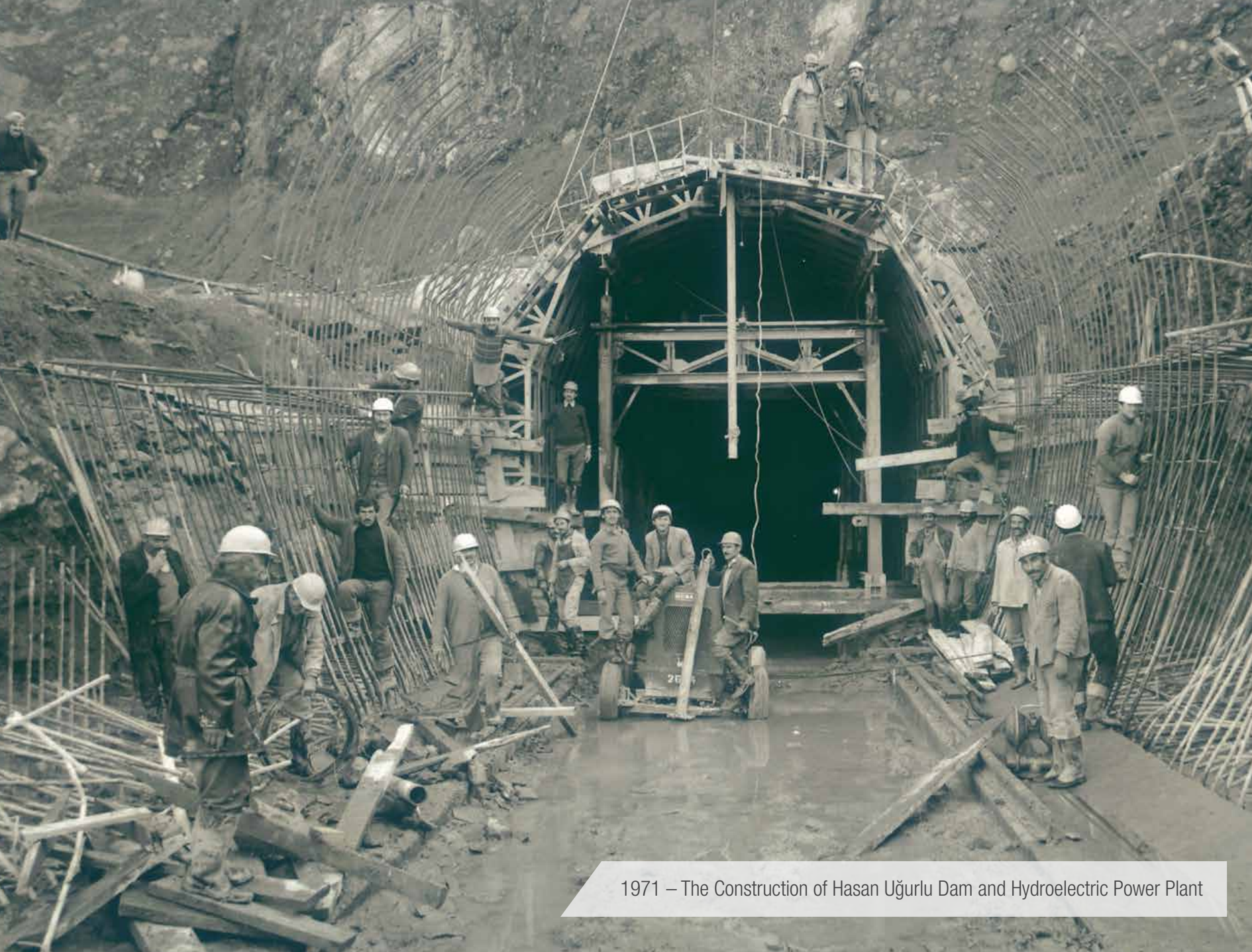


Responsive from Doğuş 2013

doğuş



1971 – The Construction of Hasan Uğurlu Dam and Hydroelectric Power Plant

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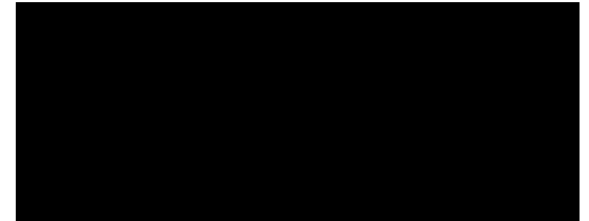
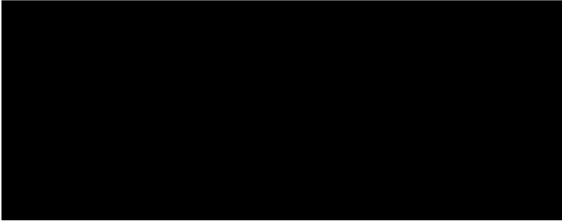
Unless otherwise stated, “Responsive from Dođuş 2013” includes the data obtained from the Head Office and active construction sites during January 2013-December 2013. On the other hand, in the sections of “Materials and Energy”, “Water Consumption”, “Waste Management” and “Public Benefit Investments”, to stand as an example only the data obtained from Artvin Dam and Hydroelectric Power Plant and Üsküdar-Ümraniye-Çekmeköy Metro Project are evaluated. Due to the hardship in collecting accurate data on sub-contractor employees, the data with regards to the labour are stated to include particularly Dođuş Employees of the Head Office and construction sites.

This report is the first Corporate Social Responsibility Report of Dođuş Construction, who signed United Nations Global Compact on October 8, 2012, and it is prepared according to Global Reporting Initiative (GRI), G3.1, Level C. The data were collected from the departments in charge by report supervisors on the basis of the GRI indicators. Dođuş Construction undertakes to report Corporate Social Responsibility performance annually.

During the preparation process of the report, particular importance were given not only to Dođuş Construction’s 2013 superior policies and practices in Occupational Health and Safety and Human Resources in the Head Office, Artvin Dam and Hydroelectric Power Plant Project and Üsküdar-Ümraniye-Çekmeköy Metro Project construction sites but also financial indicators generated within the same period.

As a result of this report, Dođuş Construction aims to communicate to its stakeholders, who are indicated in Page Nos.: 23-24, 10 basic principles of United Nations Global Compact and to encourage them to be a part of this process. Therefore, feedbacks from its stakeholders are of great importance to Dođuş Construction.

Please send your opinions and suggestions.





United Nations Global Compact is the world's largest voluntary corporate citizenship initiative. It includes 10 principles that are based on universally recognized statements on the fields of human rights, labour, environment and anti-corruption.

Implementation of these principles provides a guiding and comprehensive perspective to companies and institutions in terms of risk management, increasing productivity, maintaining employee motivation and loyalty, creating sustainable policies, strengthening brand awareness and forming new communication channels besides to adding value to their entity.

Since its official launch, "the initiative has grown to more than 12000 participants, including over 8000 businesses in 145 countries" according to the data provided on UN Global Compact website on the date this report has published.

