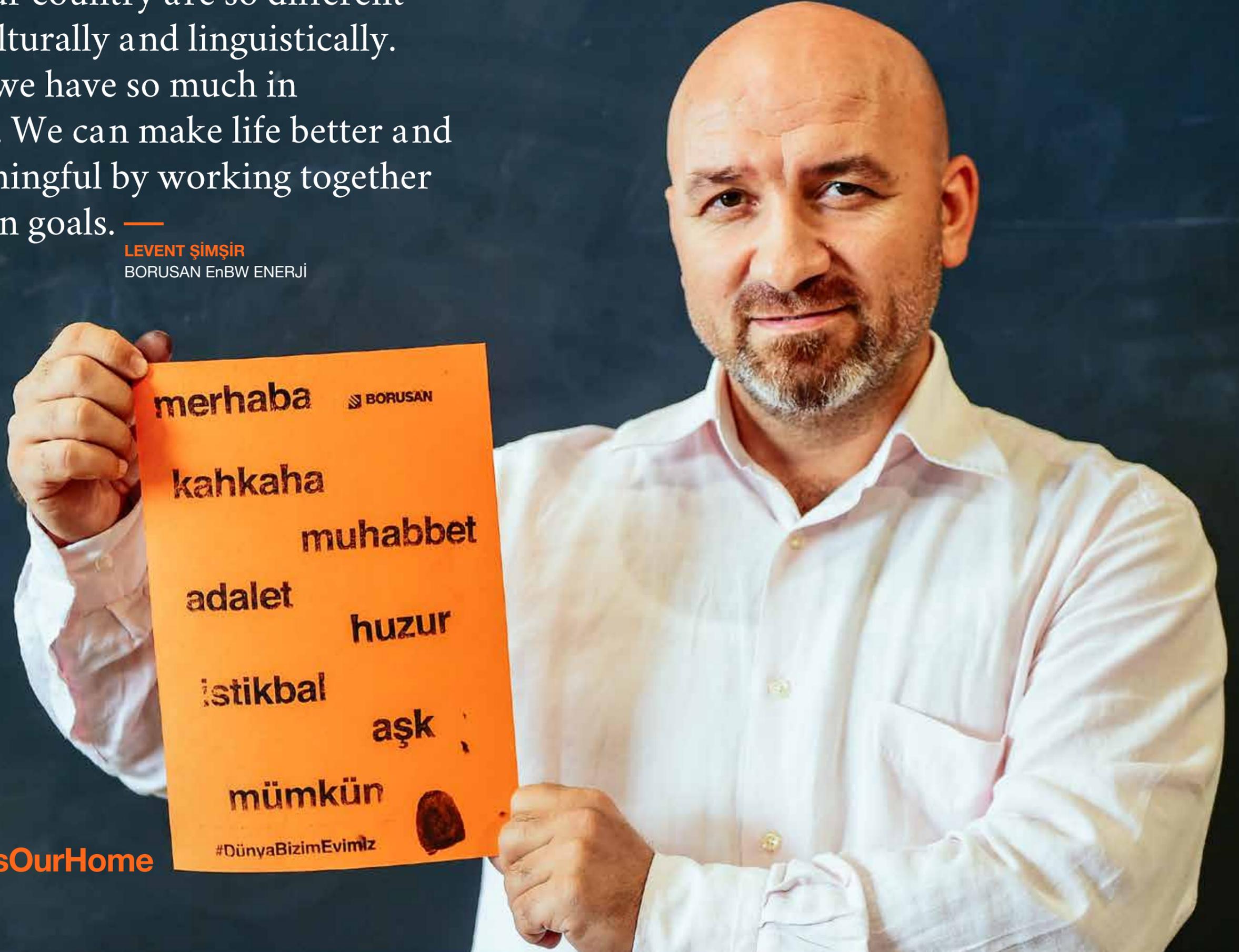


formation about cranes that each operator should know.

After the basic training about safe crane operation, we asked employees about the most essential principal/rule that needs attention in their opinions. We came up with 10 Golden Rules to be followed. Then we shot a video with some employees about these 10 Golden Rules and shared it with all the employees at the plant. We also prepared Operating My Crane Safely Manual bearing the same content and distributed to employees. We intent to reduce lost days and accidents by preventing near miss situations and dangerous actions during crane operations.

— We might think that Syrian people living in our country are so different from us culturally and linguistically. However, we have so much in common... We can make life better and more meaningful by working together on common goals. —

LEVENT ŞİMŞİR  
BORUSAN EnBW ENERJİ



#TheEarthIsOurHome

## CORPORATE RESPONSIBILITY

— Having worked his whole life to repay the debt of gratitude he owes to this country, the late Asım Kocabıyık’s approach of “returning what he got from the society to it with social project is adopted by each and every Borusan employee and it in here in the corporate culture. Today, this is the maxim of Borusan Holding’s social responsibility activities. —

## BORUSAN KOCABIYIK FOUNDATION

— Borusan Kocabıyık Foundation is the umbrella organization for Borusan Holding’s social responsibility activities in three areas and, in particular, it deploys resources when state provision is insufficient. In 2016, it set aside USD11 million for this purpose. —

As a leading contributor to society, Borusan conducts its corporate social responsibility activities in three areas: education, culture and arts, and the women empowerment. The principles and values of the late Asım Kocabıyık, Borusan Founder and Honorary Chairman, are the backbone of the Group’s identity as a responsible company. Having worked his whole life to repay the debt of gratitude he owes to this country, the late Asım Kocabıyık’s approach of “returning what he got from the society to it with social project is adopted by each and every Borusan employee and it in here in the corporate culture. Today, this is the maxim of Borusan

Holding’s social responsibility activities.

Borusan Kocabıyık Foundation, founded in 1992, ensures the effectiveness and sustainability of these activities. Borusan Kocabıyık Foundation is the umbrella organization for Borusan Holding’s social responsibility activities in three areas and, in particular, it deploys resources when state provision is insufficient. In 2016, it set aside USD11 million for this purpose. In addition, the Borusan Ocean Volunteers Platform, an initiative of Borusan employees established in 2008, is an important and unique social responsibility project.



## Borusan Kocabiyyik Vakfi Educational Activities



Borusan Kocabiyyik Foundation has a long-standing commitment to education, which Asim Kocabiyyik believed was crucial for determining Turkey's future. Borusan Kocabiyyik Foundation has built many schools: Borusan Otomotiv Zehra Nurhan Kocabiyyik Primary School, Gemlik Borusan Primary School, Borusan Asim Kocabiyyik Industrial Vocational High School, Kocaeli University Asim Kocabiyyik Vocational College. The Foundation has also provided major support to other projects, such as the restoration of Istanbul University's Faculty of Economics Library. In some cases, BKF directly supports the schools it has built while, in others, it does so indirectly through agreements with local governments to meet the schools' needs. Its activities include donating books to schools and, in 2016, it donated 7,575 books to the libraries of 41 schools across the coun-

try. Borusan Kocabiyyik Foundation also disbursed 133 scholarships to students studying in Turkey and abroad in 2016. Scholarships for classical music education are pivotal, with 26 students having benefited to date, and four current recipients. BKF also contributes to improving Turkey's educational sector by supporting platforms such as the Education Reform Initiative.

Borusan Kocabiyyik Foundation also coordinates Ertuğ and Kocabiyyik Publications, which publishes books of exquisite quality and content that focus primarily on the Ottoman, Byzantine, Roman and Hellenistic eras. The publication of these books, which contain scholarly articles and stunning photographs, is a joint project of Ahmet Kocabiyyik, Chairman of Borusan Holding, and architect-photographer Ahmet Ertuğ.



## Women Empowerment

Borusan believes that women have the same social and economic rights as men. Women comprise only seven million in Turkey's 37 million working population and one in five Turkish women lives in poverty. According to the World Economic Forum's Gender Equality Index, women hold only 12% of administrative positions in Turkey.

In response, Borusan supports its women employees as a matter of company policy, promoting gender equality, and it provides infrastructure and financial support to enable women in other sectors of society to participate in professional life. Borusan develops its projects in the belief that the women empowerment in economic and social life is a prerequisite of a sound economy, a more equal society, development, sustainability, human rights, and a rising quality of life.

