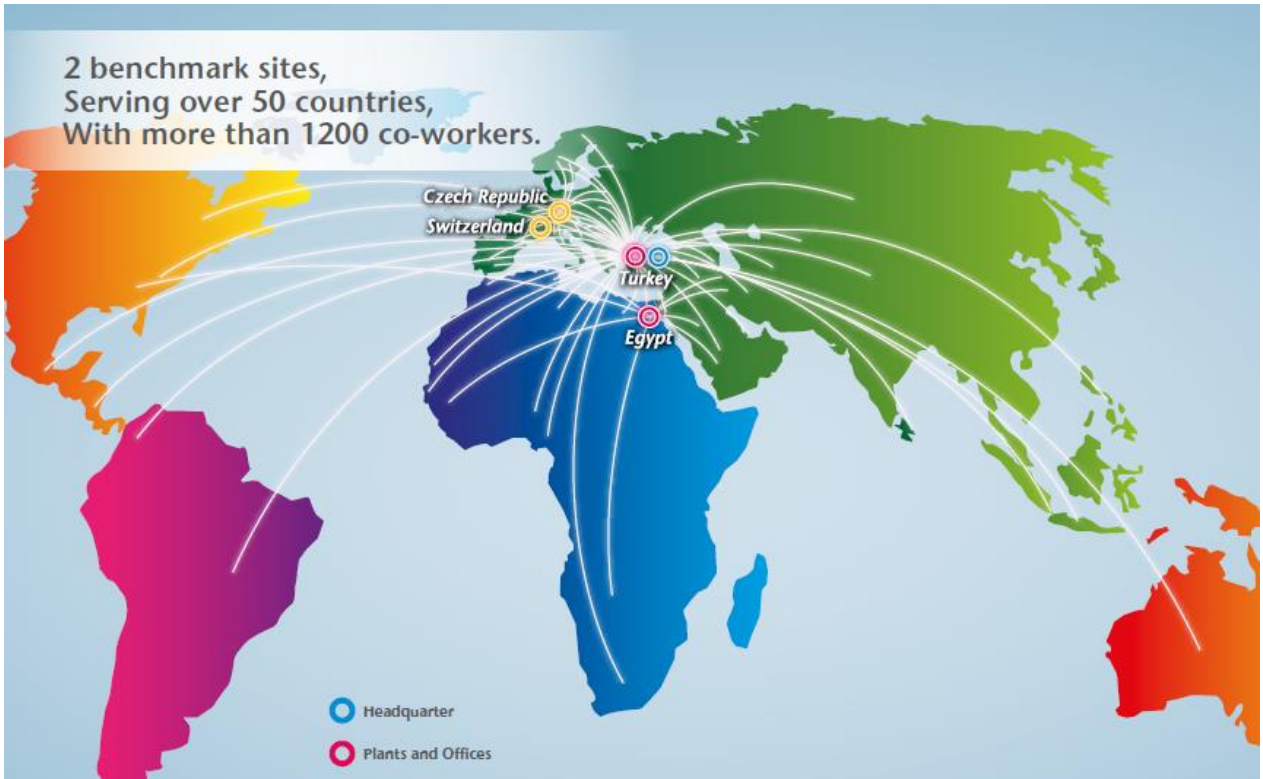




**UN GLOBAL COMPACT
COMMUNICATION ON
PROGRESS REPORT
2017**

Elif at a Glance

On its 6th year of United Nations Global Compact participation, Elif continues its commitment to ensure that the Global Compact and its Ten Principles are an integral part of the company strategy, culture and every day operations.



Elif targets to meet tomorrow's expectations to keep global benchmark company position in the flexible packaging industry. In every stage of its development, Elif runs after new horizons. This has been achieved with the enthusiasm generated by the synergy of our customers, suppliers, co-workers and management team.

Continuously improving our service and quality standards parallel with our sustainability notion, we develop better products driven by innovation and art-of science, improve the efficiency of our manufacturing facilities and provide products tailored to the unique needs of our customers, society and environment.

Elif supplies packaging materials for many multinational brands in food & beverage, baby, adult and fem care, consumer tissue, household and fabric care, pet care, and many other industrial sectors.

Producing the face of many leading brands, Elif serves millions of people in more than 50 countries all over the world.

Elif's packaging materials protect, carry, communicate, nourish and care the products they wrap. At Elif, we are aware that packaging materials we produce not only protect the product they carry, but also the reputation of Elif's customers. Elif supports its customers to deliver their products with

trust and help people to reach products they consume with safety and health.

With its global benchmark flexible packaging production facilities of Elif in Turkey and Egypt, Elif makes over 175 mUSD.

In every phase of its imprescriptible transformation, Elif continuously improves its standards that leverages its development. This development is the driver of Elif's always raising standards.



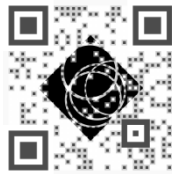
Our Approach to Reporting

Elif prepares and presents its United Nations Global Compact Communication on Progress Report in accordance with the UNGC Reporting Guidelines.

Elif United Nations Global Compact Communication on Progress Report 2017 is issued annually and provides a summary of its progress for 10 principles of UNGC in 4 areas; Human Rights, Labour Rights, Environment, Anti-corruption. Details regarding the information given in the report can be provided online at Elif's corporate website and at the section dedicated for action pages of the regarding area. The online content provides further information about Elif' as well as additional and update information about the issues covered in this report.

www.elif.com

In this report, 'Elif' refers to Elif Group of Companies; Elif Holding A.Ş., Elif Plastik Ambalaj Sanayi ve Ticaret A.Ş., Elif Global Ambalaj Pazarlama A.Ş: and Elif Global Packaging S.A.E. The report is prepared for 2017.



Questions & Feedback

We welcome your feedback on our commitments and performance detailed here in our United Nations Global Compact Communication on Progress Report 2017. Questions and feedback about the report should be directed to Elif via the 'Contact us' enquiry form at www.elifglobal.com/contact or via e-mail to marketing@elifglobal.com or via phone numbers given at Elif corporate website.

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Our Packaging Solutions

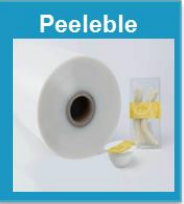
Our packaging reaches millions of people all around the world every day, helping to create a happier and healthier life. We exist for People in every sphere of life. Our business is Packaging for Life.

Food & Beverage	Dry Food	Confectionery	Savory Snacks	Bakery	Fresh Food	Multipacks
	Biscuit & Wafer	Dairy	Solubles	Frozen Food		
	Fem Care	Baby Care	Adult Care	Cleaning	Body/Hair Care	
	Detergents	Home Care	Consumer Tissue	Storage Bags		
	Pet Food	Retail	Cargo	Safety	Converters	

Technical



Materials on Reel



Premade Bags



Vision, Mission & Values

We are working relentlessly to be a global benchmark company in the flexible packaging industry by creating long term value for our business partners, Elif members and the society with a sustainability notion integrated with our high quality and service standards.

