



COMMUNICATION ON
PROGRESS

Global Compact

2017 Progress Report



CONTENT

01 Co-chairperson's message

02 Reports content

03 About Us

04 Company History

05 Company Profile

06 Human Rights

07 Education & training

08 Human resources policies

09 A Communication initiative

10 Creating awareness

11 working environment

12 health and safety standards

13 Our contributions

14 Environment

15 Anti-Corruption

16-Conclusion



1- CO-CHAIRPERSON'S MESSAGE

Dear Stakeholders,

I am pleased to confirm that MLS Holding reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

In today's world, where access to information is more straightforward, the importance of communication and quality information is increasing day by day. This year in order to enhance internal communication, we have increased the training and initiated routine conference calls between remote offices to improve the interaction of all our branches around the world.

We increased both the profit of our company and the added value of all our projects through this healthy interaction. We established an internal Communication Network for everyone, creating a buddy system for natural disaster cases such as Earthquakes where every second counts and communication has great importance. Through this system, we have shortened the communication time between our employees by reaching each other over the same network. This project has created considerable interest with our customers and suppliers, who began to plan to adopt a similar system.

In 2017, in order to ensure that our work is understood and assimilated at every level, we gave more attention to understand ourselves and reviewed all the processes of our group companies. Within this framework, regardless of trade volume or figures, we were deemed worthy of the best business conduct and process management global award by Shell.

With this occasion, I would like to share my heartfelt thanks to Turkey, to our company, and to all our employees who should be proud of their achievements.

Best Regards
Mehmet Sami Ozdemir



02 REPORT CONTENT

This report was signed by MLS Holding on 24.05.2013. This report is a progress declaration to our stakeholders about the implementation of Global Compact for 2017. Information, activities and projects between 01.01.2017 and 31.12.2017 are included.

GLOBAL PRINCIPLES AGREEMENT

The United Nations Global Compact is an innovative approach to corporate responsibility that proposes universal principles to create a shared culture of development in a consistently competitive business world. Being a part of the Convention whose vision is “sustainable and comprehensive global economy” is entirely voluntary. In this context, ten fundamental principles have been determined in human rights, working conditions, environmental protection and anti-corruption contents and articles of the Global Compact are as follows:

Human Rights

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

Principle 2: *Businesses should not be complicit in human rights abuses.*

Labour Standards

Principle 3: *Businesses should encourage the freedom of unionisation and the effective recognition of the right to collective bargaining.*

Principle 4: *The application of forced and compulsory labour should be stopped*



Principle 5: *All kinds of child labour should be stopped*

Principle 6: *Discrimination in recruitment and placement should be stopped.*

Environment

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

Principle 8: *It should support all kinds of activities and organisations that increase environmental responsibility.*

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

Anti-Corruption

Principle 10: *Businesses should fight all forms of corruption, including bribery and extortion*

03 ABOUT US



mls harfleri faaliyet alanlarımızı simgelemektedir;

“manufacturing”, “lubrication”, “service”

“imalat”

“yağlama”

“servis”

Bu harfler aynı zamanda iş yapma metotlarımızı simgelemektedir.

“modest”,

“liable”,

“sustainable”

“mütevazı”

“güvenilir”