Borusan's human resources policies have made significant headway in eliminating

sexual discrimination and in providing equal opportunity for the professional development for all employees.

As in Turkey overall, the number of female employees at Borusan working in technology, engineering and management is low and there are hurdles to hiring women for factory employee positions. Borusan established its "Equal Borusan Social Equality" platform to tackle these issues.

Moreover, Borusan has signed many relevant protocols and commitments, the first and foremost being the UN Women's Empowerment Principles.

Borusan was elected and invited to be a member of the UN Women's Empowerment Principles Leadership Group in 2015, becoming the first and only Turkish company to achieve this status. Through its work on women's empowerment, it has become a leader of the cause, not only in Turkey, but the world.



## Equal Borusan Social Equality Platform

Operational since November 2015, the Equal Borusan Platform raises the awareness of Borusan employees to the subject of gender equality. It aims to instill male and female equality in a range of areas, from human rights policies to communication, in employees' minds and not only on paper. The purpose of the platform is to build a happy and successful future where gender roles and perceptions do not impede equality and diversity.

"Equal Borusan Equal Society' platform priorities are; working to main-

tain full support of all management levels; challenge, impact and develop company and HR policies; play an active role in commissioning national and international treaties and principles; develop suggestions to change discriminatory statement, practice and actions.

The platform is nonhierarchical, has company management support and is open to everyone. It functions to bring about concrete change in four working groups: research, education, human resources and communication.



## I Have a Goddaughter in Anatolia, She Will Be a Teacher!



As Borusan Lojistik, we decided to give scholarships to 20 girls who receive education outside İstanbul for helping women to have occupations and strengthening their positions in society by supporting their education. We donated TRY 19 thousand to Association for Supporting Contemporary Life (ÇYDD). We intend to meet the educational needs of 10 girls who receive education in Anatolia through ÇYDD every year.



## My Mom's Job is My Future Project

Among Borusan's most important women's empowerment projects is My Mom's Job is My Future. Research shows that childcare provision is crucial for improving the employment of women in Turkey.

This long-term Project, launched in cooperation with the Ministry of Family and Social Policies and the Ministry of Science, Industry and Technology, addresses this issue by building early childcare and education centers, called Borusan Joy Factories, for children aged between 0 and 6. These centers facilitate women's employ-

ment in companies in 10 organized industrial zones in 10 provinces of Turkey and provide their children with modern education.

In 2016, My Mom's Job is My Future won a social responsibility award in the Golden Compass Public Relations Awards, sponsored by the Turkish Public Relations Association and the United Nations named it an exemplary project. By the end of 2016, the project had opened Borusan Joy Factories in Adiyaman, Afyonkarahisar, Malatya and Balikesir.

## Borusan Holding Micro Finance Branches



In 2009, we opened our first Micro Finance Branch in Afyonkarahisar, the birth place of our founder and honorary president Asım Kocabiyık, in order to realize our goal to support women entrepreneurs. The second Micro Finance Branch is opened in 2013 in Bursa, Gemlik where Borusan Holding owns a large industrial campus including a port. To date, we provided TRY 5.5 million loans to women entrepreneurs through both Micro Finance branches to support them for establishing and developing their own businesses. In 2016, number of women entrepreneurs who received micro finance loans reached 2,800.

## Let's Code, Girls! Project



Borusan launched the Let's Code, Girls! project to enable girls to develop computer skills compatible with the 21st century information technology era and to take steps towards a future of equality.

The project, conducted in March 2016 at the Borusan Gemlik campus, targeted plant employees' girls aged between 7 and 14. In the first phase, the project taught 60 girls how to code with classes in the fundamentals

of electronics, gaming, animation and story programming, and simple robot design using basic electronic modules and 3-D printing integration. The girls came up with interesting and creative projects as a result of their training.

The project was extended to include the children of employees at the Borusan plants in Sefaköy and Halkalı and an additional 90 girls aged between 7 and 14 received computer programming training at these campuses.

Borusan collaborated with the UK-based KızCode (GirlCode), which demonstrated its success by winning the best social responsibility initiative award from the Ministry of the Interior and the Universities Association in 2015. The Let's Code, Girls! project won the International Corporate Social Responsibility award as part of the International Young Entrepreneurs and Leaders platform's 2nd International Corporate Social Responsibility (ICSR) Awards.



## A Corporate Volunteering Initiative: The Borusan Ocean Volunteers Platform

Founded in 2008, the Borusan Ocean Volunteers Platform enables Borusan employees to direct their knowledge and skills into social responsibility projects in the fields of education, culture and arts, the environment, and human rights.

In 2016, the platform conducted 3,772 hours of volunteer activities with the participation of 599 volunteers. Borusan

Group companies and their employees unceasingly work towards repaying their "debt of gratitude to the country."

Borusan Ocean Volunteers Platform often collaborates with NGOs on projects, including blood donations, book donation drives, shore and sea cleaning, book reading for the blind, mentoring, and school friending programs.

## Borusan Makina ve Güç Sistemleri Vocational High School Coaches

Vocational High School Coaching Program is a corporate social responsibility practice led by Private Sector Volunteers Association initiated for the volunteer coaches chosen among employees to serve for 2 years.

The purpose of the program is to create lasting collaborations between companies and vocational high schools, allow relationships that begin with coaching practices to turn into opportunities like internship or employment provided to students, and supporting other investments that might be done in vocational high schools in the long term.

In 2016, nine of our employees actively worked project under the leadership of Borusan Mak-

ine ve Güç Sistemleri Ocean Volunteers and performed volunteering activities with a budget of TRY 1,550 in excess of the 50-hour target. They met and had coaching activities with 45 students which included students from Mimar Sinan Industrial Vocational High School's Machinery Plant & Equipment Department.

In the meetings that took place in three week intervals, studies were done with students on topics such as Safely Toward the Target, Time Management, Continuous Learning and Development, and Responsible Citizenship. Experiences were transferred, and guest speakers shared their success stories. We are aiming to continue this program until 2018.



### RESULTS AND GAINS

**ECONOMICAL** We believe that this program will help grow business people who will add value to the country's economy in the long run.

**SOCIAL** We supported the vocational high school students in their attendance to their schools, their success stories, profession gaining, and professional and personal developments by introducing them to people who could be role models to them.

**CORPORATE** Another new and effective practice has been initiated in Borusan Group which stands out with the importance it gives to contribution to community

## Borusan Otomotiv Group We are Against Ignorance! Target is 2,000 Books!

The survey we conducted among Borusan Otomotiv Group employees brought out a demand from Ocean Volunteers to focus on producing projects for children. This led us to a decision to start a library project. As a first step, we spotted a school without a library and made a shortage and requirements list for it. We started the process of supplying the equipment such as the bookshelves, desks, chairs, maps, computers etc to be placed in the library.

In addition to our 30 employees who are active supporters, a number of our external stakeholders also volunteered to support the project: U-Medya Film Productions, Roka Davet, Meta İnşaat, Boogy Event, Smartis and Akmanlar Grup also donated books.

We aspired to spread this book donation campaign operation to all Borusan Otomotiv branches nationwide. To achieve that, we gathered the list of books suitable for curriculum in a link with the help of a mobile web page designed by a partnership of hepsiburada.com and made it possible for everyone to be able to donate books online.

In the short film prepared for the book donation campaign awareness, we placed "I Am Against Ignorance! Target is 2,000 Books!" messages from various levels of employees in Borusan Automotive. At the same time the film was webcast in Facebook as advertised content, which enabled non-Borusan Otomotiv people donate books as well.



### RESULTS AND GAINS

**ECONOMICAL** We built a 2,000-book library together with its equipment inventory for just TRY 5,000 from company budget.

**SOCIAL** We built a library comprising modern and up-to-date books where approximately 750 students who study in Istanbul Küçükçekmece İnönü Secondary School can benefit from.