VISION

To offer responsible and innovative packaging solutions through universal principles and Elif values for the well-being of the Society

Elif continues to target tomorrow's excellence to keep its global benchmark company position in the flexible packaging industry. This has been achieved with the enthusiasm generated by the synergy of Elif's customers, suppliers, professional human resources and management team with innovative approach. Continuously improving its service and quality standards, Elif has been authenticated as the market leader for setting high standards in the flexible packaging industry by its multinational customers with leading brands.

MISSION

To be a global benchmark packaging company.

• **Pioneer in packaging for the focused sectors**

Elif is committed to provide exceptional service and highest quality products tailored to the unique needs of each customer through collaboration and innovation driven by the art of science. Elif is committed to work relentlessly to deliver value adding flexible packaging solutions for the sustainability framework of its partners, customers, economy, society and environment.

Strategy

Global geographic prevalence and primacy in sustainability, innovation, quality and technology.

Corporate Values

Elif carries its core values from the first day of its establishment and improve them in every step it takes. These values reflect the behaviors that shape the tone of how Elif works within its ecosystem to **create value** by over fulfilling the needs of customers in a spirit of **leadership**, through **diversity** and **integrity** and with a clear awareness of **responsibility**.

Leadership

Elif has a full awareness of being world-class and a clear vision of where the Company is going in every aspect of the business. Elif will continue to be pioneers by empowering initiatives and setting worldwide benchmarks through determination, courage, knowledge and passion to progress. Elif is a top-notch in the way it designs, produces and serves its products, a leader in management performance and committed to deliver leadership results.

Elif is passionate about quality to deliver quality exceeding expectations to organizations, communities and environments through scientific and technological developments and continuous improvement of our resources. Quality is the source of Elif's reputation for high standards and the Company will continuously pursue it to make

its customers, business partners and co-workers experience it not only today but also tomorrow.

Elif maintains cutting-edge knowledge combined with technical competence and expertise. As thinkers with a point of view, anticipating market trends and translating them into opportunities and progress for our customers and through knowledge-based innovation, Elif will continue to find the better way to produce and deliver products, serve customers, protect environment, and support the packaging industry in its efforts to produce better packaging.

Responsibility

Elif acts responsibly toward the environment and the society and aim to make a positive impact through its brands, activities, resources and assets. Elif's sustainability notion combines economic success with environmental protection and social responsibility both in its work and marketplace. Therefore, Elif builds stable and sustainable relationships with its business partners by acting responsibly throughout its entire business framework.

Elif exists for the purpose of creating value by increasing the standard of living and quality of life of its employees and otherwise contributing to the economic, environmental, and social well-being of customers, suppliers, and the nations in which the company transacts business.

Elif Value Chain

Leadership



Innovation
Technology
Sustainability
Quality

Responsibility



Environment
Social Responsibility
Safety

Diversity



Cultural
Intellectual
Geographical

Integrity



Honest and Ethical
Behaviour
Respect
Sprit of Law

Passion to Create Value



Consumer &
Customer Focus
Talent & Teamwork
Productivity

The objective of Elif's sustainable development is to ensure the continued existence of the company as an economic factor, as an employer in the region, in harmony with the environment and the standards of society in the long-term.

Sustainable management forms the basis of Elif's commercial success. Conscious consideration of its social and societal responsibility, as well as conscientious handling of natural resources and the environment, are integral parts of Elif's self-image.

Elif intends to be a worldwide international trademark by expanding its customer and partner network all around the world thanks to its diverse human resources, cultural infrastructure and capability of geographical distribution and speed to react.

Diversity

Elif leverages diversity to create maximum value for our business

using the colors of diverse ideas, needs, talents, geographies, cultures and capabilities of its organization, customers, business partners as well as communities. Being diverse in intelligence with different approaches, thoughts, needs and ideas of its co-workers, customers and suppliers helps Elif understand all aspects and provide value-added consultancy to anticipate and project for long-term.

Elif develops its market presence by appealing to diverse consumers and customers with its products and services. Being diverse in culture and geography as the markets it serves, enables Elif enhance the lives of people it serves.

Integrity

Elif builds trust in its relationships through honest and ethical behavior. Elif upholds its corporate values and principles in every action and decision.

As a vital asset of its corporate responsibility, Elif operates within integrity, respect and the spirit of law. Elif will honor its commitments by practicing the highest ethical standards for societies, organizations and environments that its business touches.

Passion to Create Value

Elif is passionate about intelligent packaging solutions helping to shape the next generation of its customers' products. With the essence of teamwork of its talented human capital, Elif is intensely focused on performing sustainable and productive solutions for its customers to help them achieve their business objectives, for communities the Company touches to add more value for them and for environment we belong to improve its positive impact. The Company acts as it is committed to act, Elif creates value.

Elif's Approach of Sustainability

To create long term value for sustainability, Elif tracks its sustainability management performance and plans its enhancements in a framework outlining three main domains of sustainability as indicated.

Elif acts responsibly toward the environment and society and promotes productive and cost saving methods and technology in its business activities. For Elif, sustainable development means the combination of long term oriented economic success with environmental protection and social responsibility both in the workplace and marketplace of Elif. It is aimed to integrate a sustainability notion into Elif's organizational and management system and build stable and sustainable relationships with business partners of Elif by acting responsibly throughout the entire supply chain.

Elif's approach to sustainability is driven by the operating model defining its approach to business in three elements and starts with its brand essence: 'Packaging for Life'

- Vision & Mission: Elif's strategic framework for significant success

- Corporate Personality: Articulating Elif's unique approach to conducting work every day.

- Corporate Values: Reflecting the behaviors that shape the tone of how Elif works with its customers and partners as well as its internal working principals

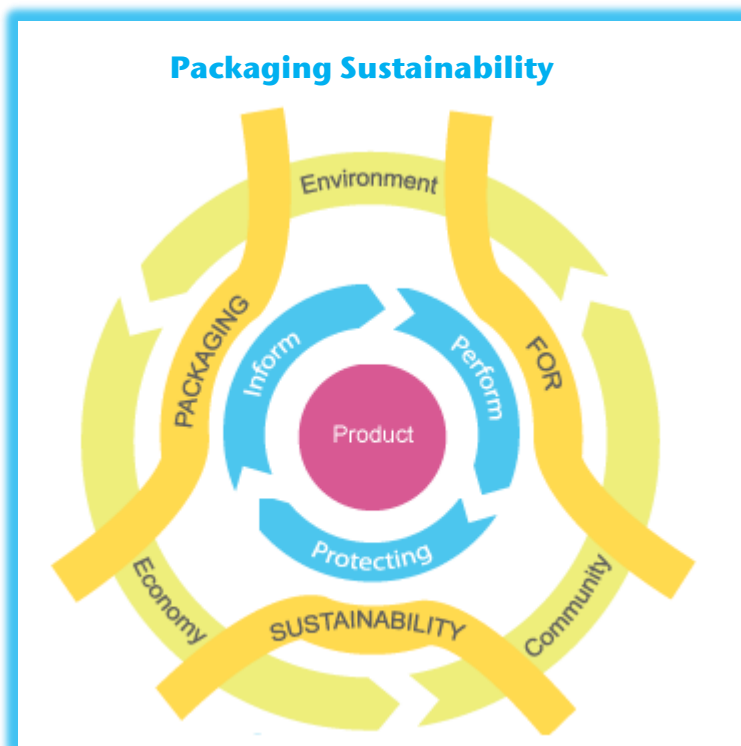
Packaging Sustainability

Sustainability of packaging is dependent on three core functions of packaging combined intelligently. Elif acts responsibly with the awareness of sustainable packaging.