Ten Principles of United Nations Global Compact

Human Rights

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

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

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining,

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

Principle 5: the effective abolition of child labour; and

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

Environment

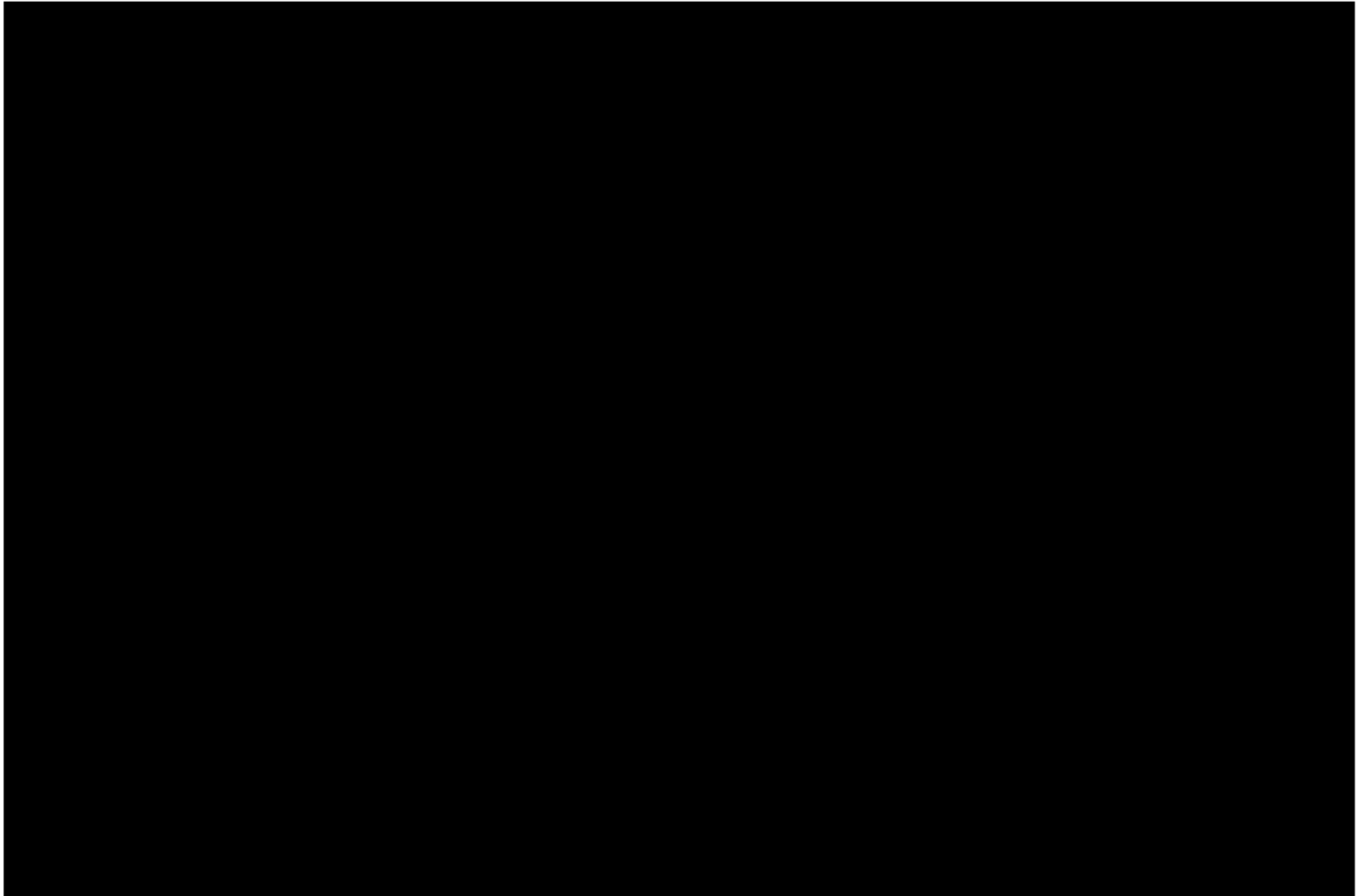
Principle 7: Businesses should support a precautionary approach to environmental challenges;

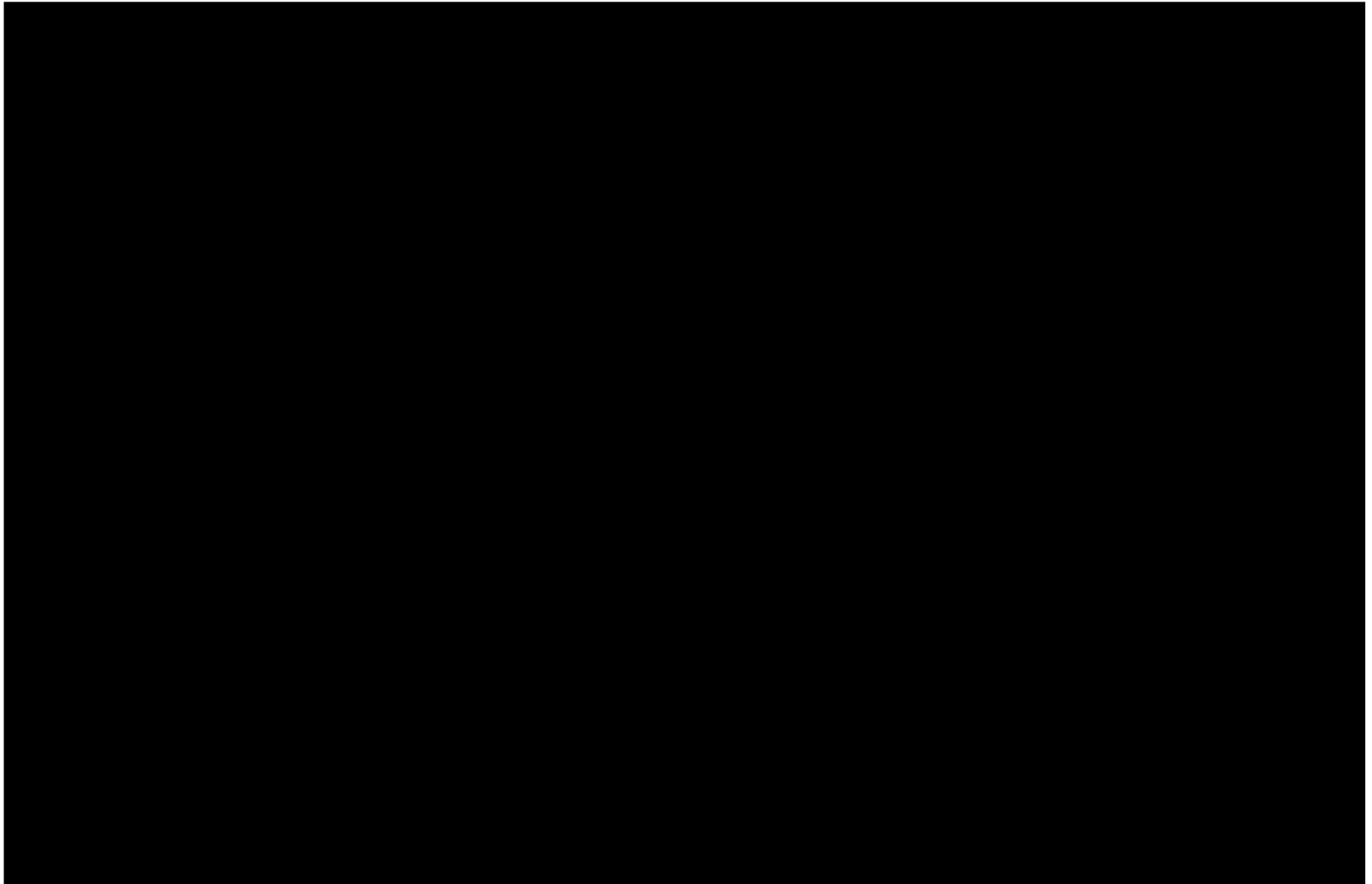
Principle 8: undertake initiatives to promote greater environmental responsibility; and

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

Anti-Corruption

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







Doğuş Construction that operates in Turkey and the region for sixty two years, choose to act honestly, realistically and respectfully to its employees with an ethical frame of mind and in accordance with ethics and legal legislations.

Doğuş Construction takes necessary measures in order not to endanger ecological balance in consideration of the interests and benefits of today's and next generations and aims to be a role model to the society.

Ensuring this awareness to be adopted by each employee of Doğuş Construction as a part of the corporate culture and to re-examine business processes in the light of this framework are its priorities. Its duty is to minimize negative environmental effects that may result from its fields of activity, procure sustainable natural resources management, inspire employee motivation and raise social responsibility awareness in each phase of its projects.