**ENVIRONMENTAL** The library also contained books with content to feed environmental awareness.

**CORPORATE** Thanks to this campaign, a sense of volunteering for a common cause developed among the employees of Borusan Otomotiv Group. The Ocean Volunteers have further plans to realise another library project in a different school in 2017



## Mini Projects for Special Children

### Borusan Lojistik ITO/Joyful Hands Garden



In order to help mentally and physically handicapped children get the rehabilitation they need through engagement with nature, and increase their life quality however marginal it may be, we have organised seed balls, garden planting, wish tree decoration, fence and ground painting activities in Istanbul Chamber of Commerce - İTO 's Special Education Practice Centre in Pendik.

For this project through which we have accessed to 225 kids, we dedicated a TRY 5,000 budget. Our co-operating project partner Çekül provided the materials and practical guidance for the activities. We are aiming to realise further projects as per the needs of the children there at the Rehabilitation Centre.

### Borusan Makina ve Güç Sistemleri

### LÖSEV Booth

Our Ocean Volunteers at Borusan Makine ve Güç Sistemleri Adana Branch stepped forward and put up a booth in their office to create awareness for leukemia disease and raise money for Lösev (The Children with Leukemia Foundation), and informed their fellow colleagues of Lösev's mission and activities. The TRY 1,600 raised through the toy sales made at the booth on behalf of Lösev was handed over to the foundation officials. We intend to put up the Lösev booth every year.



## Gemlik Means Borusan for Us

Borusan has been investing and working in Gemlik for 40 years. From one of its most important production sites, it has invested in social, cultural and educational projects for the town of Gemlik. As part of this, it established a tradition of providing a public evening meal during Ramadan at the Gemlik Dock Square, which was attended by thousands. Borusan again held the Gemlik Olive Festival in a celebration of one of the town's most precious products.



In conjunction with the Gemlik Municipality and the Cinematic Culture and Art Association, Borusan organized the Borusan Gemlik Children's Festival, where children and their families enjoyed the nostalgia of an outdoor cinema.

## CULTURE AND ARTS ACTIVITIES

teamLab  
Cold Life  
2014  
Digital work, 7'8", loop  
Calligraphy: Shige

Cold Life is a calligraphic series of brushstrokes, realized in a virtual three-dimensional space and reformulating the Japanese character "生" (meaning "life") into a tree. As time passes, various forms emerge and grow from within the organic topology. In computer graphics, objects are rendered into 3D objects, teamLab converts 2D rendering in its stripped-down state while maintaining a high complex and intricate construction.

### Borusan Contemporary

Borusan transformed Yusuf Ziya Pasha Mansion, in Istanbul's Rumelihisari neighborhood, into a contemporary art museum, the Borusan Contemporary, in commemoration of the mansion's centenary. Also known as the Perili Köşk (The Haunted Mansion), the building is Borusan Holding's headquarters on weekdays and, on the weekends, it hosts public exhibitions for art aficionados' delectation.

Borusan Contemporary held five exhibitions in 2016. Details of these exhibitions take place in our web site. In 2016, the workshops that accompany Borusan Contemporary exhibitions ran throughout the year, offering art activities to children and adults.

### Borusan Istanbul Philharmonic Orchestra

For 20 years, Borusan Sanat has endeavored to foster love for the arts and music in the Turkey. Now, it has established itself as an influential institution making its mark on classical music in Turkey. At the core of Borusan Sanat's activities is the Borusan Istanbul Philharmonic Orchestra (BIPO), which comprises some of Turkey's best classical musicians and has set its sights on becoming one of Europe's leading symphony orchestras. Borusan Sanat is also the operating body for the Borusan Quartet, the Borusan Children's Choir, the Borusan Music House, and Borusan Klasik, an Internet-based classical music radio station.

BIPO reaches nearly 25 thousand concert-goers a year through monthly concerts and, under its artistic director and principal conductor, Sascha Goetzl, it completed a busy 2016 program. Details of these events and concerts take place in our web site.



— We met with a youth laden with science and art contrary to the stereotypical figures that comes to our minds when we think of Syrian immigrants living amongst us. Uncovering the rich vocabulary common in both our languages was like discovering the intersection of separate clusters. —

**MESUDE TAPKAN**

BORUSAN MAKİNA VE GÜÇ SİSTEMLERİ



**#TheEarthIsOurHome**

# [environmental performance]

— At Borusan Group companies which are leaders in different industries, we aim to develop efficient products and services that respect environment and deliver the highest benefits for users and we engage in various environmental practices that help reduce natural resource and energy consumption, waste production, and carbon footprint. According to the environmental sustainability strategy determined by our Holding, we implement practices across the entire group which will alter the risks associated with climate change into opportunities and apply a proactive approach to reduce environmental impacts of operations. We support activities and trainings that increase the environmental awareness in the community and among employees in order to deploy environmental consciousness in our organization and the value chain. —

## [ENVIRONMENTAL PERFORMANCE]

### Borusan EnBW Enerji Ornithological Observation Studies during Construction and Operation Stage



During the construction and operation stage of Balabanlı, Koru, Fuatres and Kartaldağı Wind Power Plants, Investments and Operations Departments initiated ornithological observations for 2 years to minimize environmental impacts, observe wildlife around the plants and maintain sustainability.

Studies were carried out during Spring and Fall with a USD 50 thousand budget. Ornithological observations were conducted and reported in cooperation with Akdeniz University. The turbines sometimes are stopped when necessary by the direction of experts in order to eliminate negative impacts on birds.

#### TARGETED GAINS

**ENVIRONMENTAL** Sustain wildlife, primarily birds, in the region.

**SOCIAL** Contribute to the preservation of national values by complying with environmental and social procedure and conserving the environment.

**CORPORATE** Continue with the observation in the following years if required by experts and official institutions.

### Borusan Lojistik Target of 1 Million Trees



As Borusan Lojistik, with the objective of carbon footprint reduction works in the scope of our combat against climate change policy, we aimed to plant 1 million trees. Since 2011, for the project that is carried out with a budget of TRY 6.5 million in İzmir Ödemiş, and the objective to eliminate the environmental damage caused by the industry, Çekül oversees plotting, planting trees and maintenance works. We completed the planting of 590 thousand trees by the end of 2016.

#### RESULTS AND GAINS

**SOCIAL** Toplum için daha yeşil bir çevre ve daha temiz bir hava yaratılmasına katkı sağladık.

**ENVIRONMENTAL** We helped restructuring and preservation of İzmir-Ödemiş habitat.

**CORPORATE** We corroborated the perception of 'Green Player of the Grey Industry' and eco-friendly company.



### Borçelik One Sapling for One Coil Project

For each coil produced at Borçelik, a sapling is grown. These saplings are grown in a facility built on a 2,000 m2 site within the factory premises. General Directorate of Forestry data show that 2,350,000 trees burned each year in the last decade across 97,000 hectares of forest area. Therefore in 2016, Borçelik Corporate Communication Department took voluntary action in cooperation with Greenhouse and Plant Growing Club to plant trees.

We intend to create forest areas by growing 200 thousand saplings each year for 5 years with a budget of TRY 100 thousand and 1 million trees in total. The grown saplings are gifted to schools, universities, public institutions, municipalities, clients and factory employees for planting. The saplings not distributed during the year are donated to Regional Directorate of Forestry with the provision to plant.

#### TARGETED GAINS

**ECONOMIC** Supporting villagers to gain income through stone pines in the long run.

**SOCIAL** Encouraging tree planting, enjoying nature and enhancing social responsibility consciousness

**ENVIRONMENTAL** Building forests by forestation of appropriate lands, preserving nature

**CORPORATE** Corroborating the eco-friendly company image of Borçelik

## ENVIRONMENTAL PERFORMANCE

# ENERGY MANAGEMENT AND COMBATTING CLIMATE CHANGE

— Every year at Borusan Group companies, we develop innovative solutions to cater for the purpose of using energy efficiently, reducing green house gas emissions and fighting against climate change. With our renewable energy generation investments which play an important role in reducing risks of climate change, we prevented about 666 thousand tons of CO<sub>2</sub> emissions in 2016. —

We intend to reduce our group's carbon footprint constantly through energy and emission management practices we initiate. We define strategies that turn environmental risks into opportunities at group companies, and achieve solid results such as energy saving, material and natural resource efficiency by means of our good practices.