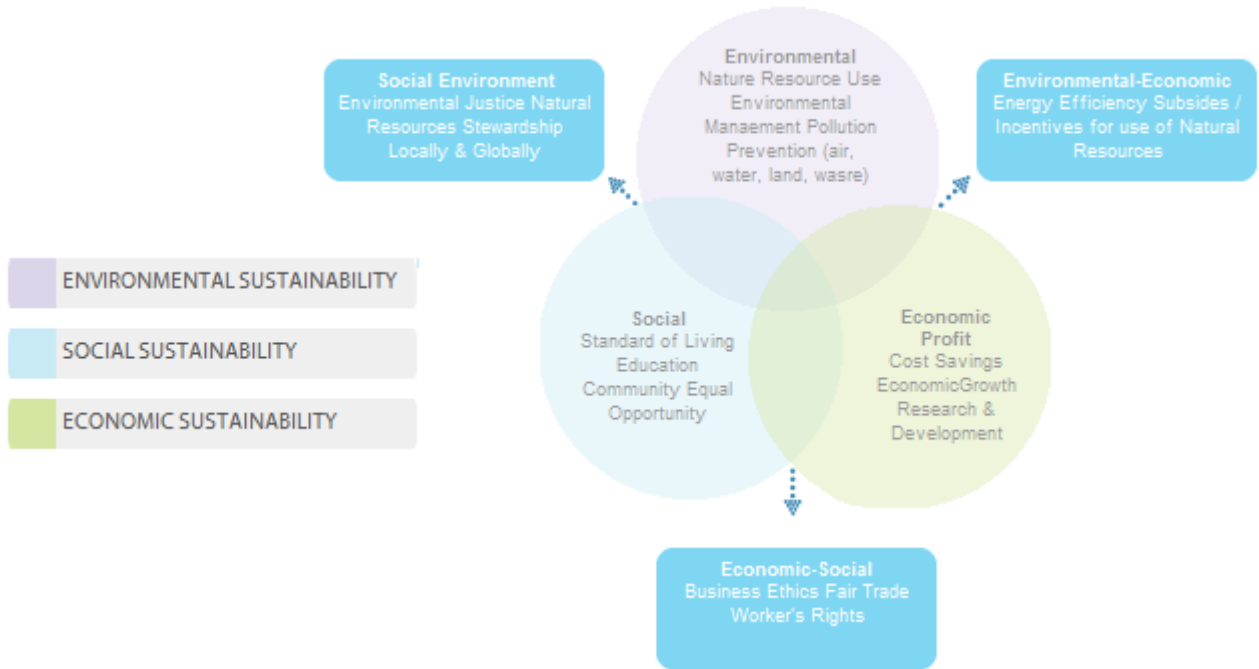
Protecting: Optimum packaging should extend product shelf life to the required level and protect the product against physical, chemical and microbial damage to minimize food spoilage and maximize community health. Therefore, reducing the amount of packaging also ends up in reducing its sustainability impact due to product waste/spoilage or spread of health issues in the community.

Informing: Packaging is not only a communication tool for marketers but also an information platform for consumers. While right dosing and storage instructions can prevent product waste and protect community health, recycling and other green information like carbon footprint and supply chain tracing help to increase the sustainability of the packaging itself.

Performing: Packaging also serves many purposes in terms of functionality and contributes to sustainability in the supply chain and the community. Longer shelf life, easy handling, less storage space and other convenience functions contributes to sustainability of both economy and community as well as environment.



Sustainability Framework



Environmental Sustainability:

Environmental Sustainability is the ability to maintain the qualities that are valued in the physical environment of Elif. Elif's programs for Environmental Sustainability include actions to prevent threats and impacts from arising, protect the environment from threats and damage, reduce the use of physical resources and use renewable rather than depletable resources, to redesign production processes and products to eliminate the production of environmentally unfriendly materials, and to help protection and restoration of natural habitats and environments valued for their livability or beauty.

Economic Sustainability:

Elif plans its actions to achieve and maintain an adaptive, resilient, vital economy providing opportunities and stability for its stakeholders, employees, business partners, customers, the society and the environment. Initiatives of Elif for Economic Sustainability includes raising the level of accountability / transparency as well as corporate governance, increasing shareholder value, enhancing economic performance and productivity, and reaching financial objectives in and for its sustainability framework.

Social Sustainability

Social Sustainability is the core element of Sustainability which aims to create and maintain quality of life for people. Economic and Environmental factors are important, but they are both means to the end, rather than ends in themselves. Therefore, by working towards Economic and Environmental Sustainability, Elif is already working towards Social Sustainability. Elif's actions for Social Sustainability includes ensuring fair trade and fair competition, local economic development, continuously enhancing working conditions and workplace safety, protecting human rights and health, providing a proper base for diversity, caring for personal security and privacy as well as supporting and leading social philanthropy programs.

Quality Approach

Elif continues to target tomorrow's excellence by strengthening synergy and dynamism generated by the unity of its customers, suppliers with professional human resources and its innovative management approach.

Elif is committed to provide exceptional service and high quality products tailored to the unique needs of each customer through collaboration and innovation driven by the art of science. Elif continues to target tomorrow's excellence by strengthening synergy and dynamism generated by the unity of its customers, suppliers with professional human resources and its innovative management approach. Therefore, Elif not only advocates good corporate governance but also promotes long-lasting cooperation as well as open communication with customers and suppliers to uphold the principles of mutual trust and fundamental human values as a part of our social responsibility program.

Quality, Innovative and Responsible Packaging for Life

Elif continuously pursue excellence to make its customers experience the Excellence not only today but also tomorrow in all geographies and under all conditions. 360° Tangible Excellence is one of Elif's core values reflecting the behaviors that shape the tone of how Elif works with its customers and partners as well as its internal working principals. Sustainable Practice and Continuous Innovation are the other two core values of Elif.

Elif's understanding of Quality is continuously training the employees under the roof of Elif with the latest technology it possesses, continuously

We create innovative packaging for life



We produce quality packaging for life



We make responsible packaging for life



Quality Certificates

Elif has successfully adopted the concept of Total Quality Approach over all of production and service processes and been awarded by ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 22000 Food Safety Management System, OHSAS 18001 Occupational Health & Safety Management, ISO 27001 Information Management Security System certificates and BRC/loP Global Standard for Food Packaging and Other Packaging Materials.