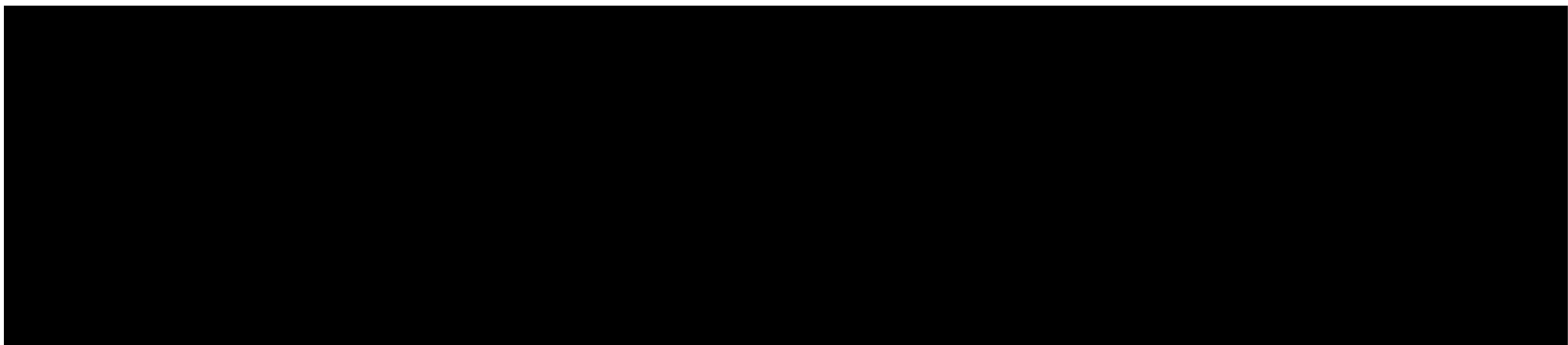
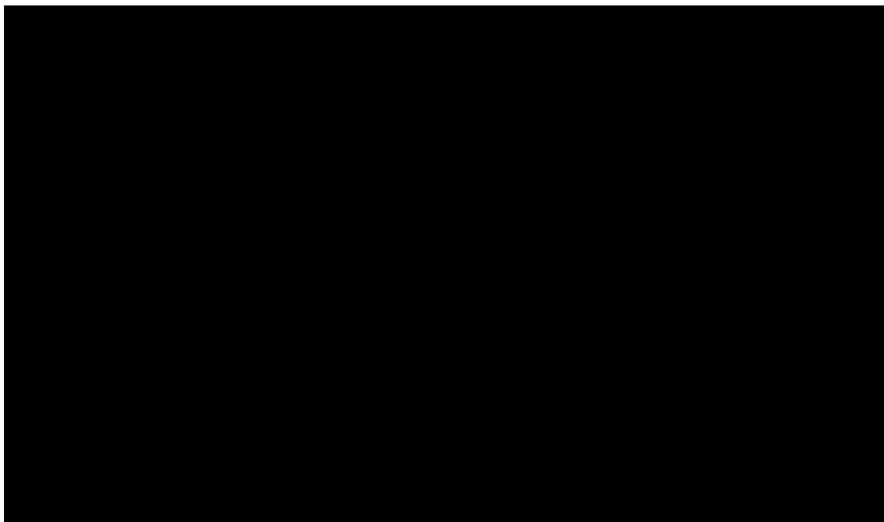
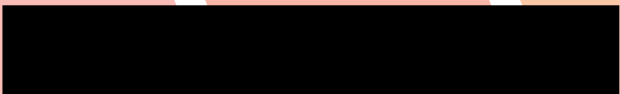
With its mega project perspective, Doğu Construction and Trade Inc. is one of the leading companies of its sector. It undertakes infrastructure and superstructure projects not only in Turkey but also in the international market. Doğu Construction ranks among the most reputable construction companies since its establishment in 1951 by completing 170 projects with a total value of more than USD 12 billion up to this day. Today, total amount of the projects Doğu is involved values at approximately USD 2,8 billion. Doğu also successfully conducts business development activities as well as infrastructure and superstructure projects inbound and outbound, either within joint ventures or consortiums that are established with the participation of other internationally active companies.

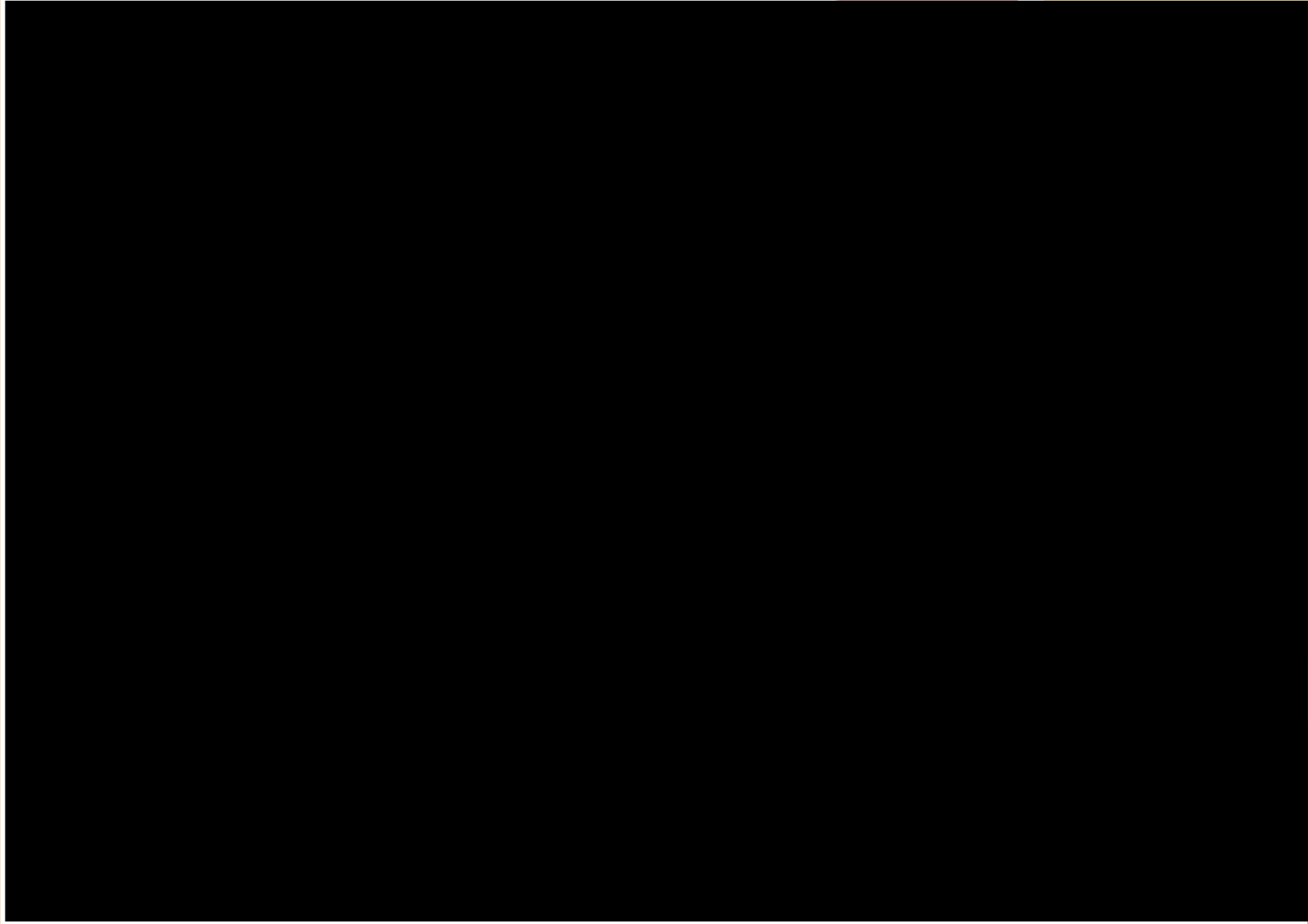
Various projects that are implemented by Doğu Construction since its establishment may be outlined as follows; 20 dams and hydroelectric power plants with a total capacity to produce 3000 MW electricity, 1 thermal power plant, 1450 km of road construction, 2.000.000 m² of building construction including airport construction, 35 km of bridges, viaducts and crossings, more than 116 km of metro, tunnels, diversion tunnels as well as ports, marinas, irrigation projects, sewage systems, office buildings, shopping and leisure centres, residential and industrial buildings and decapping works. Doğu aims to expand its field of activity in the international market. Therefore, it continues to explore new business opportunities in Sub Saharan Africa, Eastern Europe, Russia, Ukraine as well as India, Vietnam and Gulf Countries. Doğu Construction is audited by the Lloyd's Register Quality Assurance that furnishes services on the subjects of "safeguarding life, property and environment" and risk management, and is qualified to receive the following certificates; **ISO 9001:2008 Quality Management System, OHSAS 18001:2007 Occupational Health and Safety Management System, and ISO 14001:2004 Environmental Management System.**

Form of Ownership and Legitimacy

Doğu Construction and Trade Inc. is a local incorporated company that operates in national and international construction projects.