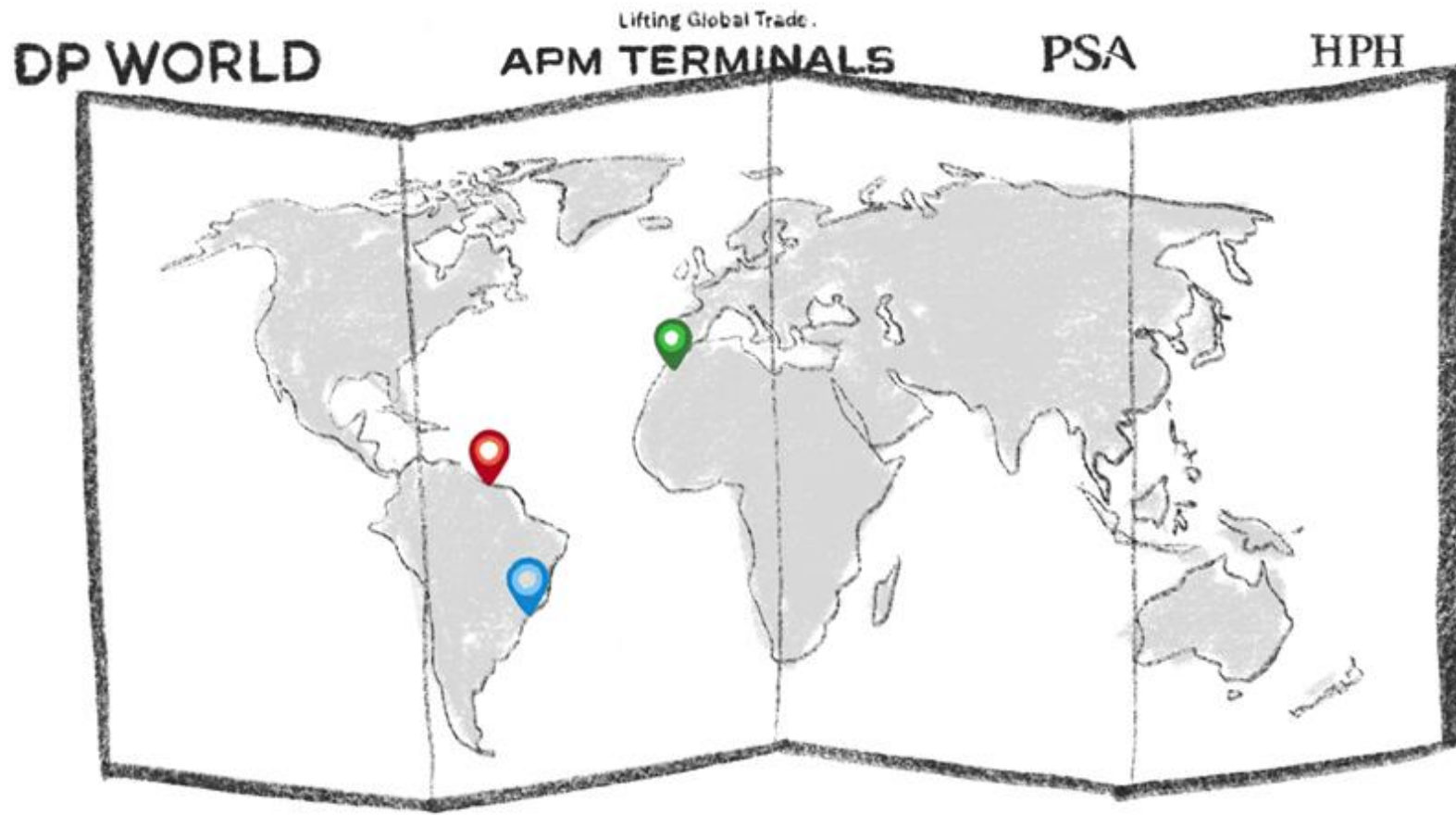
“istikrarlı”

staff capabilities, MLS Holding aims to achieve sustainability in ever-changing conditions. This added value is accompanied by the ethics vision brought by the founders and institutions such as global compact.

Believing that the sustainability of business can only be achieved through discipline and will of serving, MLS Holding maintains its institutionalised structure combined with a “Tradesmen” approach that gives it its flexibility when the need arises.

MLS Holding, beyond the commercial activities of its subsidiaries, represents our firm dedication to the values that characterise our business ethics. Today, with its approximately 200 employees, MLS Holding demonstrates its commitment to its values in every possible means.