Re-certifications

In 2017, Elif achieved re-certifications after related audits. Confirming that Elif continues to target tomorrow's production and service excellence. Elif is committed to supplying sustainable, more efficient, safer, cleaner and customer focused production and service processes to professionally fulfill or exceed customers requirements. This re-certification is an evident of Elif's strong commitment to increase customer satisfaction by consistently providing products that meet global standards and regulatory requirements

Awards & Recognitions

We're honored when organizations recognize us for our innovation, business practices and people. Here is a sample of the awards and recognition we've recently received...

Elif is honored by the awards and recognitions we've received. These awards represent some of the business, industry and community accolades the teams have earned.

We pride ourselves on our annual growth and ability to make our company a great partner to our customers and a second home to our employees. Below are some of our awards and recognitions - We look forward to continuing to build on this list as we develop new ways to make our customers and employees more.



Well-known Brand

Elif is one of the first flexible packaging companies, which is awarded the 'Well Known Brand' in Turkey.

Elif was given the status of "Well-Known Brand" by the Turkish Patent and Trademark Office after the evaluation of many parameters such as recognition by its target market without assistance, the establishment of a certain quality standard, and a general recognition throughout the country. The trademark of "Well-Known Brand" granted by the Turkish Patent and Trademark Office which provides exclusive protection, is given only to the brands that bear original trademark characteristics, carry certain quality standard in its products and services, and are well-known by their target market. After a 12 month evaluation and research period by Turkish Patent and Trademark Office, Elif was

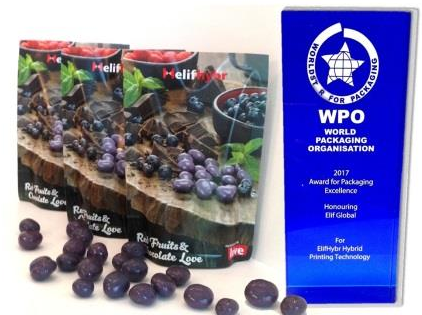
announced to be a well-known brand among others such as BMW, Coca Cola, Jaguar, Gucci, Nescafe, Nivea, Microsoft, Milka, Shell, Superman, Pfizer, Philips, Pirelli, Swatch and Toblerone.

ElifHybr: World Star Award 2017

Elif, the global supplier of the flexible packaging industry, was awarded 'Packaging Excellence' in the WorldStar 2017 competition with its hybrid printing technology 'ElifHybr', the last chain of innovations that has been implemented to provide solutions and advanced products for changing and developing packaging needs.

ElifHybr, one of the champion finalists in the Crescent and Stars of Packaging organized by the Packaging Industry Association (ASD) this year, was entitled to 'Packaging Excellence' award in the 'Food

Packaging' category of WorldStar 2017, one of the most prestigious competitions in the packaging industry.



Top 500 Companies

Elif, which has demonstrated the biggest raise in its sector in the recent years in the Turkey's First 500 Top Industrial Organizations (ISO Top 500 Companies) announced by the ISO - Istanbul Chamber of Industry, continues to reach the summit by climbing 22 steps at once also in 2016!

Its leadership in the flexible packaging market is awarded and recognized many times by the multinational leading brands and entities to which Elif offers services, and it ranked the 262nd, climbing 22 steps at once, in the "Turkey's Top 500 Great Industrial Entity - 2016" report which is the research that has been performed by the Istanbul Chamber of Industry (ISO) for 49 years, which is hotly-anticipated each year, involving the most important industrial organizations of Turkey.

As a result of its developing more efficient, more creative and more innovative solutions in line with its sustainable growth targets, strategically configuration of new investments in this context, the state-of-the-art technology and technique and the innovations made, Elif's name is frequently mentioned because of rising each year in this giants' list and it is continuing to climb to the top with self-confident steps.

Launched as Top 100 Industrial Enterprises in 1968, and sustained and improved every year, the Turkey's Top 500 Industrial Organizations list

which is qualified as a powerful mirror reflecting the Turkey's economy is determined by referring to the comments of expert academicians and by making various evaluations on financial ratios, resource structure, profitability ratios, economic profitability, asset turnover rates, factor income (functional) distribution of its net added value, non-production incomes, employment and gross added value distribution and labour productivity.

500 TÜRKİYE NİN İÇİŞİLERİ VE SANAYİ KURULUŞU

2016									
Üretimde Satılan			Net Satışlar			Büyük Kuruluş Değer			
Çıkışınak			Araç Toplamı			Dönem Klas / Zaman			
FAVOR / EBITDA			İstisna			Çalışan Sayısı			
2014			2015			2016			
262			284			458.077.727			
Elif			İstanbul			458.077.727			



Our Policies and Standards

Board of Elif supports the highest standards of corporate governance and best practice and are committed to the principles of transparency, integrity and accountability.

Good corporate governance and transparency are fundamental to achieving Elif's vision of becoming a Global Benchmark Company in the Packaging Sector by providing high quality and service standard. Elif strives for excellence in products offered and in the way it does business throughout all its customers, suppliers and partners in a safe and environmentally responsible manner. This precision applies equally to transparency in reporting and meeting the expectations of regulators, shareholders and the public.

Elif Corporate Confidentiality Policy

1. Company staff are personally responsible for protecting at all times the confidentiality of any written and/or verbal information or documents given to him/her directly or indirectly as per his/her position.
2. Telephone numbers registered in the company's telephone guide and other contact information should not be shared with people from outside the company.
3. Company staff should not have any discussions or interviews with people outside the company that would be harmful for the company's security and confidentiality and should not disclose any information or documents.
4. Documents that would disclose company's private information should not be taken out of the company after normal work hours for work purposes. If the work needs to be completed on that day, it would be appropriate to stay late in the building provided that the permission of the related manager is taken.
5. Company staff should refrain from giving information about financial issues such as regarding wages, additional rights and fringe benefits to people from inside and outside the company.
6. Company staff should not discuss outside the company personal problems, complaints as well as conflicts inside the company.
7. Company staff should not give any information to anybody about company objectives, know-how and projects.
8. Company staff should refrain from accepting gifts or materials from other companies, institutions and third parties; they should also refrain from promises, wishes or offers for promotional purposes.
9. Company staff should be careful about consuming alcohol in social meetings such as receptions, dinners or balls organized by the company.
10. If ill-intentioned people try to collect the information considered as "company secret" that should not be revealed to third parties or if such an intention is sensed, the company should be immediately informed of this situation.
11. Company staff working in production departments of new products, projects, inventions, brand etc. should not accept anybody to their departments as guests no matter how close the person is (friend, relative or other company staff who do not have permission to enter that department) and should not give information about the subject.
12. If company phones are used by company staff and if confidential matters are being discussed, utmost attention must be paid to confidentiality and security issues. Confidential matters should not be discussed in crowded places or in company of third parties.
13. Company staff should accept visitors in the waiting hall allocated by the company, not in their offices. If visitors need to be accepted in the office environment, then important and confidential documentation inside the room should be taken away.
14. Security manager and/or company manager must be informed of suspicious behavior observed in social activities organized together with third parties.