## Borçelik

### Project to Reduce Energy Consumption

A new system was launched with a budget of USD 25 thousand in 2016 to reduce production cost via monitoring and reducing energy consumption in RCM –reversible cold mill lines. Hence, cost reduction and energy consumption reduction in un/planned stoppage of the RCM lines that consist of 44.5% of the total installed capacity are targeted.

#### RESULTS AND GAINS

While saving USD 130 thousand annually, approximately 715 tons CO<sub>2</sub> emissions are prevented. In addition, production and maintenance software is produced for monitoring energy consumption model in the scope of the project, which supports our strategy to reduce costs by maintaining energy efficiency.



## Borçelik

### LED Lighting Automation



In 2016, LED fitting transition is done with a budget of USD 44 thousand to utilize daylight in lighting and prevent fittings to be on while the daylight is adequate at 3 halls of Borçelik production line, and to comply fully with TS EN 12464.

#### RESULTS AND GAINS

The return on investment duration was 9.6 months. Work conditions improved due to compliance with TS EN 12464. Energy saving of 45,700 kWh/month for the 3 lines is achieved.

## [ENVIRONMENTAL PERFORMANCE]

### ENERGY MANAGEMENT AND COMBATTING CLIMATE CHANGE



#### Borçelik

### Reducing Natural Gas Consumption at Regeneration Plant



Since failures and unplanned stoppages at hydrochloric acid regeneration plant increase natural gas consumption, for reducing it and stabilizing production, an improvement project has done in 2016 with a budget of USD 10 thousand. During the project operational practices and maintenance rules are reviewed. Alarm limits are determined for critical parameters. Automation system is built to save process data continuously. We set our target for the natural gas consumption which is 120 sm<sup>3</sup>/m<sup>3</sup> HCl to be 108 sm<sup>3</sup>/m<sup>3</sup> HCl.

#### RESULTS AND GAINS

By decreasing natural gas consumption and reducing equipment cost saved us USD 200 thousand in annual terms. HCl regeneration capacity is increased to reduce HCl disposal and consumption amounts. Also, 1,372 kCO<sub>2</sub>/year emission is prevented.



#### Borusan Lojistik

### We set our targets with 'The Green Player of the Grey Industry' motto!

In order to reduce carbon emissions, we initiated a program with our suppliers named 'Quick Card'. We make 24 million litres of petrol sales with this card each year. This number shows us that half of our suppliers quit using number 10 lubricant as petrol and instead began using diesel.

#### RESULTS AND GAINS

We prevent 33,294 tons of CO<sub>2</sub> emission yearly by this incentive.



### Borusan EnBW Enerji Good Energy Trainings for Future Generations

In order to increase the level of consciousness about wind power at the two premises of Borusan EnBW Enerji, Renewable Energy Resources and Energy Efficiency Tips training is provided to primary and vocational school students in 2016 May by our six employees.



30 students from Murat Hasan Orhan Primary School near Balabanlı WPP and Çanakkale Vocational School near Koru WPP completed their trainings with a visit to Wind Power Plant after receiving 1-hour theory training.

#### RESULTS AND GAINS

Knowledge and interest levels of the target audience increased. We plan to give these trainings regularly every year and train 400 new students in 2017.

#### Borusan Lojistik

### LED Conversion of the Lighting Systems in Port Area and The Cranes



In order to reduce the illumination costs and improve on the legally mandatory illumination levels in Borusan Port thanks to the energy savings up to 80%, we started the LED Conversion Project, the first phase of which was completed in 2012-2013 period. With the initial budget of USD 288 thousand, we had our suppliers carry out field tests and measurements, and made custom LED fittings. We dedicated a budget of TRY 1.3 million for the continuation of the conversion in 2016.

#### TARGETED GAINS

**ECONOMICAL** We switched to a higher efficiency, longer life illumination type which will save 1.5 million kWh energy every year. (This new system has up to 20 years of operational life, with first 5 years under manufacturer's warranty.)

**ENVIRONMENTAL** We contributed to Green Port works. We adopted systems that are more environmentally conscious, less energy consuming, producing less harmful waste, and lasting longer in operational life. With this system, 665 tons less CO<sub>2</sub> emission will occur compared to the old system.

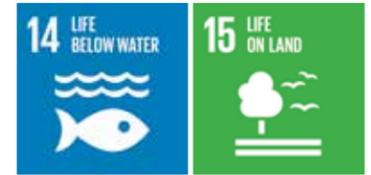
**CORPORATE** It is an example application for offering cost advantages, helping build a better working environment and increasing employee satisfaction, and serving our green port targets.

## WASTE MANAGEMENT

— As Borusan Group which involves the leading companies of steel, dealership, logistics and energy industries, we act with the responsibility to protect the environment where we work and live in. —

We intend to minimize the negative environmental impacts of our companies' operational processes from product and service design and production to delivery and marketing phases. We extend the scope of practices that involve processes such as reduction of natural resource usage including water consumption and prevention of waste at its source.

### Borusan EnBW Enerji Construction Phase Waste Management



For minimizing environmental impacts and effectively monitoring environmental processes during Kartaldağı Wind Power Plant construction that was started in June 2016, work led by Investments and HSE (Health, Safety, Environment) Departments has commenced.

Within the framework of Kartaldağı WPP project, for preserving soil and natural resources; intervention plans are made

against leakage and eruption risks, necessary equipment is supplied, and on-going matters are conveyed to operation team to ensure the process is seamlessly carried out in the future. Besides, waste during the construction stage to be disposed without harming the environment, hazardous waste to be carried away from the site by registered companies, and recyclable waste to be handed to licenced companies are managed.

#### RESULTS AND GAINS

Besides creating awareness of environmental protection both in the investment team and the teams of contractors and subcontractors, contribution is achieved in compliance with environmental procedures and preserving national values.

### Borçelik Improving Process of Degreasing from Waste Oil Water



A need for an improvement in the degreasing process of the contaminated waste water arose due to the increases in the waste oil water ratio and the cost of the chemicals in the treatment unit. Emulsion process was revised through a Project by Auxiliary Units with a 3,500 TL investment. The inputs were standardised through measurable data, thereby maintaining the same quality of emulsion in each operation. This increased the emulsion volume, and reduced monthly emulsion numbers.

#### RESULTS AND GAINS

The employee motivation increased thanks to the reduction of the workload. The efficiency in waste oil increased, the use of chemicals decreased. The cost of chemicals is reduced by about 40%. The return of the 5 months following the Project was USD 2,800.

# WATER MANAGEMENT

— At Borusan Group companies, we develop innovative solutions for the objective of using water efficiently, reducing water consumption through reusing the water treated for our production processes and discharging waste water without creating any threats to the environment. —

At Supsan, with a project to reduce water consumption in 2015, we reduced our 12 thousand tons of water usage to 11.5 thousand tons in 2016. With another project to treat spiral waste water at BMB, we could discharge the waste water to BUSKİ waste water treatment facility.

## Borçelik

### Waste Water Disposal Efficiency Project

The Auxiliary Units had a new pool built in December 2016 with a USD 40 thousand investment as the waste disposal costs increased due to an increase in discharge water parameters in Borçelik treatment facility (namely chemical oxygen demand and iron). This prevented the additional cost induced by the rinsing waters sent from the CGL1 Continuous Galvanizing Line for disposal, while making the iron dust settle within the sedimentation pool.

#### RESULTS AND GAINS

Flow rate control of the waste water coming from the production lines was achieved. The discharged water legal parameter performance was improved. Disposal costs were reduced to about TRY 10 thousand per month.



## Borçelik

### Reverse Osmosis Waste Water Recovery Project

Industrial water recovery was targeted from the waste water of the existing reverse osmosis water demineralisation unit by reducing water consumption to protect the underground water resources. During this USD 50 thousand project that lasted from August 2016 until the end of the same year, waste water flow rate measurements and analyses were carried out, and the infrastructure works for the waste water recovery unit were completed.