Shareholders	2013		2012	
	Amount (000 TL)	%	Amount (000 TL)	%
Doğu Holding A.Ş.	204,452	98	188,646	90
Ferit Faik Şahenk	--	--	10,537	5
Filiz Şahenk	--	--	5,269	3
Doğu Turizm Sağlık	5,235	2	5,235	2





Managerial Processes	Operational Processes	Support Processes
Strategic Planning	Business Development	Internal Audit
Risk Management	Tender	Human Resources
Cost Management	Project Management	Purchasing
Management Systems		Machinery Supply
Financial Affairs		Information Technologies
		Law
		Administrative Affairs
		Corporate Communications

According to 2013's year end financial data;

Distributed Economic Value

January 2013 - December 2013	Amount (000 USD)	Amount (000 TL)
Revenue	366.086	781.337
Cost of Revenue	331.565	707.660
Employee Payroll and Employee Related Expenses	14.033	29.951
Construction Site Employee and Related Expenses	85.115	184.661
Private Health Insurance	283	605
Payment to Shareholders	5.046	10.769
Finance Cost	6.273	13.388
Payments to the State	4.959	10.583
Societal Investment	521	1.111

According to 2013's year end financial data;

Number of Employees

Company Employees (Including Foreign Operations)	2.920
Employees in Joint Operations and Subsidiaries	377
Total	3.297

Capital

	Amount (000 TL)
Total paid-in capital 100%	209.687
Adjustment to share capital	108.634
Total capital 100%	101.053

Total Assets

Amount (000 USD)	Amount (000 TL)
631.535	1.347.885

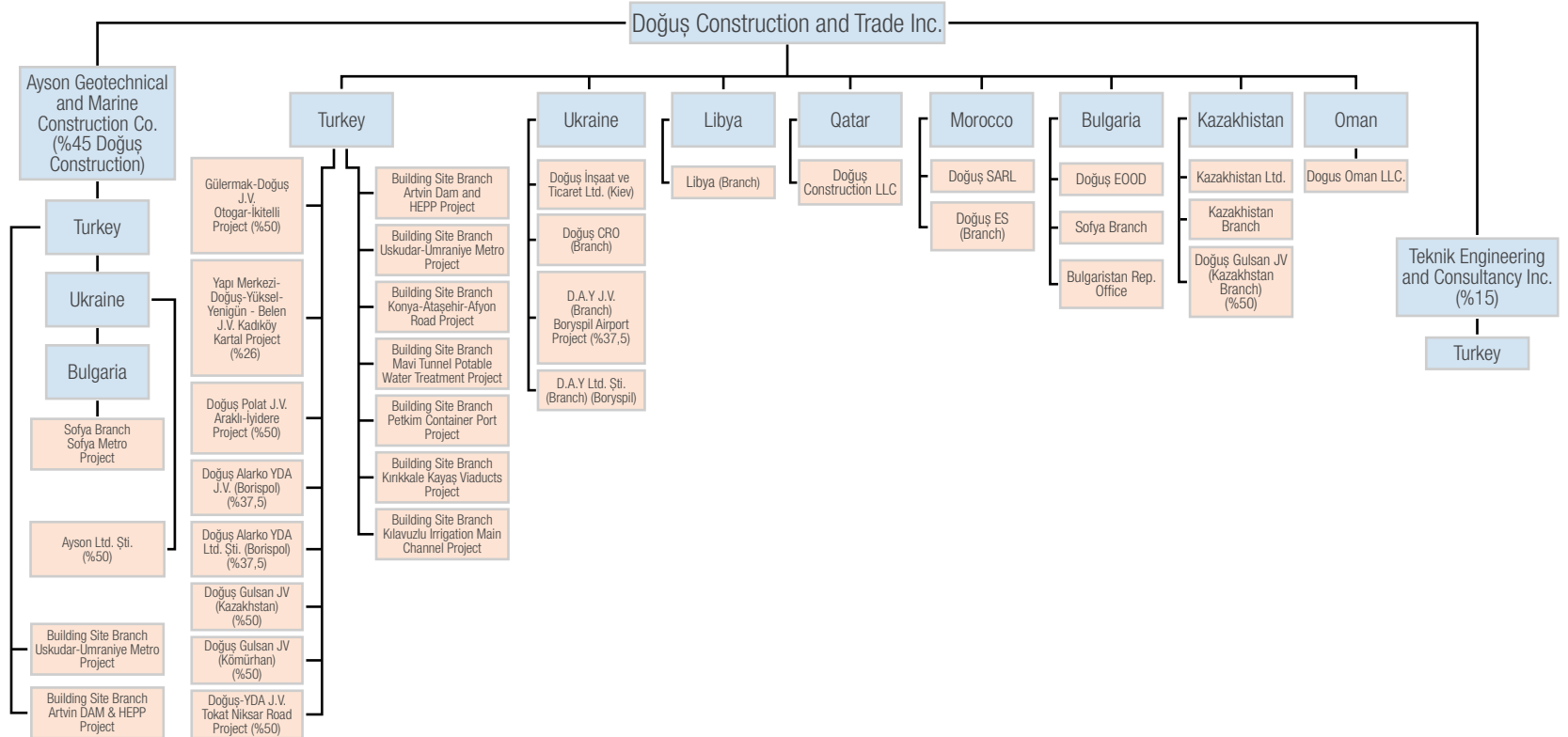
Revenue

	Amount (000 USD)	Amount (000 TL)
Artvin Dam and Hydroelectric Power Plant	162.932	347.745
Üsküdar-Ümraniye-Çekmeköy Metro	132.271	282.307
Konya-Akşehir-Afyon Road	22.538	48.103
Otogar-Kirazlı-Başakşehir Rail Mass Transportation System	16.079	34.318
Boyabat Dam and Hydroelectric Power Plant	15.415	32.900
Doğuş Technology Building	3.762	8.030
Mavi Tünel Water Treatment Plant	1.874	3.999
Tokat-Niksar Highway	1.761	3.759
Petkim Container Port Construction Works	1.534	3.274
Kılavuzlu Irrigation Main Channel Section 1	1.310	2.796
Artvin-Erzurum-Ardahan-Ardanuç State Roads	570	1.216
*Other	6.039	12.890
	366.086	781.337

**Revenues from completed projects*

Doğuş Construction pursues new business opportunities in the international arena and newly emerging markets through business development activities besides to its operations in Turkey.

In this context, Doğuş collaborates with the leading international and local companies of their sectors by forming partnerships in more competitive markets in order to share risks and satisfy the qualification requirements. In accordance with our strategies and previous projects Doğuş has branches in Libya, Morocco, Bulgaria, Ukraine, Kazakhstan, Oman and Qatar.



Overseas



***Countries of interest** refers to the regions in which Doğu Construction pursue opportunities through business development activities and bid for projects.*

Overseas

Major Outbound Projects

Doğuş Construction has performed its activities in abroad and carried out mega projects since its establishment.