15. Company staff should inform their managers of any suspicious situations that they witness and that they think that it would put the company into a difficult situation.

16. At the end of work hours, important documents should not be left uncovered, documents done with must be filed and others must be placed in a drawer or a cabinet with a lock.

17. Documents and papers of confidential nature should not be thrown into the bin; but, must be destroyed using a shredder. If there is no shredder available, then such documents should be cut to very small pieces and then must be mixed up with other litter.

18. Company staff should close windows and curtains at the end of the work day, office equipment, especially computers, must be turned off and all documents, USBs, CDs and floppy discs must be preserved in locked places and doors must be locked up.

19. Workplaces should be opened by company staff at the beginning of the work day using the same method and if there is something inappropriate, then the security unit and manager should be informed.

20. Company staff should pay attention to network safety and confidentiality rules when company computers are used.

Elif Environment, Occupational Health And Safety Policy

Elif adopts and implements a management approach to protect the environment, prioritize occupational health and safety, guarantee compliance with the terms and requests of the customer, in addition to the privilege of technological and high-quality work.

With this purpose, in compliance with the laws, regulations, and by-laws as well as EU directives regarding environment and occupational safety, and customer requirements, it will develop worker health and occupational safety management systems compliant with ISO 14001 and OHSAS 18001 standards, and reinforce them through continuous improvements.

It will also make sub-contractors to observe the provisions, methods, and principles of laws and ISO 14001 and OHSAS 18001 standards, with the same discipline and attitude.

In this respect, Elif;

- thinks of the environment in terms of the use of natural resources,
- closely monitors environment related publications,
- prevents and reduces waste, and carries out all activities required for recycling,

- ensures the selection of materials responsive to environment concerns, and suitable for occupational health and safety in terms of selection of equipment and vehicles,

- prevents waste in raw material use,

- achieves savings in power consumption, and reduces pollution,

- provides ergonomic and healthy work environments to minimize the risk of occupational accidents,

- offers trainings to improve environment and worker health - occupational safety awareness in employees.

It is Elif's duty to inform all of its employees, visitors and suppliers about environment and occupational safety, to deliver safely the inheritance received to future generations.

Our Policies and Standards (cntd.)

Elif policies integrates Elif's corporate values of leadership, responsibility, diversity, integrity and passion to create value into the Company's human resources and information management systems.

Elif Ethical Code Of Conduct

Elif Ethical Code,

is drawn up in order to allow Elif and its employees to achieve shared success, and to develop and maintain mutual relationships in line with universal common values, with the customers and suppliers, and is approved also by the Board of Directors.

"Principled behavior" is the major policy guiding the activities of Elif The firm considers the application of same standards and same level of closeness with all its customers, suppliers, and employees as an indispensable obligation, as well as the main driver of its existence and growth.

For the firm, the timely and full performance of obligations specified in laws and contracts, as well as acting on the basis of fairness has priority over all commercial concerns. Current reliability and respectability of Elif stems from this attitude.

Elif Ethical Code of Conduct

covers the basic principles and attitudes of the Firm. The policies of Elif form an integral monolithic structure with the firm's values and principles. The application, monitoring, and ensuring the maintenance of these principles are among the responsibilities of all Elif employees, and all employees are required to observe these.

Elif Employees;

The firm's personnel is required to abide by the "Principles of Work Ethics" when performing their duties. The "Work ethics" principles, based on the values of the firm, were formulated with an awareness that business procedures, standards, and laws and regulations may not always provide sufficient guidance with respect to all our behaviors and attitudes. The Work Ethics Code adopted by the Board of Directors includes basic and Globally accepted principles regarding Honesty, Reliability, Confidence, Protection of Trade Secrets, and Conflicts of Interest.

The employees of Elif do not plan for or derive personal benefits for himself/herself, his/her relatives or social circle, making use of his/her position in the firm. They also strive to protect the interests of the firm in all business contacts with third parties. The employees shall not engage in close relations with persons or organizations that may benefit from their work related decisions or the confidential information at their command, and shall avoid such acts or behaviors.

Conflicts of interest will come to occur in case the private interests of the employee are actually or potentially in conflict with the interests of Elif. In case the existing positions of the employees lead to such inappropriate personal interests, no employee will derive benefits

from the firm's operations for themselves, members of their family, or any relatives. They do not use or lend the property, knowledge, and titles of the firm for personal interests. In order to protect the intellectual property of ELIF and its customers, the employees are responsible with protecting the information protected and used in programs such as Isoft, SAP etc., and acting in line with Information Security policies and procedures.

Elif employees shall give and receive gifts from persons, agencies and organizations they come into contact with due to their work, only within the framework of established rules of the firm.

The employees should use the firm's assets only for work related purposes, protect them, and ensure their most effective use. In cases where the employee determines cases otherwise, all Elif employees are tasked with protecting and guarding the firm's assets before employees or 3rd Parties, and with ensuring use in line with the interests of the firm.

No employee outside the assigned departments shall make verbal or written remarks representing or binding Elif before 3rd Parties.

The employees of Elif are under obligation to abide by all laws, rules, and regulations within Turkey, as well as the rules and laws of the countries they visit during travels abroad.

ELIF Work Principles,

ELIF aims to provide its employees a healthy, safe, and efficient work environment.

With this purpose:

- Aggressive attitudes, acts detrimental to the effectiveness and security of work environment, threatening words and behaviors, harassment and mobbing, promotion of commercial, political, or religious interests shall not be accepted.
- Alteration of official documents by employees during the performance of their duties is unacceptable. During the preparation of official documents the employees are under obligation to abide by time related and other restrictions stipulated by the relevant authority.

Each new employee of Elif shall be told of the work ethics during the orientation, and shall be required to sign undertakings that they understand such rules constitute integral parts of the employment contract.

Elif Product Safety Policy

The fundamental product safety policy of ELIF is to ensure compliance of products with national and international standards, laws, and regulations, as well as expectations in the whole process from the procurement of raw materials to the delivery to the customer, as well as to

ensure product safety and quality, and to maintain the development of the firm with the support of continuous and effective trainings.

Elif Quality Policy

Fundamental quality policy of Elif is to make Elif, a brand already synonymous with quality, unrivalled in terms of production to meet maximum expectations within the framework of customer requirements by making the most efficient use of the advanced technology at its command, through continuous training of its employees, to increase its market share through contributions of all Elif employees within a dynamic institutional structure following scientific and technological developments closely, and to ensure continuity in the development of the firm by aiming for ever growing targets at the time of achievement.