In Borçelik, we have finished the installation of a new RO system for the reuse of the waste water that is ejected from the reverse osmosis system that filters the well water. With this plant, we targeted to regain 40% of the RO waste water with a flow rate of 25 cubic meters per hour, which comes out of an RO system where the water consumption is 90 cubic meters per hour.



#### RESULTS AND GAINS

- > We have managed to regain water at the flow rate of 13 m<sup>3</sup>/h from a new RO system which uses waste water at the flow rate of 25 m<sup>3</sup>/h.
- > We have increased the quality of unprocessed water by transferring the end product water to the unprocessed water pools.
- > Thanks to the rise in the quality of the water that enters the system, the acid and caustic consumption has been reduced by 20%.
- > In 2016 in 10 months alone, we have managed to reduce our water consumption by 108,291 cubic meters, which amounts to 17% of saving in water.

# [appendices]

## MEMBERSHIPS

17 PARTNERSHIPS  
FOR THE GOALS



INSTITUTION	COMPANY NAME
ADR-Türk	Borusan Oto
Anel Doğa	Borusan Oto
ALICE (Alliance for Logistics Innovation Through Collaboration in Europe)	Borusan Lojistik
Heavy Logistics Association (AND)	Borusan Lojistik
White Goods Supplier Association (BEYSAD)	Borçelik
Bursa Industry and Business Association (BUSİAD)	Borçelik
Bursa Chamber of Commerce and Industry	Borçelik
Turkish Steel Pipe Manufacturers Association (ÇEBİD)	Borusan Mannesmann
Steel Exporters' Association (ÇİB)	Borusan Mannesmann
Turkish Green Building Council (ÇEDBİK)	Borusan Mannesmann
Railway Transport Association	Borusan Lojistik
Turkish Marine Environment Protection Association (TURMEPA)	Borusan Holding
Foreign Economic Relations Board (DEİK)	Borusan Holding, Borusan Mannesmann, Borçelik
Education Reform Initiative Platform	Borusan Kocabıyık Vakfı
Electricity Producers Association	Borusan EnBW Enerji
Energy Commerce Association	Borusan EnBW Enerji
Gemlik Chamber of Commerce and Industry	Borçelik
Global Relations Forum Association	Borusan Holding
Economic Development Foundation	Borusan Holding
İstanbul Minerals and Metals Exporters' Associations (İMMİB)	Borusan Mannesmann, Borçelik
Istanbul Chamber of Industry	Borusan Oto, Borçelik

INSTITUTION	COMPANY NAME
İstanbul Chamber of Certified Public Accountants (ISMMMO)	Borçelik
Materials Handling, Storage & Industrial Equipment Association (İSDER)	Borusan Makina ve Güç Sistemleri
Turkish Business Council of Sustainable Development (SKD)	Borusan Holding, Borçelik, Borusan Lojistik
Construction Machinery Manufacturers and Distributors Association (İMDER)	Borusan Makina ve Güç Sistemleri
Boiler and Pressure Vessel Manufacturers Association	Borusan Mannesmann
Corporate Communication Professionals Association	Borusan Holding
Corporate Risk Management Association	Borusan Danışmanlık
Chamber of Mechanical Engineers	Borçelik
Automotive Distributors' Association	Borusan Otomotiv
Authorized Automotive Dealers Association OYDER	Borusan Oto
Private Sector Volunteers' Association	Borusan Holding
Turkish Personnel Management Association	Borçelik, Borusan Otomotiv
Pet-Der	Borusan Otomotiv
SAHA Association for Supporting Contemporary Life	Borusan Holding
Association of Automotive Parts and Components Manufacturers (TAYSAD)	Borçelik
Supply Chain Management Association	Borusan Holding
TEMA Foundation	Borusan Holding
All Auto Leasing Institutions Association (TOKKDER)	Borusan Otomotiv Premium Kiralama
Tümaküder	Borusan Otomotiv

INSTITUTION	COMPANY NAME
Turkish Tunneling Society	Borusan Mannesmann
Turkish Industrialists and Businessmen's Association	Borusan Holding, Borusan EnBW Enerji
Turkish Constructional Steel Association (TUCSA)	Borusan Mannesmann
Turkish Ethics and Reputation Society	Borusan Danışmanlık, Borusan Otomotiv
Turkish Internal Auditing Institute Association	Borusan Holding, Borusan Lojistik
Turkish Exporters Assembly (TİM)	Borusan Mannesmann
Turkish Personnel Management Association	Borusan Holding
Turkish Quality Association (KALDER)	Borusan Holding, Borçelik, Borusan Lojistik
Turkish Corporate Governance Association	Borusan Holding, Borusan EnBW Enerji
Port Operators Association of Turkey	Borusan Lojistik
Turkish Employers' Association of Metal Industries	Borçelik
The Union of Chambers and Commodity Exchanges of Turkey (TOBB)	Borusan Mannesmann
The Union of Chambers and Commodity Exchanges of Turkey Energy Assembly	Borusan EnBW Enerji
Turkish Wind Energy Association	Borusan EnBW Enerji, Borusan Lojistik
Third Sector Foundation of Turkey	Borusan Kocabiyik Vakfi
English Chamber of Commerce in Turkey Association	Borusan Holding
Association of International Forwarding and Logistics Service Providers (UTİKAD)	Borusan Lojistik
International Investors Association (YASED)	Borçelik
UN Global Compact Turkey Network	Borusan Holding
UN Women Empowerment Principles (WEPs)	Borusan Holding
Turkish Constructional Steel Association (TUCSA)	Borçelik
YenidenBiz	Borusan Holding

AWARDS			
AWARD NAME	AWARD INSTITUTION	AWARDED COMPANY	AWARDED PROJECT NAME
<b>CORPORATE</b>			
Competency in Excellence	KALDER - 25. Quality Congress	Borusan Holding	Uludağ University Gemlik Asım Kocabiyik Vocational School
Best in Class B2B	The Interactive Media Awards™	Borusan Holding	Borusan Holding - Web Site
Best Service Producer Supplier	Siemens Supply Chain Management	Borusan Lojistik	Institutionalism, Productivity, Solution Orientation
Business Models that Make a Difference	Koç Group	Borusan Lojistik	Arçelik Outdoor Delivery Innovation Project
Best Pipe Producer	American Metal Market (AMM)	Borusan Mannesmann	Production, Operational Excellence, New Product Development, Traceability, Productivity and Occupational Safety
Innovation	KoçGroup Company Zer A.Ş.	Borusan Lojistik	Zer - Arçelik Outdoor Delivery Project
<b>SOCIAL</b>			
2nd International Corporate Social Responsibility (CSR) Award	International Young Entrepreneurs and Leaders (JCI) platform	Borusan Holding	Let's Code Girls! Project
Most Successful Volunteer Project	Borusan Holding	Borusan Lojistik	ITO Joyful Hands Project
Golden Glove Award	MESS	Kerim Çelik	OHS Practices
Success in HR Projects that Make a Difference	PERYÖN	Borçelik	Hobby Clubs

AWARDS			
ECONOMIC			
Economic Value Contributors Award	BTSO	Borçelik	Metal Industry Winner
Economic Value Contributors Award	BTSO	Borçelik	Export Category
Power Contrinutors Award	Manisa Organized Industrial Zone	Kerim Çelik	Success
2015 Stars of Steel Exporters	Steel Exporters' Association	Borçelik	2015 cold/lined flat steel export winner
Company of the Year	Borusan Holding	Borçelik	Success
Most Profitable Company of the Year	Capital	Borusan Lojistik	First among the 500 companies that increase profitability the most
Business Partner	MNG Kargo	Borusan Lojistik	Consistent Quality Support in International Air Freight
Gold Kargo	Qatar Airways	Borusan Lojistik	Air Freight
2016 Caterpillar ACAM CX Awards	Caterpillar	Borusan Makina ve Güç Sistemleri	Customer Experience in Turkey
2016 Product Support ESC Sales Incentive	Caterpillar	Borusan Makina ve Güç Sistemleri	First among all CAT representatives in sales number and volume in 2016
Excellence in Sales 2016	BMW AG	Borusan Otomotiv	Best Dealer in Conquest & Loyalty
Sales and Communication Awards 2016 Gladiators	ODD	Borusan Otomotiv	New BMW 7 Series Closed Room Event – First in PR Event Activity
A.C.E Awards	sikayetvar.com	BMW - Borusan Otomotiv	Automotive Upscale Segment category winner with BMW
A.L.F.A Awards	Marketing Türkiye	MINI - Borusan Otomotiv	Automotive Industry Winner with MINI