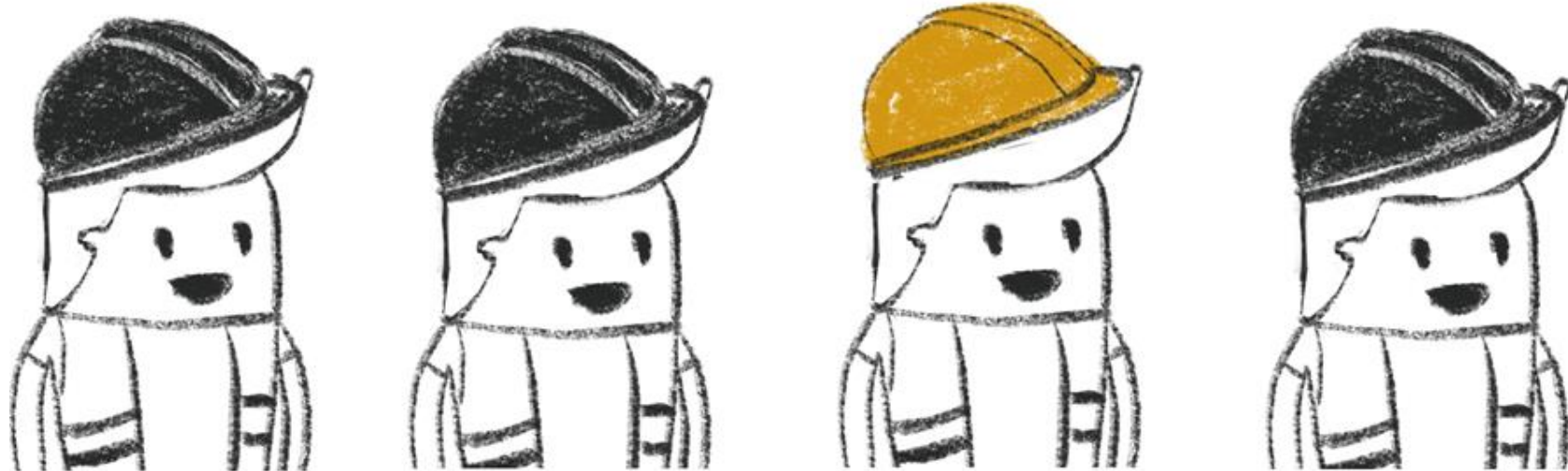
MLS Holding makes its significant investment in human capital which forms its most essential asset. By investing intensively in education and developing its



Cooperating with global port operators , our Portunus Company which part of our MLS Holding serves its customer portfolio in 200 ports in 36 different countries