Elif Social Responsibility Policy

The basic social responsibility policy of ELIF is to fulfill all national and legal requirements with an awareness of social responsibility in the making of a healthy and conscious society, and

- Not to employ any personnel under 18 years of age;
- Not to pay wages less than the minimum wage;
- Pay normal wages and overtime in full and on time;

- Not to employ uninsured personnel;
- To make continuous improvements in all matters by taking all necessary measures required for the health and safety of all employees without any discrimination.

Elif Information Security Policy

As Elif, it is our main policy to ensure the security of all administrative, financial and commercial data which are shared in the information systems by use of the advanced technologies utilized by the company, act in accordance with the laws, provide highest level of security for customer information by adhering to the customer contracts, protect the confidentiality of our employees' personal information, act in accordance with intellectual property rights, take necessary measures for ensuring continuity in business and minimize the risks associated with security violations, protect our investments and reputation, and apply the minimum standards required for providing, maintaining and improving information security.

Our Policies and Standards (cntd.)

Elif's vision for Human Resources is to be a model company that adapts a «world class» HR management method, which everyone wants to be - or already is happy to be - a part of.

Elif Human Resources Policy

«In the light of common values of Elif, investment made to the human is the investment made to the future»

Elif takes "human" factor as one of the key elements in its activities. The main aim of Human Resources Policy of Elif is to use the human resource in an efficient and effective way, and assembling the happiness of employees with the company goals in common values.

With this policy; Elif aims to be one of the most preferred companies ensuring employee satisfaction by

- improving employees' quality of life,
- providing understandable, accessible, quick and honest communication,
- and acting with the "Right person, right job" philosophy.

Elif's vision in Human Resources is:

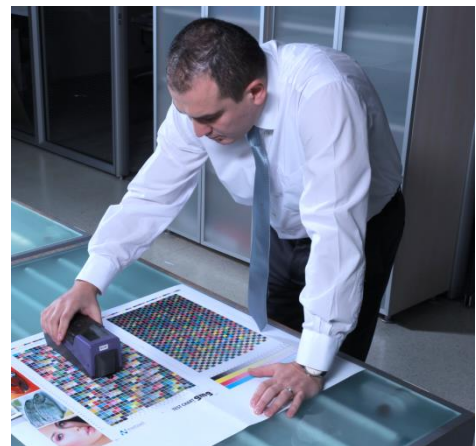
«to be a model company that adapts a "world class" Human Resources management method, which everyone wants to be - or already is happy to be - a part of»

with the mission:

«to be an objective, open and scrupulous company which is contactable in every condition and identifies and solves problems with its determined and shared system.

Our Principles:

- To take possession of the change and direct it.
- To recruit people who are highly educated, open to innovation and change and easily adapt to the group values.
- To create a corporate structure which is controlled by those who enjoy their responsibilities, use every opportunity to improve their jobs and who are productive.
- To provide opportunities for employees to make them reach the highest efficiency level in shortest time.
- By using both self-improvement and job-focused training programs prepared with unique contents for each level, increasing our employees' added value provided to the company.





UNGC Principles: Approach, Implementation, Actions & Results

	UNGC Principles	Approach
Human Rights	<ol style="list-style-type: none"> 1. Businesses should support and respect the protection of internationally proclaimed human rights; and 2. Make sure that they are not complicit in human rights abuses. 	<p>Elif seeks to uphold universal human rights, including accessibility, discrimination and labour rights. Elif Code of Conduct requires the fair and equitable treatment of all Elif employees, suppliers and customers.</p> <p>Diversity & Equal Employment Opportunity is a sustained competitive advantage for the continued growth of Elif.</p>
Labour Rights	<ol style="list-style-type: none"> 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; 4. The elimination of all forms of forced and compulsory labour; 5. The effective abolition of child labour; and 6. The elimination of discrimination in respect of employment and occupation. 	<p>Labor rights and safety is a critical topic for Elif. Elif is committed to deliver any legal, organizational or functional requirement related with labour rights and safety. Elif aims to develop an equal opportunity diverse workforce, engaged to work in a safe workplace with highest standards and no injuries.</p>
Environment	<ol style="list-style-type: none"> 7. Businesses should support a precautionary approach to environmental challenges; 8. Undertake initiatives to promote greater environmental responsibility; and 9. Encourage the development and diffusion of environmentally friendly technologies. 	<p>Elif works relentlessly to reduce the use of natural resources in its products, operations and services. One of Elif's core values is sustainable development and Elif values its reputation as an environmentally engaged supplier .</p>
Anti-Corruption	<ol style="list-style-type: none"> 10. Businesses should work against corruption in all its forms, including extortion and bribery. 	<p>Elif works against all forms of corruption, including extortion and bribery. Elif supports the Global Compact's principles on anti-corruption, complies with law, and condemns any form of bribery or corrupt activity parallel to its Code of Conduct.</p>

Implementation

- Code of Conduct & Ethics Policy
- Disclosure Policy
- Occupational Health & Safety Policy
- Social Responsibility Policy
- Product Safety Policy
- Quality Policy
- SEDEX
- **Save Food Initiative**

Actions & Results

- No prosecutions relating to human rights issues have been recorded for the period covered by this report.
- Details of the actions can be found on pg.24-25.
- 'Packaging for Life' approach
- World Women's Day & Women Empowerment Program
- UNICEF Platinum Wings
- 4th year of Save Food

- **Renewal of Human Resources Policy**
http://elifplastik.com.tr/dynamics/documents/elifins_ankaynaklaripolitikasieng.pdf
- Code of Conduct & Ethics Policy
- Occupational Health & Safety Policy
- SEDEX
- OHSAS 18001
- Career & Co-worker Development
- Diversity & Equal Employment
- Occupational Health & Safety

- No prosecutions relating to equal opportunity or other labour rights issues have been recorded for the period covered by this report.
- Details of the actions can be found on pg.26-27.
- 7th year of SEDEX membership
- %27.8 better performance on the number of cases per worked hour (Case Frequency Rate).
- 50.13% lower Case Weight Ratio.
- 11.7 hours of education per co-worker achieved for safer working conditions.

- **Sustainability Achievements & Projects:**
 - NOsume Energy Project
 - **New Re-water Project**
 - **New Tri-gen Project**
- Code of Conduct & Ethics Policy
- Sustainability Framework
- Packaging Sustainability
- ISO 14001
- Getting prepared for ISO 50001

- Details of the actions can be found on pg.28-29.
- Elif recognized by Coca-Cola Green Supplier Award, nominated by Ontex as «Supplier of the Year» in sustainability category and awarded by ÇEVKO
- 1 new patented bio-degradable packaging solution
- Reduced water abstraction by 10,5% per ton of production compared with 2012

- **Renewal of Information Management Security System & SAP Implementation**
- Code of Conduct & Ethics Policy
- SEDEX
- Legal Governance

- Elif has not be involved in any corrupt activities (or potential corruption) , nor has Elif been involved in corrupt activities during or before our membership to the Global Compact.
- Details of the actions can be found on pg.30-31.