PERFORMANCE INDICATORS				
Economic Performance Indicators				
Economic Value Created and Distributed	Currency	2014	2015	2016
Economic Value Generated (Net Revenues)	TRY 1,000	9,836,953,587	11,911,210,090	12,969,243,457
Economic Value Distributed to Stakeholders				
Operating expenses	TRY 1,000	8,793,473,523	10,687,844,442	11,407,462,651
Benefit to employees	TRY 1,000	540,435,473	559,554,054	699,278,938
Benefit to providers of capital	TRY 1,000	85,187,634	114,664,763	152,535,734
Benefit to government	TRY 1,000	120,214,369	146,856,678	165,948,620
Benefit to community	TRY 1,000	17,055,489	33,320,067	24,889,601
Financial Assistance Received From Government				
Tax reliefs/credits	TRY 1,000	129,233	151,451	277,287
Incentives	TRY 1,000	415,589	443,796	7,960,843
Financial incentives	TRY 1,000	36,147,198	83,291,039	15,934,863

## [ PERFORMANCE INDICATORS ]

ENVIRONMENTAL PERFORMANCE INDICATORS							
ENERGY and EMISSIONS		SUPSAN			BORÇELİK & KERİM ÇELİK		
Non-renewable Direct Energy	Unit	2014	2015	2016	2014	2015	2016
Fuel Oil	Litre	7,191	7,701	7,375	48,151	45,162	33,862
Diesel Oil	Litre	17,394	17,200	15,264	68,836	88,741	185,726
Natural Gas	Sm <sup>3</sup>	297,650	320,559	342,354	43,583,747	47,086,054	50,256,097
Non-renewable Indirect Energy	Unit	2014	2015	2016	2014	2015	2016
Electricity	kWh	6,034,522	7,677,718	9,863,440	165,680,279	45,162	33,862
Greenhouse Gas Emissions	Unit	2014	2015	2016	2014	2015	2016
Direct CO <sub>2</sub> Emissions	t CO <sub>2</sub> e	803	783	954	80,113	87,996	92,291
Indirect CO <sub>2</sub> Emissions	t CO <sub>2</sub> e	2,739	3,485	5,428	76,165	77,545	80,355
ENERGY and EMISSIONS		BORUSAN MAKİNA VE GÜÇ SİSTEMLERİ			BORUSAN EnBW ENERJİ		
Non-renewable Direct Energy	Unit	2014	2015	2016	2014	2015	2016
Fuel Oil	Litre	NA	NA	NA	NA	26,127	19,900
Diesel Oil	Litre	NA	88,148	58,662	NA	87,373	78,620
Natural Gas	Sm <sup>3</sup>	NA	67,493	148,100	NA	5,386	5,608
Non-renewable Indirect Energy	Unit	2014	2015	2016	2014	2015	2016
Electricity	kWh	NA	2,304,774	2,455,546	NA	1,237,653	1,589,725
Greenhouse Gas Emissions	Unit	2014	2015	2016	2014	2015	2016
Direct CO <sub>2</sub> Emissions	t CO <sub>2</sub> e	NA	614	287	NA	303.3	266.2
Indirect CO <sub>2</sub> Emissions	t CO <sub>2</sub> e	NA	991	1,129.5	NA	612.6	786.9

NA: Data Not Available

ENVIRONMENTAL PERFORMANCE INDICATORS							
ENERGY and EMISSIONS		BOURSAN LOJİSTİK			BORUSAN OTOMOTİV		
Non-renewable Direct Energy	Unit	2014	2015	2016	2014	2015	2016
Fuel Oil	Litre	92,565	69,970	46,490	227,445	252,514	342,908
Diesel Oil	Litre	6,664,371	7,575,449	6,291,160	136,032	148,012	374,834
Natural Gas	Sm <sup>3</sup>	121,834	82,825	85,971	593,107	608,804	1,152,992
Non-renewable Indirect Energy	Unit	2014	2015	2016	2014	2015	2016
Electricity	kWh	9,180,961	13,084,539	14,183,318	13,309,928	14,009,621	11,798,258
Greenhouse Gas Emissions	Unit	2014	2015	2016	2014	2015	2016
Direct CO <sub>2</sub> Emissions	t CO <sub>2</sub> e	18,676	25,238	18,239	NA	NA	4,367
Indirect CO <sub>2</sub> Emissions	t CO <sub>2</sub> e	4,742	6,638	6,271	NA	NA	4,943
ENERGY and EMISSIONS		BORUSAN MANNESMANN HALKALI			BORUSAN MANNESMANN GEMLİK		
Non-renewable Direct Energy	Unit	2014	2015	2016	2014	2015	2016
Fuel Oil	Litre	NA	NA	NA	0	0	0
Diesel Oil	Litre	42,289	40,234	41,329	137,327	147,507	105,582
Natural Gas	Sm <sup>3</sup>	4,165,863	4,407,344	4,636,225	4,414,248	3,887,425	4,082,145
Non-renewable Indirect Energy	Unit	2014	2015	2016	2014	2015	2016
Electricity	kWh	18,549,744	NA	18,324,494	73,528,718	78,879,337	79,516,731
Greenhouse Gas Emissions	Unit	2014	2015	2016	2014	2015	2016
Direct CO <sub>2</sub> Emissions	t CO <sub>2</sub> e	8,176	8,637	9,088	8,884	7,895	8,159
Indirect CO <sub>2</sub> Emissions	t CO <sub>2</sub> e	11,445	11,944	11,306	36,397	39,045	39,361

NA: Data Not Available

**[PERFORMANCE INDICATORS ]**

ENVIRONMENTAL PERFORMANCE INDICATORS							
TOTAL WASTE		SUPSAN			BORÇELİK & KERİM ÇELİK		
By Type	Unit	2014	2015	2016	2014	2015	2016
Hazardous Waste	TON	415,922	237,990	393,860	1,111	1,921	2,926
Non-Hazardous Waste	TON	19,966	10,032	19,130	64,930	70,647	86,000
<b>Total Waste</b>	<b>TON</b>	<b>435,888</b>	<b>248,022</b>	<b>412,990</b>	<b>66,041</b>	<b>72,568</b>	<b>88,926</b>
By Disposal Method	Unit	2014	2015	2016	2014	2015	2016
Energy Recovery	Ton	9,250	41,240	NA	281	106	313
Recovery	Ton	398,272	170,764	412,975	64,686	72,255	88,253
Dump Site	Ton	0	0	0	1,075	208	360
Incineration	Ton	0	0	0	0	0	
Other Disposal Method	Ton	28,366	36,018	15	0	0.025	
<b>Total Disposed Waste</b>	<b>Ton</b>	<b>435,888</b>	<b>248,022</b>	<b>412,990</b>	<b>66,042</b>	<b>72,568</b>	<b>88,926</b>
TOTAL WASTE		BORUSAN MAKİNA VE GÜÇ SİSTEMLERİ			BORUSAN LOJİSTİK		
By Type	Unit	2014	2015	2016	2014	2015	2016
Hazardous Waste	TON	NA	239,950	182,472	22,861	17,476	11,619
Non-Hazardous Waste	TON	NA	NA	244,503	269,835	123,415	120,538
<b>Total Waste</b>	<b>TON</b>	<b>NA</b>	<b>239,950</b>	<b>426,975</b>	<b>292,696</b>	<b>140,891</b>	<b>132,157</b>
By Disposal Method	Unit	2014	2015	2016	2014	2015	2016
Energy Recovery	TON	NA	13,695	0	0	0	0
Recovery	TON	NA	0	416,753	269,835	123,415	120,538
Dump Site	TON	NA	161,325	0	22,861	17,476	11,619
Incineration	TON	NA	0	10,222	0	0	0
Other Disposal Method	TON	NA	64,930	0	0	0	0
<b>Total Disposed Waste</b>	<b>TON</b>	<b>NA</b>	<b>239,950</b>	<b>426,975</b>	<b>292,696</b>	<b>140,891</b>	<b>132,157</b>