PEMA

PORT EQUIPMENT MANUFACTURERS ASSOCIATION

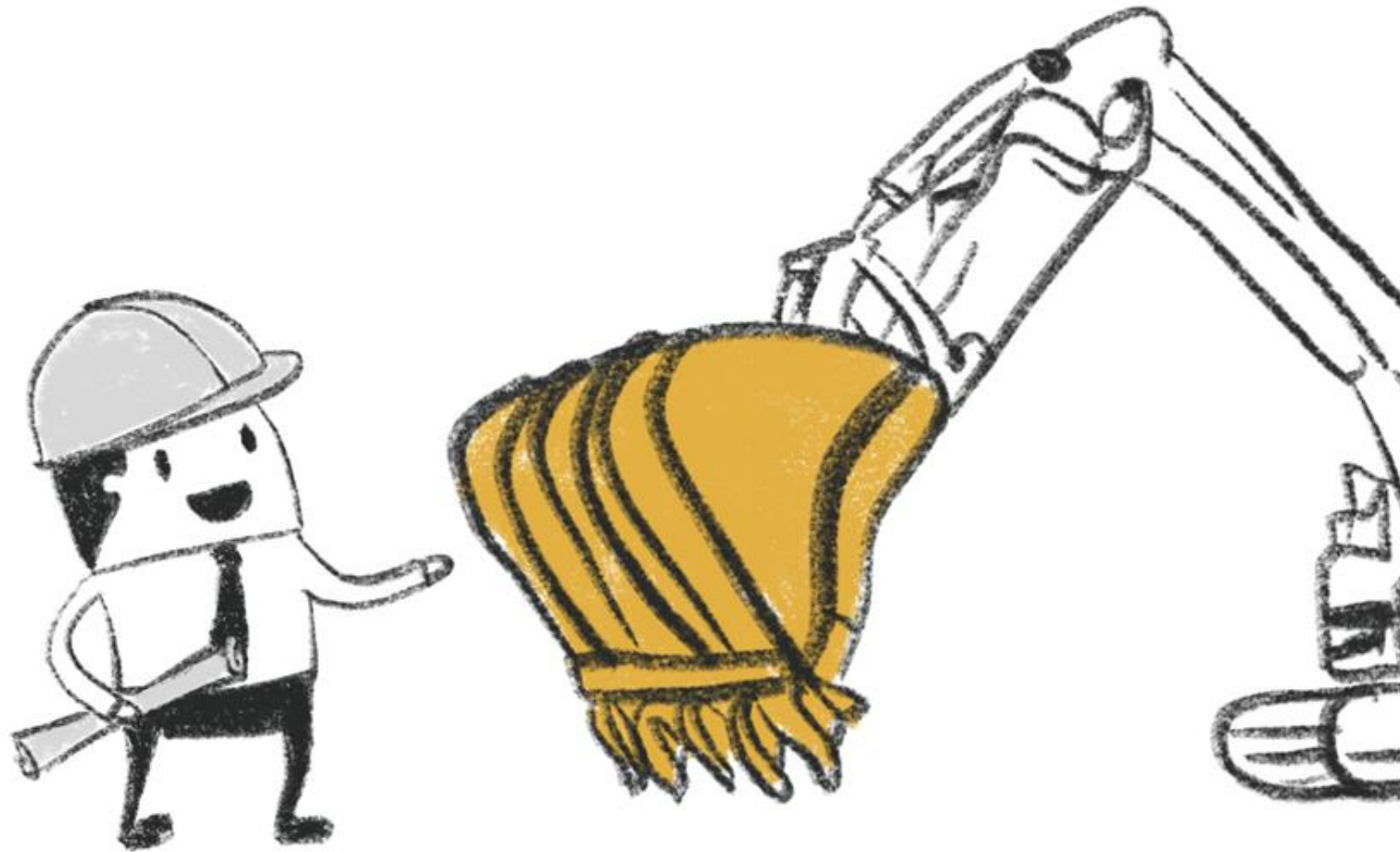


Portunus is the sole Turkish member of Port Equipment Manufacturers association. This underlines the unique character of Portunus which is recognized abroad.



MEDITERRANEAN
地中海分公司

We are also partners with the World's biggest port crane manufacturer ZPMC in the company ZPMC Mediterranean serving the whole Mediterranean & black sea region.



Portunus has a new factory in Ankara for the manufacture of the ground engaging tools.



Another important activity field of our group of companies is the distribution of Shell lubricants. Our cooperation that started due to our service consumption has reached the trading volume of 12 million liters per year. We are now the biggest shell distributor in Europe & Africa as OMF company.

04 COMPANY STORY

In 1992; Port machinery manufacturer Italian company Officine Meccaniche Fantuzzi of the field representation Sami Özdemir Turkey, OMF agency founded with his wife Sema Özdemir.

In 1998 ; 60 tons of oil consumption was reached. With the suggestion of Shell, OMF Auxiliary Materials Department was established under OMF Agency to sell to other companies in the sector.

In 2002 ; Sami Özdemir and Sema Özdemir decided that the Auxiliary Materials Department would operate as OMF Auxiliary Materials Inc. OMF was established.

In 2003 ; OMF Auxiliary Materials' Çerkezköy and Izmit branches started to operate. LSF established in Aegean region

In 2004 ; AES Company was established in order to meet the demand for spare parts

In 2005; All companies gathered under MLS HOLDING in order to gather the individual power of the companies under a single roof and to realize more successful works with the holding power.

*In 2006 * The foundations of the Academy Team Academy Project, which will ensure the institutionalization and permanence of the company were laid.
* Tristars brand is born
* in November 2006, ZPMC Istanbul was founded as a port crane manufacturer ZPMC representative of the company.*

*In 2007; * OMF was awarded the Best Distributor Award by Shell.*

In 2008 ; Established in 1992 as OMF Agency, the service company changed its name to Portunus

In 2012 ; OMF becomes the 2011 European / African Sales Leader among SHELL Lubricant Distributors. ZPMC Shanghai becomes the official partner of ZPMC Mediterranean

*In 2013 ; * Portunus Company, with the company Kone Mümesillik exclusive agreement for Turkey and Libya.
* Mls Holding Became Founding Partner of Marmara University Technopark*

In 2014 ; OMF was added to the field of activity in Bursa.

In 2015 ; Portunus was awarded the 2015 Excellence Award by Konecranes, where he served as a representative

In 2016 ; Portunus Inc Egypt and Dubai branches were opened.

In 2017; Portunus have been started the activities in Netherlands

05 COMPANY PROFILE

Our Vision;

For the company's lasting success; our vision is to be the first choice of the workforce by creating a highly qualified and motivated personnel Force who is always aiming success, adding value to society and ethical values, maximizing the competitiveness level of the company and ensuring continuity.

Our Mission;

Acting on the awareness that it is human that makes the difference in the competitive environment, we aim to reach the optimal performance level of all employees, to increase the loyalty to the company and to improve the cooperation between the employees, to unite the employees of the company around the common goals of the company and thus to increase our competitiveness.


Our Ideology;

On our way we do business in Turkey in the world which contribute to a respectable position available, to increase the loyalty to the company and its employees from the development of cooperation, company employees, companies are aiming to increase our assembly and thus competitiveness around common goals



Our Target;

We aim to establish respectable and sustainable companies in the global and multicultural world.



