We are
PACKAGING FOR

life



elif
Packaging for Life

PACKAGING FOR

freshness

PACKAGING FOR

earth

PACKAGING FOR

freedom

PACKAGING FOR

fun

PACKAGING FOR

senses

PACKAGING FOR

care

PACKAGING FOR

sharing

PACKAGING FOR

love

PACKAGING FOR

friendship

www.elifplastik.com.tr

Human Rights - Actions

Elif's packaging reaches millions of people all around the world every day, helping to create a happier and healthier life. The Company exists for People in every sphere of life. Elif's business is "Packaging for Life".

Packaging for Life

Producing "Packaging for Life", Elif works constantly to create value, in the spirit of leadership, with the knowledge that diversity is the source of a rich culture, and with honesty and responsibility being its indispensable values.

Packaging is an essential part of our daily lives. Elif works passionately to deliver «always» better products for the society, for the environment, for the future. At Elif, «We are Packaging for Life».

International Women's Day & Women Empowerment

Elif puts its signature under new projects that add value to the life in a regular basis, being aware of the fact that improvement of the position of women in the community and their participation in the business life, more than being a demand, is among the highest needs of our society. Elif continued its Women's Day activities this year, which became an Elif tradition.

After the 'March 8th Women's Day Lunch' attended by all employees, as a symbol of this day Elif presents gifts Women's Day flowers with special messages emphasizing the meaning and importance of this day to ensure that all Elif

employees, their families, their immediate surroundings and the society's awareness of 'gender equality'. Elif enriched its activities for Women's Day with new projects and donated the Turkish Education Foundation on behalf of its employees to raise strong women for the future.

Elif questioned the meaning and purpose of gender equality during the events with a short survey among its employees. Elif also shared mini videos of short anecdotes that share these views from their social media accounts.

Being conscious about the fact that achieving higher level of development requires women's increased participation in the economy, a bigger share to them from development and growth and improvement of their position in the family, Elif continues to launch important social responsibility projects as well. In this frame, Elif has offered job opportunities to housewives in tying operations of hundreds of thousands of bags produced by the company in 2016, which in turn has created total women employment of 235 working days. Elif raised this number to 1,370 working days and provided employment for women in 2017.

Elif, one of the first initiators and supporters of the Women's

Empowerment Principles – WEPs platform, which was established in partnership with the United Nations Global Compact and United Nations Gender Equality and Women's Empowerment Unit (UN Women) in 2010, actively continues its efforts to strengthen women's empowerment, which is one of the most important global initiatives in the private sector.



UNICEF Platinum Wing

Elif has been the first supporter of UNICEF's "Platinum Wing" program in Turkey. The company is the first Turkish institution conferred with the 'UNICEF Platinum Wing', thanks to the regular funds granted by the company to the UNICEF projects that aim to ensure access by the most disadvantaged children in Turkey and around the world to the living, improvement, health and education services and offer them the same rights with their peers.



Elif, as the first holder of the 'Platinum Wing' of the UNICEF's Turkish National Committee, makes contribution to long-termed projects that will create sustainable changes in the way to ensure access of vulnerable children will to fundamental rights and needs, with regular monthly funds. With the said funds, several projects are conducted in the national and international levels to ensure that the most disadvantageous children of our society will be able to satisfy their fundamental needs and reach better living standards now and in the future.

With the support given to UNICEF, Elif makes contribution to ensure that hundreds of thousands of children employed as agricultural workers in Turkey are returned to their schools, accommodation and education needs of refugee children are met, an unobstructed world is created for disabled children and girls who are forced to marry very young and moved away from schools complete their education.



SAVE FOOD Initiative

Elif is proud to be the 4th year of being a supporter of the Save Food initiative.

The aim of Save Food is to develop new concepts which contribute to the more efficient use of food resources amongst industry experts, researchers, politics and consumers.

Elif's most important leverage for the global society is the quality of packaging materials that helps societies to access better quality products.

As part of "Save Food Initiative", Elif is particularly keen to promote information interchange and cooperation between all parties and partners involved in the value chain. Elif will continue to its innovations that extend shelf life, reduce waste and deliver ultimate product and brand protection.



Elif turned its lights off on Saturday March 24 between 8:30 – 9:30 pm in local time for Earth Hour, an annual event aimed at raising awareness about energy consumption and climate change.



**Millions ✓
of people in
contact with Elif
every day**

**1,370 ✓
working days
employment for
women**

**3 ✓
Consecutive
«Human Respect»
awards**

**4th ✓
year of
Save Food
initiative.**

Labour Rights - Actions

Elif is aware that its co-workers and the synergy generated by them are key values for the company. Therefore, Elif is committed to continuously enhance the workplace conditions for better working environment and provide a safer and healthier environment for its co-workers, contractors and visitors.

7 Year of SEDEX Membership

Elif is a member of SEDEX (Supplier Ethical Data Exchange) which has more than 50,000 members globally. As a member of SEDEX, Elif is being audited periodically according to SMETA (SEDEX Members Ethical Trade Audit) and assuring self improvements of its sustainability and ethical policies for all of its manufacturing sites.

Every year Elif goes through SEDEX audit and also supports numerous audits from our customers against the SEDEX responses.

SEDEX provides an online platform for reporting labour standards, health and safety, business integrity and environmental performance information. The questionnaire includes questions about labour conditions, human resources policy and human rights. Questions are centered around:

- Child and young employees
- Freely chosen employment
- Freedom of association and collective bargaining
- Wages
- Working hours
- Non-discrimination
- Regular employment
- Use of small holders
- Discipline and grievance
- Use of home workers

Getting closer to «No Injuries»

Elif's approach to occupational and workplace health and safety is driven by Elif Environment, Occupational Health and Safety Policy, shared on p.15 of this report. Elif prepares and develops an annual action plan to reach its long terms targets on occupational health and safety. As well as Elif Environment, Occupational Health and Safety department responsible from the management of the environment and labour safety, every Elif employee can come with proposal for development of safety. Employees are welcome with their proposals and ideas and are also encouraged with an award system.

Supporting Elif's Environment, Occupational Health and Safety Policy and strategy, each Elif manufacturing site prepares an annual program including action plan for environment and workplace safety.

The goal of Elif's occupational health and safety programs is to foster a safer and healthier work environment for its co-workers as well as to protect the welfare of people engaged in work or employment and surroundings. . Elif is aware that its co-workers and the synergy generated by them are key values for the company.

Elif Case Frequency Rate is measured by calculating the number of injuries or work-related illnesses per total hours worked and multiplied by 1.000.000.

Elif Case Weight Ratio is measured by calculating the number of lost days due to the injuries or work-related illnesses per total hours worked and multiplied by million. In year 2017, Case Number and Case Frequency Rate remained the same as in 2016, Case Weight Ratio decreased by 4,88% and Lost Days decreased by 4,96% in 2017.

Elif Case Weight Ratio is measured by calculating the number of lost days due to the injuries or work-related illnesses per total hours worked and multiplied by million.