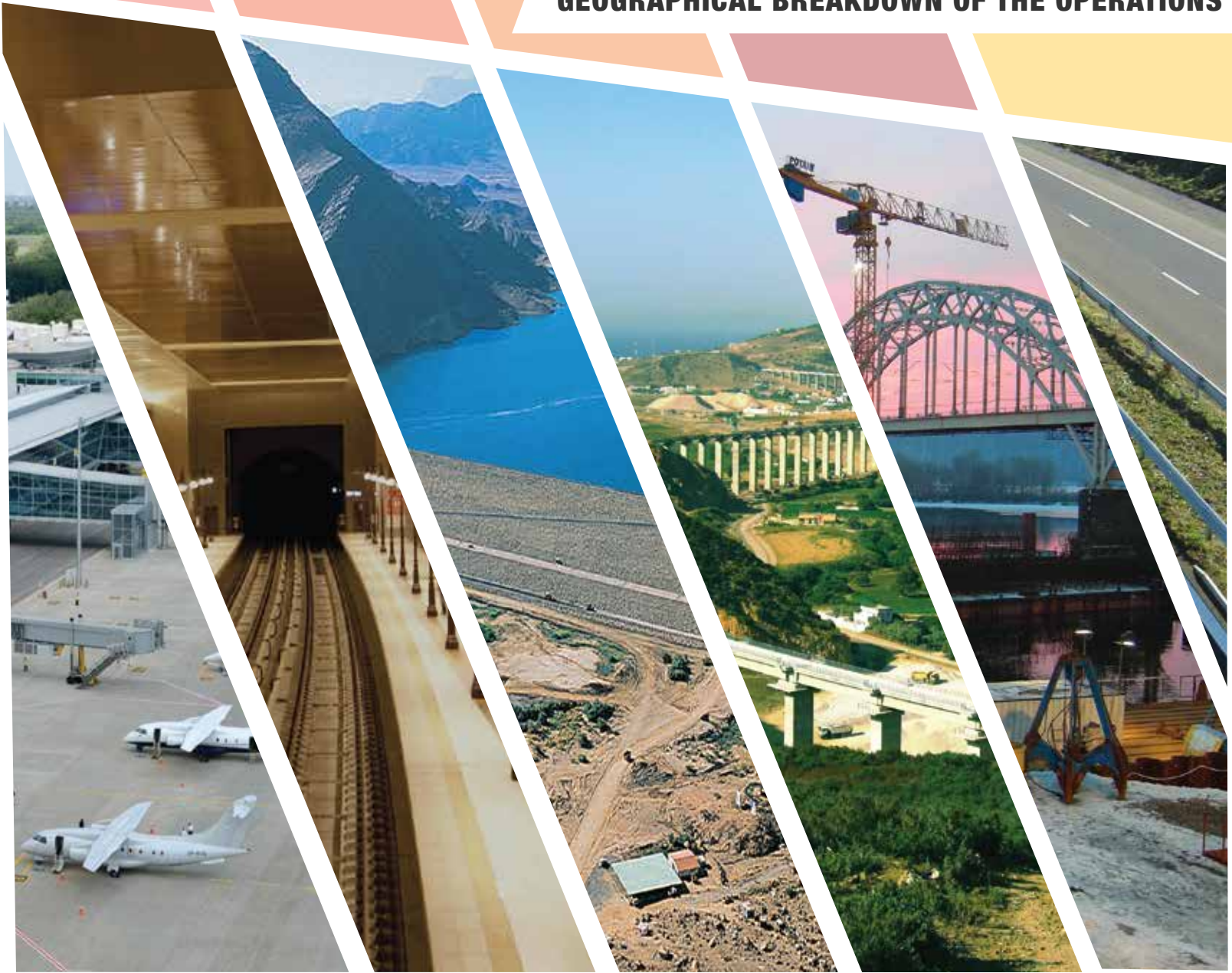
PROJECT NAME	COUNTRY	COMMENCEMENT DATE	TERMINATION DATE
Marib Dam and Irrigation Project	Yemen	1984	1987
Asilah-Tanger Motorway	Morocco	2002	2005
Trakia Motorway Lot 5	Bulgaria	2003	2006
Kiev Dnieper Railroad and Highway Bridge	Ukraine	2004	2011
Sofia Metro Extension Project	Bulgaria	2008	2012
Kiev Boryspil International State Airport	Ukraine	2008	2012

*The table shows some important projects that Doğuş Construction undertook in the international arena.

Ongoing Outbound Projects

As of July 17, 2013; Doğuş Construction started the construction of the motorway between Almaty-Khorgos within the scope of East-West Roads Project in Kazakhstan.

PROJECT NAME	COUNTRY
East-West Road Projects (Almaty-Khorgos) Lot 1	Kazakhstan
East-West Road Projects (Almaty-Khorgos) Lot 2	Kazakhstan



Inbound



Completed Inbound Projects

Doğuş Construction completed the construction of Boyabat Dam and Hydroelectric Power Plant and Otogar-Kirazlı-Başakşehir Rail Mass Transportation System in 2013. Furthermore, construction works of 11 inbound projects still continue.

Boyabat Dam and Hydroelectric Power Plant

Otogar-Kirazlı-Başakşehir Rail Mass Transportation System

Ongoing Inbound Projects

Üsküdar-Ümraniye-Çekmeköy Metro	Artvin-Erzurum-Ardahan-Ardanuç State Roads	Konya-Akşehir-Afyon Road
Artvin Dam and Hydroelectric Power Plant	Kömürhan Bridge Connection Tunnel and Road	Tokat-Niksar Highway
Mavi Tunnel Potable Water Treatment Plant	Doğuş Oto Kartal Sales and Service Facilities	Doğuş Technology Building
Kılavuzlu Irrigation Main Channel Section 1	Petkim Container Port Construction Works	

Joint Ventures and Consortiums

During January-December 2013, Doğuş Construction established joint ventures with YDA Construction in Tokat-Niksar Road Construction Project and with Gülsan Construction in the East-West Roads Construction Project.

PROJECT NAME	JOINT VENTURE
Tokat - Niksar Road Construction Project, Construction of the Section between Km : 0+000 - 48+962 / Tokat, TURKEY	DOĞUŞ 50% - YDA 50%
East-West Roads Construction Project (Almaty-Khorgos Section) West Europe – West China International Transit Corridor Lot 1 / Almaty,KAZAKHSTAN	DOĞUŞ 50% – GÜLSAN 50%

Every institution is in communication with its internal and external stakeholders, by their very nature, at any stage of the activities they perform. The relations with the stakeholders are formed in accordance with the needs and expectations where the sustainability of these relations depends on institutions' vision and practices in this field.

Making an innovation in the Stakeholder Communication Management is only possible by implementing a sincere and transparent policy.

In this context, Doğu Construction believes the necessity of establishing healthy relations with its stakeholders starting from the commencement of each project till the completion and throughout the latter processes, through the right means of communication. Establishing strong relations and the maintenance of this communication will benefit not only the institutions but also the stakeholders. Therefore, Doğu Construction acts as an integral body with its stakeholders, with the same drive and same enthusiasm towards taking the contracting sector a step further in Turkey and reaching to global standards. The worth of its stakeholders is undeniable for Doğu Construction in its success in the international arena where it experienced great changes and progress in time with the contribution of their entity.

As Doğu Construction is a contracting company, it does not have direct contact with the ultimate consumers. On the other hand, Doğu touches every part of their lives through its infrastructure and superstructure projects.

With this report, Doğu Construction aims to spread the principles of UN Global Compact to its stakeholders and it makes a commitment to take the necessary actions in the line with this initiative. Doğu defines groups and institutions with common goals and similar point of views as its stakeholders who will contribute to its growth in accordance with its long term strategies and targeted markets.