Our values that make us who we are;

To do business within the framework of laws and commercial ethics, to be open to development, to be competitive



Our Business Principles

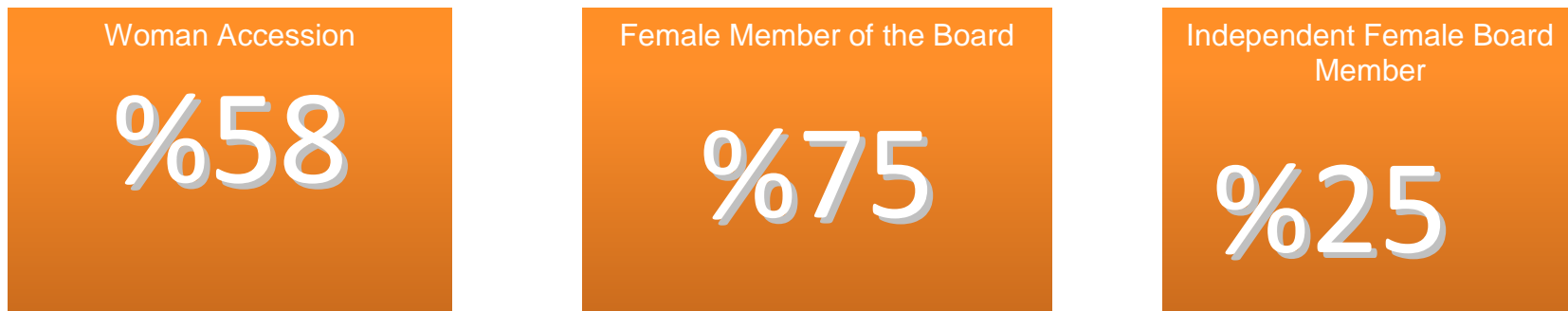
<p>PRENSİP / PRINCIPLE 1</p> <p>Yarınımızı nasıl bu günden daha iyi yaparız diye sorarız.</p> <p>We question as to how we can make our future better than our present.</p>  <p><small>mlsholding</small></p>	<p>PRENSİP / PRINCIPLE 2</p> <p>Müşterilerimizin ihtiyaçlarını doğru anlarız ve onun memnuniyetine önem veririz.</p> <p>We determine the needs of our customers and care for their satisfaction.</p>  <p><small>mlsholding</small></p>	<p>PRENSİP / PRINCIPLE 3</p> <p>Müşterimize sahip çıkmazsak başka birisinin ona sahip çıkacağını biliriz.</p> <p>We know that unless we take care of our customer, someone else will.</p>  <p><small>mlsholding</small></p>	<p>PRENSİP / PRINCIPLE 4</p> <p>İşimizin detaylarını iyi biliriz.</p> <p>We know our business inside out.</p>  <p><small>mlsholding</small></p>	<p>PRENSİP / PRINCIPLE 5</p> <p>Attığımız her adımda sözümüzün eriyiz.</p> <p>We are faithful to our word at each step we take.</p>  <p><small>mlsholding</small></p>	<p>PRENSİP / PRINCIPLE 6</p> <p>İşimizi disiplin kültürü içinde yaparız.</p> <p>We conduct our business in a disciplined culture.</p>  <p><small>mlsholding</small></p>
<p>PRENSİP / PRINCIPLE 7</p> <p>Mütevazı ancak profesyonel ve kararlı bir şekilde amaçlarımızın peşinden koşarız.</p> <p>We pursue our objectives in a modest yet professional and adamant way.</p>  <p><small>mlsholding</small></p>	<p>PRENSİP / PRINCIPLE 8</p> <p>Para kazanmanın ötesinde yaptığımız işe değer katarız.</p> <p>We add value to our business beyond earning money.</p>  <p><small>mlsholding</small></p>	<p>PRENSİP / PRINCIPLE 9</p> <p>Şirketimizin saygınlığına zarar vermediği sürece hata yapmaktan çekinmeyiz; ancak hatayı doğruyu bulmak için kullanırız.</p> <p>We do not hesitate to make mistakes as long as they do not harm the reputation of our company and only to find the correct way.</p>  <p><small>mlsholding</small></p>	<p>PRENSİP / PRINCIPLE 10</p> <p>Bizim için her müşterinin değerli olduğunu biliriz.</p> <p>We know that every customer is of great value for us.</p>  <p><small>mlsholding</small></p>	<p>PRENSİP / PRINCIPLE 11</p> <p>Dengeli büyümek gerektiğine inanırız.</p> <p>We believe that the growth must be in a stable manner.</p>  <p><small>mlsholding</small></p>	<p>PRENSİP / PRINCIPLE 12</p> <p>İş yaparken ve'nin birleştiren gücünü, veya'nın eleyici tarafına tercih ederiz.</p> <p>We prefer the connective power of "and" over the eliminating power of "or".</p>  <p><small>mlsholding</small></p>
<p>PRENSİP / PRINCIPLE 13</p> <p>Çalışanlarımız ve müşterilerimizle güvene dayalı ve uzun vadeli ilişkiler kurmayı hedefleriz.</p> <p>We aim to establish fiduciary and long term relationships with our employees and customers.</p>  <p><small>mlsholding</small></p>	<p>PRENSİP / PRINCIPLE 14</p> <p>Şirket kültürümüzü benimseyecek, ona sahip çıkacak ve şirketimize değer katacak doğru insanları bulur, eğitir ve onların şirketimizde uzun yıllar mutlu bir şekilde çalışması için gayret gösteririz.</p> <p>We recruit and train the right people who will adopt and attend to our corporate culture, add value to our company and try and ensure they work with us happily for a long time.</p>  <p><small>mlsholding</small></p>	<p>PRENSİP / PRINCIPLE 15</p> <p>Çalışanlarımızın işlerini kolaylaştıracak, müşterilerimizin memnuniyetini arttıracak doğru teknolojiyi kullanırız.</p> <p>We use the right technology to make our employees work easier and to increase the satisfaction of our customers.</p>  <p><small>mlsholding</small></p>	<p>PRENSİP / PRINCIPLE 16</p> <p>Kazancımızın bir bölümünü, faaliyet gösterdiğimiz ülkenin sosyal konularına ayırırız.</p> <p>We allocate part of our earnings for social issues of the country in which we operate.</p>  <p><small>mlsholding</small></p>		