NA: Data Not Available

ENVIRONMENTAL PERFORMANCE INDICATORS							
TOTAL WASTE		BORUSAN MANNESMANN HALKALI			BORUSAN MANNESMANN GEMLİK		
By Type	Unit	2014	2015	2016	2014	2015	2016
Hazardous Waste	TON	2,431	3,610	2,948	643	629	582
Non-Hazardous Waste	TON	1,578	16,754	25,535	607	616	636
<b>Total Waste</b>	<b>TON</b>	<b>4,010</b>	<b>20,364</b>	<b>28,482</b>	<b>1,250</b>	<b>1,245</b>	<b>1,218</b>
By Disposal Method	Unit	2014	2015	2016	2014	2015	2016
Energy Recovery	TON	0	0	0	0	0	0
Recovery	TON	2,985	20,120	28,460	676	662	616
Dump Site	TON	1,024	243	21.23	0	0	602
Incineration	TON	0.37	1	0.62	0	0.039	0
Other Disposal Method	TON	0	0	0	574	583	0
<b>Total Disposed Waste</b>	<b>TON</b>	<b>4,010</b>	<b>20,364</b>	<b>28,482</b>	<b>1,250</b>	<b>1,245</b>	<b>1,218</b>
TOTAL WASTE		BORUSAN EnBW ENERJİ			BORUSAN OTOMOTİV		
By Type	Unit	2014	2015	2016	2014	2015	2016
Hazardous Waste		Effluents (antifreeze water): 9,760 lt Contaminated waste (used fabrics, etc.): 245 kg	Waste Grease: 2.21 T Waste Batteries: 121 pieces Waste Accumulators: 100 pieces Contaminated waste (used fabrics, etc.): 3.32 T Waste filter: 0.31 T	Waste Grease: 16.33 T Waste Batteries: 106 pieces Waste Accumulators: 350 pieces Contaminated waste (used fabrics, etc.): 8.45 T Waste filter: 0.42 T	NA	45,693	49,966
Non-Hazardous Waste	TON	Waste Paper: 0.14 T Waste Plastic: 0.09 T Waste Metal: 9,500 T Domestic Waste: 0.78 T	Paper, plastic, metal, glass: 2.87 T Domestic Waste: 1.04 T Electronic waste: 0.02 T	Paper, plastic, metal, glass: 2.75 T Domestic Waste: 6.47 T Electronic waste: 0.04 T	NA	NA	3,439
By Disposal Method	Unit	2014	2015	2016	2014	2015	2016
Recovery	TON	9.74	2.88	28.239	NA	NA	0
Other Disposal Method *	TON	780 kg	1.04	6.47	NA	45,693	53,405

**[PERFORMANCE INDICATORS ]**

SOCIAL PERFORMANCE INDICATORS				
WORKFORCE	TOTAL			
By Category	Unit	2014	2015	2016
Office - Women	Person	946	1,047	1,154
Office - Men	Person	2,845	3,272	3,585
Factory - Women	Person	16	20	26
Factory - Men	Person	2,382	2,338	2,415
By Contract Type	Unit	2014	2015	2016
Permanent - Women	Person	960	1,054	1,159
Permanent - Men	Person	5,198	5,416	5,813
Temporary - Women	Person	2	13	21
Temporary - Men	Person	29	194	187
By Gender	Unit	2014	2015	2016
Men	Person	5,227	5,610	6,000
Men	Ratio	84.46	84.02	83.57
Women	Person	962	1,067	1,180
Women	Ratio	15.54	15.98	16.43

SOCIAL PERFORMANCE INDICATORS				
WORKFORCE	TOTAL			
By Age Group	Unit	2014	2015	2016
18 - 30 Years	Women	204	229	472
	Ratio	3.30	3.43	6.57
	Men	726	861	1,823
	Ratio	11.73	12.90	25.39
31 - 40 Years	Women	544	588	559
	Ratio	8.79	8.81	7.79
	Men	2,500	2,660	2,594
	Ratio	40.39	39.84	36.13
By Age Group	Unit	2014	2015	2016
41 - 50 Years	Women	195	226	138
	Ratio	3.15	3.38	1.92
	Men	1,627	1,669	1,400
	Ratio	26.29	25.00	19.50
41 - 50 Years	Women	15	21	11
	Ratio	0.24	0.31	0.15
	Men	331	380	164
	Ratio	5.35	5.69	2.28
60 + Years	Women	4	4	0
	Ratio	0.06	0.06	0,00
	Men	43	39	19
	Ratio	0.69	0.58	0.26
<b>TOTAL</b>	<b>Kişi</b>	<b>6,189</b>	<b>6,677</b>	<b>7,180</b>

**[PERFORMANCE INDICATORS ]**

SOCIAL PERFORMANCE INDICATORS				
WORKFORCE	TOTAL			
By Management Level	Unit	2014	2015	2016
Senior	Women	8	7	6
	Ratio	0.13	0.10	0.08
	Men	44	46	44
	Ratio	0.71	0.69	0.61
Mid-level	Women	64	67	73
	Ratio	1.03	1.00	1.02
	Men	205	226	220
	Ratio	3.31	3.38	3.06
Other	Women	890	1,054	1,101
	Ratio	14.38	15.79	15.33
	Men	4,978	5,277	5,736
	Ratio	80.43	79.03	79.89
<b>TOTAL</b>	<b>Person</b>	<b>6,189</b>	<b>6,677</b>	<b>7,180</b>
Other	Unit	2014	2015	2016
Foreign	Women	0	0	1
	Ratio	0.00	0.00	0.01
	Men	9	9	9
	Ratio	0.15	0.13	0.13
Disabled	Women	23	28	28
	Ratio	0.37	0.42	0.39
	Men	110	112	119
	Ratio	1.78	1.68	1.66

SOCIAL PERFORMANCE INDICATORS			
TRAINING INVESTMENTS	ALL TRAININGS		
By Employee Category	Unit	2015	2016
Senior Managers	Man*Hour	552	1,005
Senior Managers	Person	20	45
Mid-level Managers	Man*Hour	12,379	6,560
Mid-level Managers	Person	11	192
Other Employees	Man*Hour	90,110	122,539
Other Employees	Person	2,189	5,085
By Employment Type	Unit	2015	2016
Factory	Man*Hour	40,660	47,208
Factory	Person	1,593	1,628
Office	Man*Hour	108,278	56,412
Office	Person	2,623	2,183
Contractor Employees	Man*Hour	9,942	26,483
Contractor Employees	Person	1,454	1,511
By Gender	Unit	2015	2016
Men	Man*Hour	124,473	108,944
Men	Person	4,683	4,534
Women	Man*Hour	34,405	21,159
Women	Person	985	788

# OCCUPATIONAL HEALTH AND SAFETY

OCCUPATIONAL HEALTH AND SAFETY			BORUSAN MANNESMANN			BORÇELİK			KERİM ÇELİK			OTO/OTOMOTİV		
Accidents	Group	Unit	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016
Accident Frequency Rate	Company	Ratio	28.82	16.80	14.53	13.30	11.90	11.65	18.32	51.70	25.67	0.00	4.60	2.58
	Subcontractor	Ratio	41.96	23.59	17.33	15.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fatality	Company	Number/Year	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Subcontractor	Number/Year	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lost Days	Group	Unit	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016
Lost days ratio due to occupational accidents	Company	Ratio	0.63	0.74	3.61	0.15	0.09	0.19	0.37	0.49	0.67	0.00	0.12	0.04
	Subcontractor	Ratio	0.91	1.04	10.59	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

OCCUPATIONAL HEALTH AND SAFETY			BORUSAN ENBW ENERJİ			BMGS & BESYS			BORUSAN LOJİSTİK			SUPSAN		
Accidents	Group	Unit	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016
Accident Frequency Rate	Company	Ratio	0.00	0.00	0.07	0.00	9.00	0.97	6.40	0.73	1.10	15.70	8.15	18.10
	Subcontractor	Ratio	10.49	1.39	6.90	0.00	0.00	0.00	13.63	11.89	11.42	0.00	0.00	0.00
Fatality	Company	Number/Year	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00	1.00	0.00	0.00	0.00
	Subcontractor	Number/Year	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00	1.00	0.00	0.00	0.00
Lost Days	Group	Unit	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016
Lost days ratio due to occupational accidents	Company	Ratio	0.00	0.00	18.8	0.00	6.23	0.07	0.523	0.052	0.132	0.024	0.024	0.021
	Subcontractor	Ratio	48.96	27.82	81.20	0.00	0.00	0.00	0.999	1.020	0.819	0.00	0.00	0.00

> BMGS: Borusan Makina ve Güç Sistemleri & BESYS: Borusan Endüstriyel Sistemler  
 > Accident Frequency Rate = Number of Accidents X 1,000,000 / Total Work Hours  
 > For all companies except Borusan Lojistik, fatalities are included in accident frequency rate.