STAKEHOLDERS	MEANS OF COMMUNICATION
Employees	Informative e-mails, meetings, intercorporate organizations and special activities, New Year's Eve Celebration, internet and website, social media, internal communication channels, training programs
Customers	Telephone, e-mail, fax, interviews, meetings, dinners, receptions, internet and website, reports, catalogue, brochure, introductory film, presentations, tenders
Business Partners	Telephone, e-mail, fax, interviews, meetings, dinners, receptions, internet and website, reports, catalogue, brochure, introductory film, presentations, tenders
Suppliers	Telephone, e-mail, fax, interviews, meetings, internet and website, catalogue, brochure, introductory film, tenders
Financial Institutions	Telephone, e-mail, fax, interviews, meetings, catalogue, brochure
Affiliate Companies	Telephone, e-mail, fax, interviews, periodical meetings, reports, receptions, internet and website, social media, catalogue, brochure, introductory film

STAKEHOLDERS	MEANS OF COMMUNICATION
Competitors	Telephone, e-mail, fax, interviews, meetings, internet and website, catalogue, brochure, introductory film, tenders
Non-Governmental Organizations, Public Economic Enterprises, Foundations and Associations	Telephone, e-mail, fax, memberships, periodical meetings, publication subscriptions, cooperations, catalogue, brochure, introductory film, business trips
Unions	Telephone, e-mail, fax, interviews, memberships, meetings, agreements, internet and website, announcements
Universities	Sponsorships, panels, university events, social media, internet and website, internship opportunities, catalogue, brochure
Press and Media	Press releases, advertorials, editorials, interviews, site visits, internet and website, e-mail, telephone, catalogue, brochure
The Society	Social media, internet and website, construction projects, corporate social responsibility projects

Doğuş Construction is a member of various initiatives in order to make contribution to the contracting sector, share its knowledge backlog with the stakeholders and support business development activities through strengthening the existing strategic connections. Not only the Chairman of Doğuş Construction is a member of the Supreme Advisory Council of Turkish Contractors Association but also the Executive Board Member serves as the Board Member in the same initiative.

ORGANIZATION	MEMBER/MEMBERS
Turkish Contractors Association	Doğuş Construction and Trade Inc.
The Turkish Employers Association of Construction Industries	Doğuş Construction and Trade Inc.
Turkish Industry and Business Association	Chairman and Board Member
Istanbul Chamber of Commerce	Doğuş Construction and Trade Inc.
Istanbul Chamber of Industry	Doğuş Construction and Trade Inc.
United Nations Global Compact	Doğuş Construction and Trade Inc.
Ethics and Reputation Society	Doğuş Construction and Trade Inc.
Chamber of Mechanical Engineers	Purchasing Manager
Turkish Electro Technology	Doğuş Construction and Trade Inc.
Central Anatolian Exporters Union	Doğuş Construction and Trade Inc.

ORGANIZATION	MEMBER/MEMBERS
Ankara Chamber of Industry	Doğuş Construction and Trade Inc. - Ankara Branch
Turkish Road Association	Doğuş Construction and Trade Inc.
Ankara Chamber of Commerce	Doğuş Construction and Trade Inc. - Ankara Branch
Risk Managers Association	Financial Services Assistant General Manager
Foreign Economic Relations Board - General	Chairman
Foreign Economic Relations Board - EU Business Council	Business Development and Project Finance Assistant General Manager
Foreign Economic Relations Board - USA Business Council	Chairman
Foreign Economic Relations Board - Eurasia Business Council	Executive Board Member
Foreign Economic Relations Board - Gulf Countries Business Council	Business Development and Project Finance Assistant General Manager
PERYÖN	Doğuş Construction and Trade Inc.
Turkish Businessmen Association-Qatar	Doğuş Construction and Trade Inc.

Building of the Year Award

“Lion Bridge” and “Serdika II” stations constructed by Doğuş during the Sofia Metro Extension Project, received the “Building of the Year” Award in the 11th National Contest in Bulgaria, on December 19, 2012. Lilyana Pavlova, the Minister of Regional Development and Public Works, presented the award to Doğuş Construction.



Top 250 International Contractors

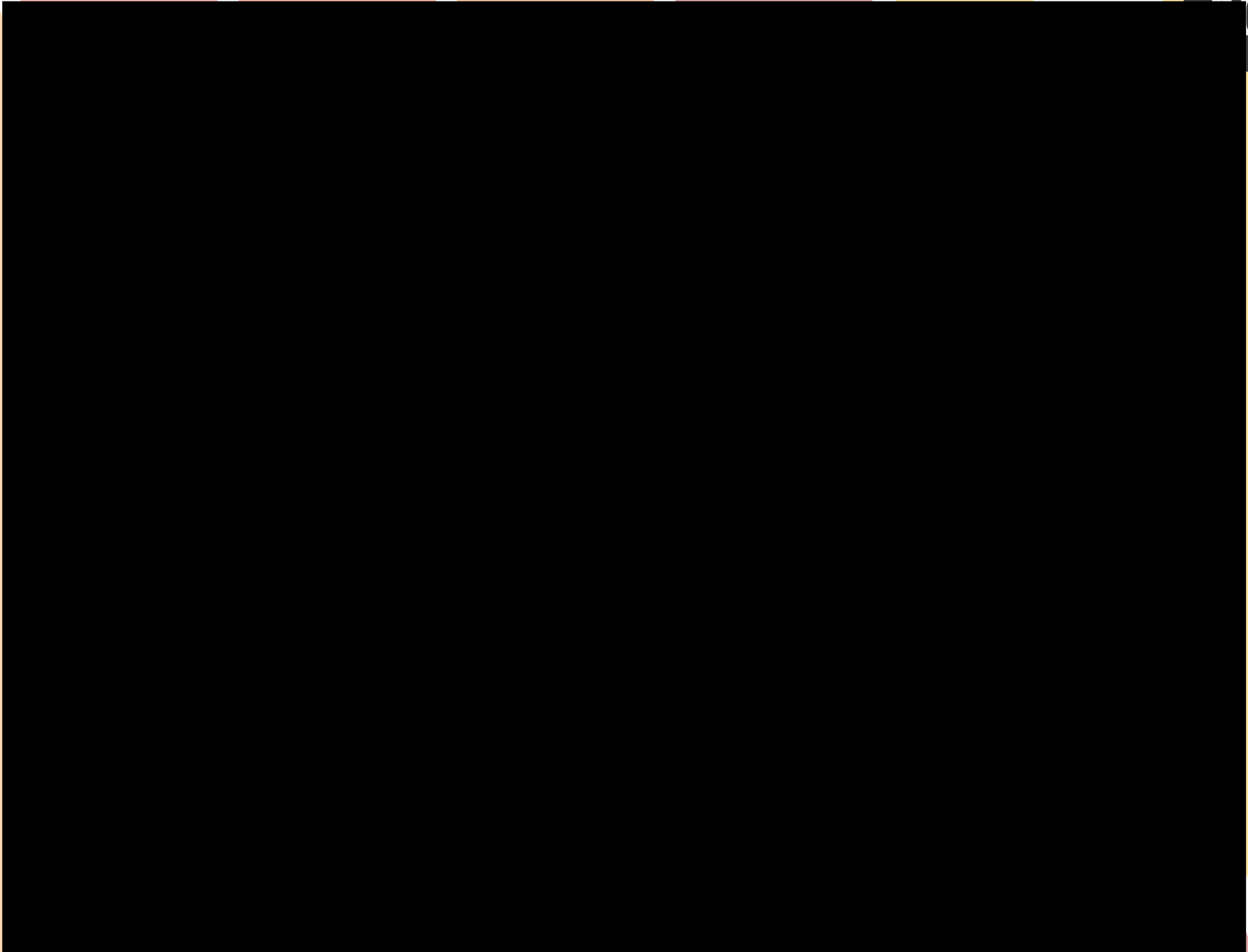
Beginning from 2003 every year, Doğu Construction is being listed as one of the “Top 250 International Contractors” by ENR (Engineering News Record) on the basis of the revenue generated from its outbound projects in the previous year.



International Quality Summit Award

Doğu received the “International Quality Summit” Award in Golden Category on the basis of QC100 Model for Total Quality Management, in the assessment by “Business Initiative Directions”. Mr. Jose E. Prieto, the Chairman of BID, presented the award to Doğu Construction in the ceremony that took place in New York on May 28, 2012.