06 HUMAN RIGHTS

MLS Holding supports and respects the protection of internationally proclaimed human rights. All our activities and practices are shaped on this very first principle. The recruitment and employment of the right candidates is the most basic application of this principle which helps to maintain low labour turnover. We aim and practice to announce these thoughts in every platform and make social awareness.

We act in our employees, candidates, suppliers and stakeholders regardless of language, religion, ethnicity, race, gender, political opinion and any other distinction prioritising equal opportunity.

The equality of opportunity is another important initiative that we are enforcing on purpose. Supporting the goal to have women labour in every level of workforce with equal rights and opportunities had an essential place in our 2017 aims.



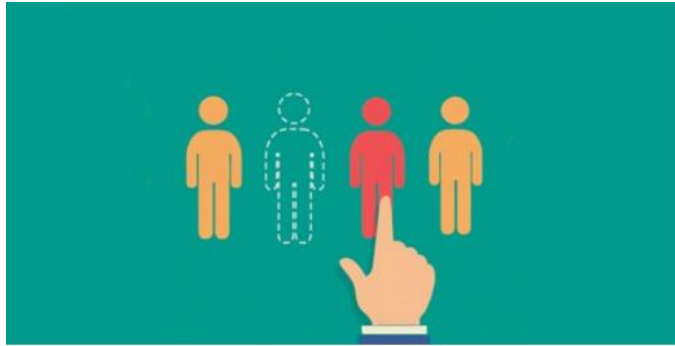
We still aim to increase female employment and create equal opportunities in Holding's administrative staff. Our employment rate has increased as of 2017, and we will continue to work for this target in the following years.

07 EDUCATION & TRAINING



We attach high importance to the training and development of our employees. In addition to compulsory, personal and vocational training, we organise training in specific programs to educate further our employees to give them broader perspectives and opportunities to develop themselves. In these training, theoretical knowledge is provided as well as knowledge and experience sharing is encouraged. Some of our training programs started in 2016 were completed in 2017.

08 HUMAN RESOURCES POLICIES



Our Human Resources policy is based on equality and justice. The systems that we have established in this direction are independent of the elements that will create a distinction between people and where equality of opportunity is at the forefront. All of our efforts in this area have been put into practice as of 2017.

In our recruitment processes, the advertisements we publish do not in any way reflect age, gender or any other criteria that will cause discrimination between applicants. Transparent and equal opportunity for everyone is our primary goal in these processes. In our Human Resources system, we aim to employ the right person in the right job. More than one's characteristics, his / her works, studies and competencies are at the forefront. Our employees are given the opportunity to develop themselves equally in line with their qualifications. We

also care about the timely and accurate information flow and respect for the applicants who apply to our company.