In the past years, it was determined that the majority of the accidents that occurred in the Elif production line were caused by the cuts of falcatas, so special equipment was purchased and all of the employees were trained in cutting. In addition, a team of experts on cutting was established. In this way,, cutting work accidents have declined by 100%.



Elif continuously and periodically educates, trains and conducts yearly health risk-control programs for its co-workers. Elif is certificated with OHSAS 18001 Occupational Health & Safety Management System Certificate and implemented a variety of programs and processes to achieve greater protection and to prevent occupational injury and illness of employees, contractors and visitors.

The results clearly demonstrates that Elif's health and safety programs are performing and the Company is getting closer to its «No Injuries» target parallel to its Environment, Occupational Health and Safety Policy.

Road to success, self-control with 5S!

In 2017, By means of "Road to success, self-control with 5S" project which is a workplace organization that consists of five stages and is named after the initials of five Japanese words, Elif aims to implement, manage and ensure the sustainability of industrial order, neatness, and cleanness into the organization in a systematic manner. Elif has announced the launch of this important project in September, by means of the launch meeting conducted with the participation of 700 employees.

By means of the 5S project to which the entire Elif family participated with high motivation, Elif is aiming to raise its organisation to the top level in simplicity, efficiency and quality fields by applying Sort-Set In Order-Shine-Standardize-Sustain systematic in all work areas. "Road to success, self-control with 5S" project, which is initiated in parallel with Egypt and Turkey operations, will spread within the organization in the presence of consultants for 1 year and will be supported with trainings, activities and campaigns.

Being aware that 5S project does not only consist of a cleaning activity, Elif aims to prevent losses caused by workplace disorders such as lack of taking control at the operations easily, employees wasting time with searching materials and tools, giving too much or too little raw material orders, occupational accidents and lack of using the factory space effectively.

Co-worker Awareness and Educations

Total time of education covered by Elif for orientation, information and awareness-raising purposes has reached 11.7 hours per co-worker. Educations for occupational health and safety are specifically designed according to the technical requirements of each department..

**case
frequency rate**
27.8% ↓

**case weight
ratio**
50.1% ↓

**hours of
education**
11.7 ✓

'Packaging for Friendship'

Shelter animals are protected from cold by Elif!

Elif signed a new effort to protect shelter animals from cold weather, making an addition to the social responsibility projects it carries out for street animals in need of assistance and protection.

Elif, which has acted with the awareness of social responsibility and produced 'Packaging for Life' since its foundation, continues to grow the traditional social responsibility projects supported by the company every year for a sustainable future. By taking the need for assistance and protection of street animals as a part of its responsibility of 'Corporate Citizenship', Elif has produced a flexible film with a special formula to cover the cages in which animals are housed, in order to protect shelter animals from cold weather during the hard winter conditions currently experienced. With these flexible films produced at maximum thickness and density, Elif prevented cold air in the cages, helping shelter animals to spend the winter safer.

Elif, which has donated tons of food to Yedikule Animal Shelter in the previous years, calls on all institutions and organizations to provide support to street animals in need of assistance and protection. Serving on the basis of volunteerism and offering a house to thousands of cats and dogs with love, Yedikule Animal Shelter fulfils all needs of health and nutrition with the donations of volunteers. The Yedikule Animal Shelter, which provides a chance to adopt a dog or a cat meticulously with the proprietorship or patronage system, also aims to instill animal love with future generations through student visits.

Elif helps to protect the Planet with its 1200 Co-workers

Elif turned its lights off on Saturday March 24 between 8:30 – 9:30 pm in local time for Earth Hour, an annual event aimed at raising awareness about energy consumption and climate change.



1 ✓
new product innovation for sustainability

2 ✓
green projects in 2017

2 ✓
Awareness campaign for environment

Anti-corruption - Actions

Elif works together with its customers, suppliers and co-workers parallel to its Code of Conduct and Ethics Policy, in order to improve products in marketplace and develop new solutions that will add value to the economy, environment and culture of the marketplaces and geographies it reaches.

Marketplace Approach

Elif intends to be a worldwide international trademark by providing products and services of high quality and value, helping customers and societies, articulate their goals, charting a course which navigates them from where they are today to where they want to be tomorrow and beyond. Elif upholds the values and principles of cultures it operates and serves, as well as its customers, in every action and decision by treating their assets as its own and behaving with their long-term development in mind.

Code of Conduct and Ethics Policy Implementation for New Marketplaces

Elif's new manufacturing plant will start operating in Q4 2014. The new plant in Cairo, Egypt will be the hub of Middle East and Africa operations of the company.

Elif is not only an investor who provides new job opportunities and creates added value for the African Economy, but also, by using the latest technology and bringing its know-how to the region, Elif's Code of Conduct and Ethics Policy will be implemented as well in its new facility and organization.

Responsible and Ethical Sourcing and Procurement

Elif is a member of Sedex (Supplier Ethical Data Exchange) since 2010. Sedex is a not-for-profit membership organization that enables the sharing of ethical performance information between companies and their suppliers. Sedex membership means that Elif provides access to its ethical performance information to its customers and can request the same from its suppliers. More than 400 global brands, 17,000 suppliers and more than 21,000 sites in 160 countries currently participate in Sedex.

As a member of Sedex, Elif is being audited periodically according to SMETA (Sedex Members Ethical Trade Audit) and completed SSAQ (Sedex Self-Assessment Questionnaire) for improvements of its sustainability and ethical policies. The increased demand for sustainability information about Elif's operations from customers is met by the registered information in the Sedex database and, during 2017, more than 12 customers requested access to Sedex information relating Elif sites.

New Information Management Security System

Elif was one of the first packaging companies, which were awarded the 2017 version of ISO/IEC 27001 Information Safety Management System Standard in Turkey.

ISO/IEC 27001 is the only controllable international standard that defines the requirements of Information Safety Management System (ISMS). Being designed to ensure adequate and proportionate safety controls, ISO/IEC 27001 certification helps protect and manage the valuable information assets. At the same time, ISO/IEC 27001 adopts the process approach to create, implement, operate, monitor, inspect, maintain and develop the Information Safety Management System.

Following the inspections carried out in June, Elif has been granted the ISO 27001 Information Safety Certificate, which sets the standards to prepare risk management and risk handling plans, duties and responsibilities, business continuity plans, emergency incident management procedures of the institutions in terms of information safety and

to keep the records during the practice. Elif has achieved that success by publishing an information safety policy in which all activities are contained and creating awareness by the staff about the threats towards the information safety.

Independent Audits

In today's global economic conditions, both international and national environment in which the business world, Elif is emphasizing the concept of the continuity and transparency. But transparency can only be obtained with financial reporting and independent audits provided in the international standards.

Elif goes through tax audit and auditing of accounts on an annual base. As a global company operating in foreign trade, Elif also gets external auditing service for its foreign trade operations. In this sense, the accuracy of the declarations in conformity with the regulations and the calculated duties & taxes are audited and the outcome is reported



NO corrupt activities (or potential corruption) during or before our membership to the Global Compact.



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