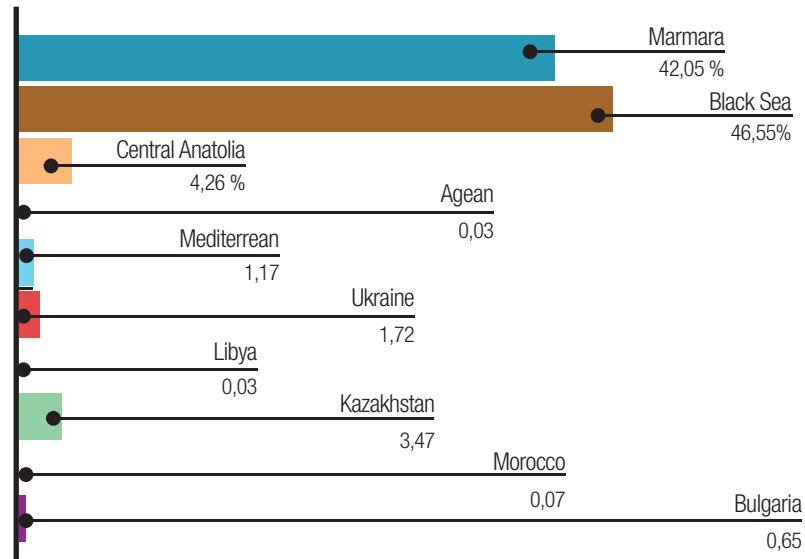




Each employee of Doğu Construction is employed in the full time basis with “Indefinite Period Labour Contract”. The ratio of unionized employees under collective bargaining is 75,12 %. The employees of Doğu Construction are all around the world due to the fact that Doğu undertakes projects in both national and international arena.

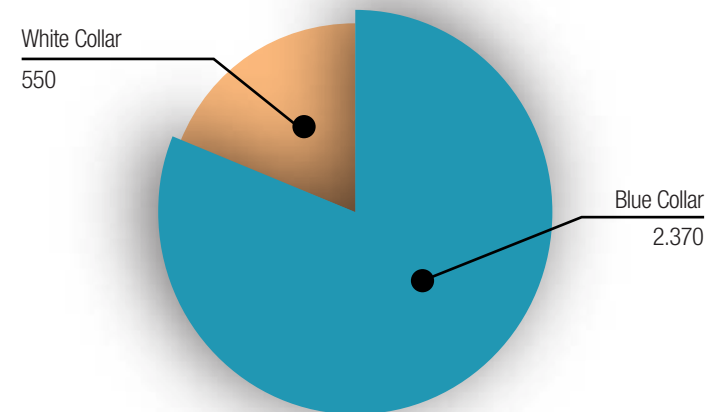
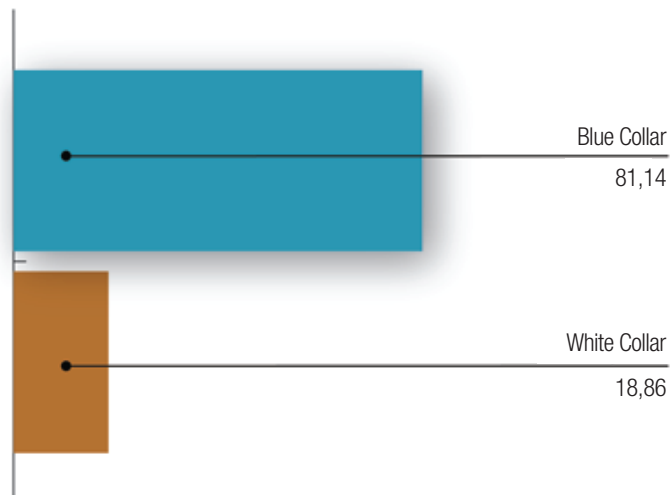
The percentage distribution of employees vary according to years and locations. In 2013, especially Marmara and Black Sea Regions draw attention with their high percentage of employees due to ongoing domestic projects in recent years.

Regional Distribution of the Employees



Distribution of White and Blue Collar Employees

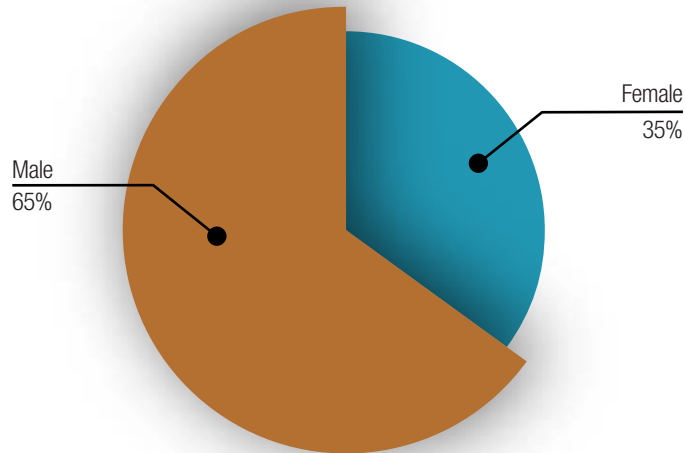
The total number of white-collar employees in the Head Office is 154. When the construction sites are included to the statistics, the number of white-collar employees reaches to 550, while the number of blue-collar employees to 2370.



* Values reveal the data as of December 2013 excluding subcontractor employees.

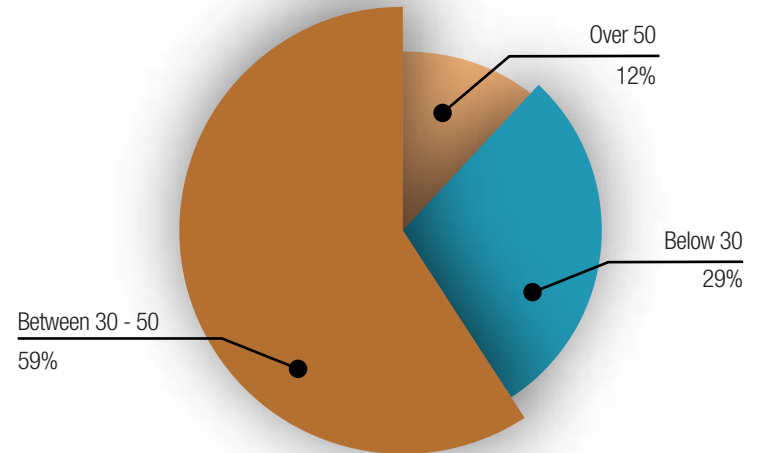
Turnover rate varies in the Head Office and construction sites. Since there are transfers between the construction sites as well as employment contracts are terminated following the completion of each project through an employment plan, it is not easy to collect accurate data on turnover rates at construction sites. Therefore, turnover rate for the construction sites cannot be provided.

Turnover Rate on the Basis of Gender



**Distribution of turnover rate in the Head Office on the basis of gender.*

Turnover Rate on the Basis of Age



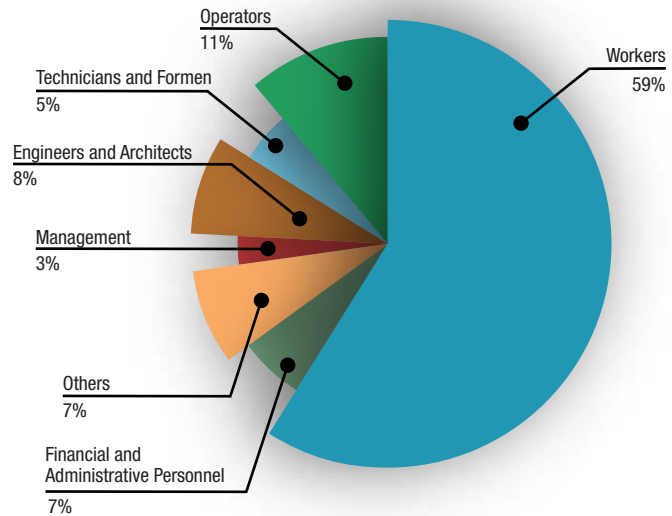
**Distribution of turnover rate in the Head Office on the basis of age.*



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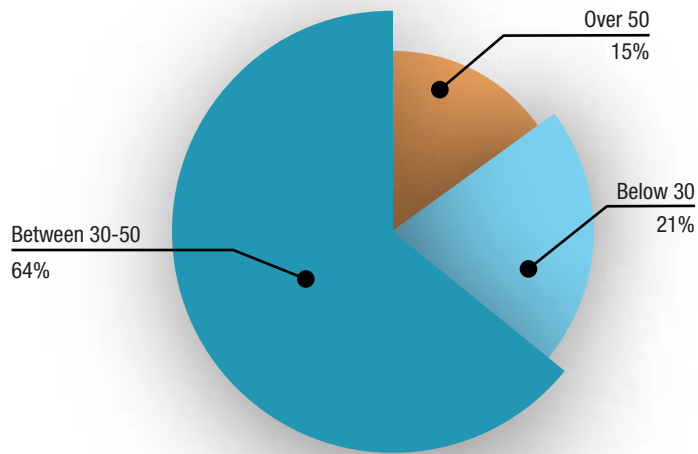
Distribution on the Basis of Vocational Category

The number of employees varies according to the vocational category, age and gender.