It is strictly forbidden to employ child labour at Mls Holding. Our company procedures have been established to ensure this. We remind our suppliers and stakeholders about our sensitivity in this regard at every opportunity, and we carry out audits for the companies we receive service from. In case of nonconformity in the audits performed, we will terminate our contract under the clause we have added.

MLS Holding follows all labour regulations including minimum wage policies, all workers in addition to standard social insurance are provided with additional health insurance.

09 A COMMUNICATION INITIATIVE AGAINST POSSIBLE NATURAL DISASTERS

MLS Holding strives to improve the communication of its staff as this proves the essence of a healthy working environment. However besides the social necessities, we also take into consideration other factors such as environment.

Within this context, our projects are progressing. In addition to our employee portal www.birilkteiyiz.biz, which we announced in 2016, in 2017, we established **the Disaster Communication Network** to facilitate the communication of our employees in case of a natural disaster and to act systematically. In this context, in the event of an emergency, especially in the earthquake, each of our company employees is mutually responsible for the person closest to them. Besides, each employee is connected to a member of our risk board.



Employees who reach each other pass that information to the members of the Risk Committee and the Board members report to the Chairman when all the personnel are reported safe. If the staff cannot reach each other for any reason, this is forwarded to the relevant Board Member and the necessary steps are taken to find or rescue the person or persons by means of the Risk Board to the disaster management center designated by the state and / or the relevant authority within the framework of the related disaster. Through this system, if there is an employee in need of assistance or in need of help, it is aimed to provide faster access to relevant professionals in the tender moments competing over time.

10 CREATING AWARENESS

Our communal spaces being used to communicate social issues to create awareness. For this purpose, we are creating visuals that are placed in communal areas within the company. The visuals are continuously updated, and their message is being shared in the company intranet for those who want to have access to this information.

Some Examples of Our Awareness Posters



Since 1993, the Mother-Child Education Foundation has been assisting children and families in need. We supported AÇEV on behalf of all our female employees within MLS Holding.



11 WORKING ENVIRONMENT



We emphasise the role of workspace design as part of the motivation for our staff. We know that motivation and productivity are firmly attached. We promote “casual collision” between employees in common areas during break times.

We hereby encourage collaborative working in contrary to old fashioned office structures designed by hierarchy. We know that those that sit together work together.

Social activities are encouraged, and the value of individuality within an integrated group is recognised by creating events for anyone to express themselves socially.

The team spirit is strengthened through sports events where the hierarchical structures are not relevant.



"WE MIND YOUR IDEA" ONLINE FEEDBACK SYSTEM APPLICATION

An online feedback system is installed to our office to provide an assessment of our services which our staff is using. The results are routinely evaluated, and actions are taken based on these findings.

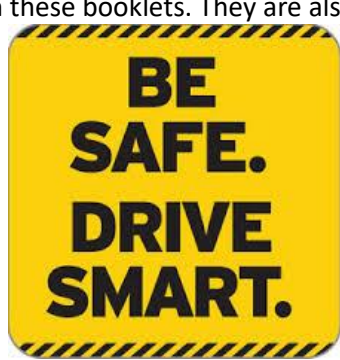


12 HEALTH AND SAFETY STANDARDS

We make every effort to provide the necessary precautions for the health and safety of our employees and subcontractors and to carry out the mandatory audits. Our occupational health and safety risk committee conducts regular meetings every month and performs inspections for taking necessary measures.

By providing regular internal training, it is tried to prevent work blindness that may occur in the personnel. In particular, additional trainings are organized for the driving personnel and awareness is increased through detailed booklets and small seminars that include topics such as how often a break should be given, what to eat or not to eat before long road trips, how sleep patterns should be, and even sent to their spouses

these booklets. They are also exp



Besides the preventive precautions against hazards, continuous hazard fighting training is provided to our employees by specialists and related authorities to protect the lives of our workers.



The health of our staff is also another point of consideration that we give importance; advisory boards are being used to create awareness regarding their health.



Our occupational safety risk board continues to conduct "Safety Walk" regularly audits every month, reporting and monitoring them for improvement. Also, we organise regular exercises to ensure that our employees act cautiously in case of emergency.