> Only for Oto/Otomotive and Borçelik/Kerim Çelik, first-aid level accidents are included in accident frequency rate.  
 > For all companies except BMGS & BESYS lost days are recorded starting from the day right after the accident.  
 > No occupational diseases are encountered in any of our companies in this report.

# GRI CONTENT INDEX



GRI 102: GENERAL DISCLOSURES 2016		LOCATION OF DISCLOSURE
	Organizational Profile	Page / Explanation
102-1	Name of the organization	143
102-2	Activities, brands, products, and services	20-23
102-3	Location of headquarters	143
102-4	Location of operations	143
102-5	Ownership and legal form	12 / Corporation
102-6	Markets served	21-22
102-7	Scale of the organization	21-22
102-8	Information on employees and other workers	132-134
102-9	Supply chain	33
102-10	Significant changes to the organization and its supply chain	33
102-11	Precautionary principle	110
102-12	External initiatives	13 / UNGC
102-13	Membership of associations	122-123
	Strategy	Page / Explanation
102-14	Statement from senior decision-maker	14-16
102-15	Key impacts, risks, and opportunities	40-41
	Ethics and Integrity	Page / Explanation
102-16	Values, principles, standards, and norms of behavior	25
102-17	Mechanisms for advice and concerns about ethics	28-29

GRI 102: GENERAL DISCLOSURES 2016		LOCATION OF DISCLOSURE
	Governance	Page / Explanation
102-18	Governance structure	26
	Stakeholder Engagement	Page / Explanation
102-40	List of stakeholder groups	44-45
102-41	Collective bargaining agreements	78
102-42	Identifying and selecting stakeholders	44
102-43	Approach to stakeholder engagement	45
102-44	Key topics and concerns raised	40
	Reporting Practice	Page / Explanation
102-45	Entities included in the consolidated financial statements	22-23
102-46	Defining report content and topic boundaries	12
102-47	List of material topics	40-41
102-48	Restatements of information	Continues projects
102-49	Changes in reporting	No changes
102-50	Reporting period	12
102-51	Date of most recent report	2015
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	143
102-54	Claims of reporting in accordance with the GRI Standards	13
102-55	GRI Content index	138
102-56	External verification	None

<b>GRI CONTENT INDEX</b>		
<b>GRI 103 BOUNDARIES &amp; MANAGEMENT APPROACHES OF MATERIAL TOPICS 2016</b>		<b>LOCATION OF DISCLOSURE</b>
GRI 100	103-1 Explanation of the material topics and their boundaries	Page 41
	103-2 The management approach and its components	Pages are listed below.
<b>GRI 200</b>	<b>GRI 200 ECONOMIC STANDARDS SERIES</b>	<b>Page</b>
	GRI 201 Economic Performance, 2016	48-51
<b>GRI 300</b>	<b>GRI 300 ENVIRONMENTAL STANDARDS SERIES</b>	<b>Page</b>
	GRI 302 Energy, 2016	114-117
	GRI 305 Emissions, 2016	114-117
	GRI 306 Effluents and Waste, 2016	118-120
<b>GRI 400</b>	<b>GRI 400 SOCIAL STANDARDS SERIES</b>	<b>Page</b>
	GRI 401 Employment, 2016	68-75
	GRI 403 Occupational Health and Safety, 2016	79-91
	GRI 404 Training and Education, 2016	69
	GRI 412 Human Rights Assessment, 2016	78

<b>GRI 200-300-400 TOPIC SPECIFIC STANDARDS 2016</b>		<b>LOCATION OF DISCLOSURE</b>
	<b>GRI 200 ECONOMIC STANDARDS SERIES</b>	<b>Page</b>
	<b>GRI 201 Economic Performance, 2016</b>	
201-1	Direct economic value generated and distributed	127
201-1	Financial assistance received from government	127
	<b>GRI 300 ENVIRONMENTAL STANDARDS SERIES</b>	<b>Page</b>
	<b>GRI 302 Energy, 2016</b>	
302-1	Energy consumption within the organization	128-129
	<b>GRI 305 Emissions, 2016</b>	
305-1	Direct (Scope 1) GHG emissions	128-129
	<b>GRI 306 Effluents and Waste, 2016</b>	
306-2	Waste by type and disposal method	130-131
	<b>GRI 400 SOCIAL STANDARDS SERIES</b>	<b>Page</b>
	<b>GRI 401 Employment, 2016</b>	
401-2	Benefits provided to full-time employees that are not provided to part-time employees	69
	<b>GRI 403 Occupational Health and Safety, 2016</b>	
403-1	Workers representation in formal joint management-worker health and safety committees	80
403-2	Types and rates of injury, occupational diseases, lost days, and absenteeism, fatalities	136-137
	<b>GRI 404 Training and Education, 2016</b>	
404-1	Average hours of training per year per employee	135
404-2	Programs for upgrading employee skills and transition assistance programs	69, 72-74
404-3	Percentage of employees receiving regular performance and career development reviews	70
	<b>GRI 412 Human Rights Assessment, 2016</b>	
412-2	Employee training on human rights policies or procedures	78

# UN Global Compact Principles

Borusan Holding is a member of Global Compact. UN Global Compact is an innovative social responsibility approach that suggests universal principles to competitive business world for establishing a mutual sustainability culture. Its vision is 'Sustainable and Comprehensive Global Economy'. Participating in Global Compact is completely voluntary.

Those enterprises that participate in the compact increase their profits in the midterm while in the short term; they enjoy the prestige and pride of having fulfilled their social responsibilities consciously.

## Human Rights

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

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

## Labour

**Principle 3:** İş dünyası, çalışanların sendikalaşma ve toplu müzakere özgürlüğünü desteklemelidir.

**Principle 4:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

**Principle 5:** Businesses should uphold the effective abolition of child labour.

**Principle 6:** Businesses should uphold the elimination of discrimination in respect of employment and occupation.

## Environment

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

**Principle 8:** Businesses should undertake initiatives to promote greater environmental responsibility.

**Principle 9:** Businesses should 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.

# [contacts]

## BORUSAN HOLDİNG A.Ş.

Rumelihisarı, Baltalimanı Hisar Caddesi No.5 34470 Sarıyer / İstanbul

T. +90 212 393 52 00

F. +90 212 393 00 01

## For more information and comments on the report:

Ayşe Yeşer BALMUMCU

ybalmumcu@borusan.com

## Sustainability and Reporting Consultant

SERCOM Consulting

Elif Özkul Gökmen

elif@sercomconsulting.com

T. +90 533 648 07 40

## Design

Fabl

bilgi@fabl.com.tr

T. +90 216 345 89 90

## DISCLAIMER

The information and analyses contained in the BORUSAN HOLDING sustainability report (hereinafter "report") have been compiled from resources and information deemed as accurate and reliable within the timeframe the report was prepared for informative purposes only, and not to be used as a basis for any investment decision.

The company, its managers, employees, and other persons and organizations who contributed to the drafting of this report cannot be held responsible for the damages that may arise from the use of the information contained herein.

All rights of this report belong to BORUSAN HOLDING.

Our report is prepared in the digital environment and is not published.