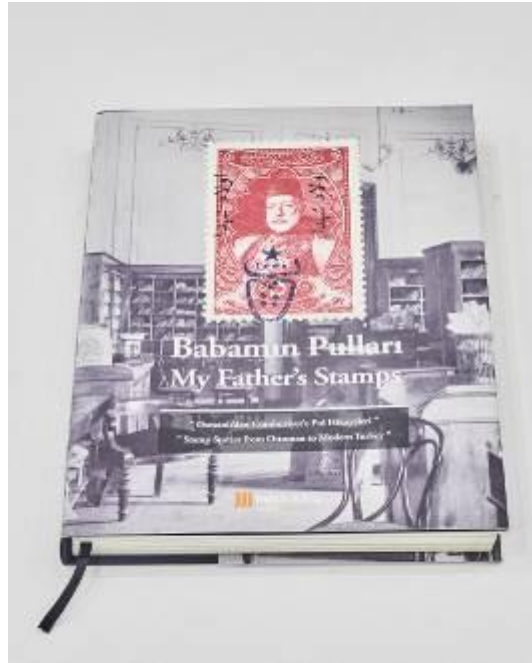


LEARNING STATIONS

Learning stations are created to prevent repeating of accidents that caused harm to our workers. The stations contain the reasons and consequences of each previous accident experience and provide corrective action that will avoid such errors.



13 OUR CONTRIBUTIONS



In the 25th year of establishment of our company, we wanted to materialise a unique and significant project that we have been considering since long time. We decided to prepare a book commemorating the heritage of Hacı İbrahim Ozdemir, the father of our chairperson Mr Sami Ozdemir.

With the establishment of our company, a postal stamp collection was presented as a gift from Hacı İbrahim Ozdemir with all his good wishes. This humble collection has been completed and became a unique collection of its kind in 2017. The book "My father's stamps" narrates the journey of Turkish postal stamps, we hope that it will provide a useful reference for those who are interested in contemporary history.

14 ENVIRONMENT

We know that the sustainability of the environment must be ensured before the sustainability of companies. As MLS Holding, we aim to leave a healthy and livable world to the next generations without forgetting that the environment is a legacy to us; we use environmentally friendly products and technologies in all of our activities.

Therefore;

- Awareness-raising activities are carried out for the efficient use of energy resources.
- It segregates waste in an environmentally friendly manner and prefers proper waste management. Our wastes are separated in the waste collection area and delivered to the related institutions. We also support this with information banners.
- The industrial waste collection policies are strengthened and enforced through the implementation of waste policies in every level of our activities.
- The safe handling practices are promoted and communicated with staff.
- We support environmental projects and participate in the information and implementation studies created in this field.

Support to Spinal Cord Injury Association & environment protection

To facilitate the life of an orthopedically disabled person; Turkey Spinal Cord Injury Association, it has held that joined as of the date of November 2016 we announced earlier campaign plastic cover, In 2017, as MLS Holding, we presented five chairs to those in need. Through our participation in this campaign, we were able to raise awareness of both environmental awareness and social responsibility awareness.



WASTE HANDLING & STORAGE STANDARDS

All waste handling and storage procedures were updated to the latest industry standards and even above that level to provide the safest possible environment for our workers.



15 ANTI-CORRUPTION

Corruption can be defined as willingness to act dishonestly and fraudulently for personal gain. The person (s) who are in an authorised position and who have been illegally paid to decide in favour of the payer and the payer (s) in the same way have participated in the corruption. Corruption increases the cost of doing business, leads to unfair competition, destroys creativity and damages social structures.

From a broad perspective, it delays economic development. For this reason, Mls Holding adopts the transparent management approach and acts within limits set by the laws in our practices. As a sign of our determination to fight against corruption, a decision was taken to establish an Anti-Corruption Policy at the end of 2015, and Mls Holding Business Ethics Rules were established in 2016, and in 2017 it was revised with the suggestions and sensitivities of both suppliers and customers.

MLS Holding does not tolerate activities such as bribery, insider trading, market abuse, fraud or money laundering. Convenience payments are also treated as bribe payments, and such payments should not be made. Also, any actual or potential conflicts of interest (in the form of a conflict of interest or perceived relationships) are avoided, inappropriate gifts or inappropriate hospitality are never be offered, or accepted.

16 CONCLUSION

MLS holding is dedicated to Show an exemplary organisation in the standards of Global compact. We aim to become the Pioneer of this vital initiative in our sector. 2017 has been a dense year for our company, we have started numerous new initiatives in compliance with Global compact principles. In this report, we tried to explain our approach and intention. We hope that we will be able to increase our presence within Global compact community through new achievements.