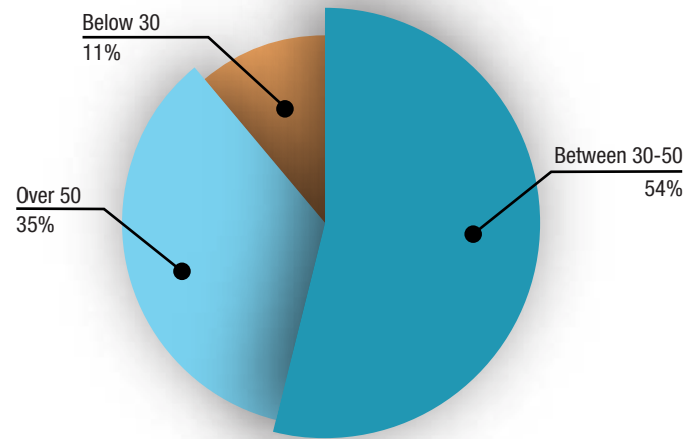


*Data include the vocational distribution of the employees at the Head Office and construction sites. Employees of the subcontractors are excluded.

Distribution on the Basis of Age



*Data include the employees at the Head Office and construction sites. Employees of the subcontractors are excluded.

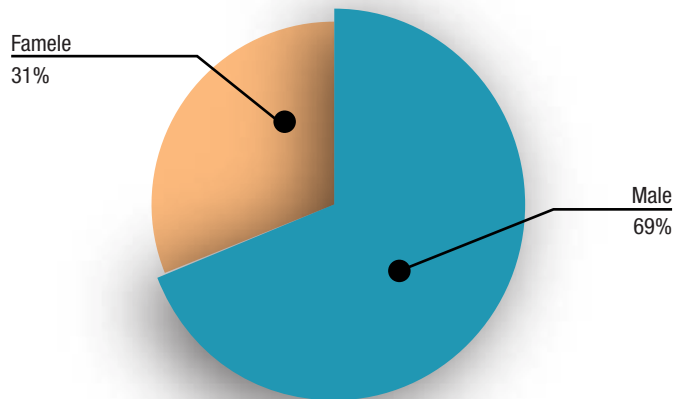


*Data include the employees at the Head Office and construction sites. Employees of the subcontractors are excluded.

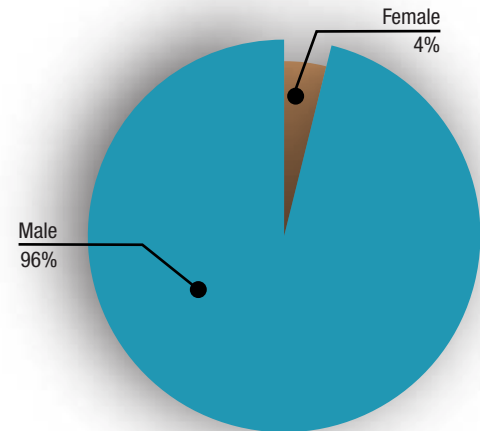
Distribution on the Basis of Gender and Educational Level

In order to make a healthy assessment, it is more appropriate to collect the data on the basis of gender and educational level separately for the Head Office and construction sites. Yet, most of the employees in construction sites are blue-collar male employees. Doğu Construction is an epitomic in its sector due its high female employment rate.

Distribution on the Basis of Gender

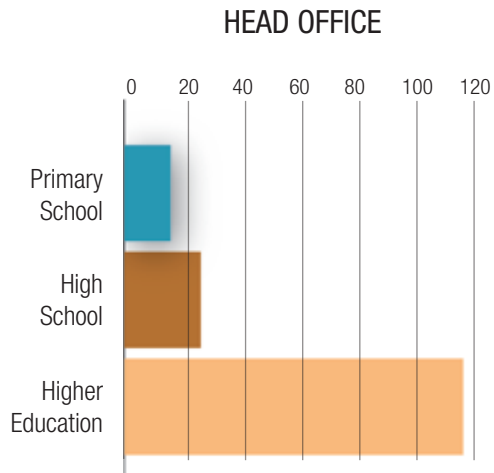


HEAD OFFICE

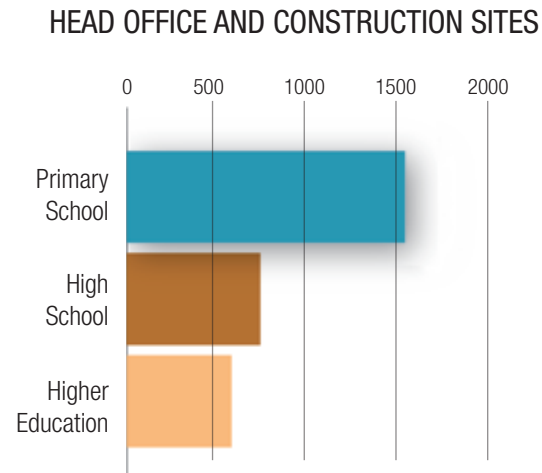


HEAD OFFICE AND
CONSTRUCTION SITES

Distribution on the Basis of Educational Level



*Values reveal the data of Head Office as of December 2013.



*Values reveal the data of Head Office and construction sites as of December 2013.

The biggest asset and strength of Doğuř Construction is “the human”. Doğuř Construction, as an apologist of human rights, adopts equality in terms of race, gender, nationality, religion, language, age, disability and political opinion among its employees as a principle. Discrimination of any kind is intolerable. Thousands of employees from various locations, such as Libya, Yemen, Bulgaria, Morocco, Ukraine, Kazakhstan, Oman, Saudi Arabia, Iraq, Croatia, Russia as well as hundreds of business partners from different cultures have been working in a harmony for more than 60 years in Doğuř Construction within “International Human Rights Standards”.

In its “Ethical Principles Procedure”, Doğuř Construction explicitly states the indispensability of the virtues: “respect for human” and “equality” and shares this principle to be embraced by its employees. Incidents, attitudes and behaviours that could be inconsistent with the Ethical Principles adopted by the Company are notified via e-mail by the employees. Opinions and complaints are being assessed by the Human Resources Department and issues that necessitate interference are reported to the “Committee on Ethics” which is formed by the company executives. Necessary measures and actions are taken after the assessment. Also, as Doğuř Construction, we do not compromise equality of opportunity on recruitment, job placement and wages policy. Doğuř Construction pays attention to employee diversity in the direction of its corporate culture and has been performing its activities in this respect with long-term objectives since 2003.

Doğuř Construction’s approach and practices overlap with the “Equality at Work Platform” that was established within the scope of “World Economic Forum: Closing Gender Equality Gap Program” that Doğuř Group put into practice in 2013.

The ratio of female employees in Doğuř Construction Head Office is 31%. When construction sector is considered, this ratio is quite over the average. As a company policy, Doğuř supports female employment intensive practices. Furthermore, discrimination with regards to age is intolerable. Since experience is the most critical qualification in the construction sector, Doğuř has senior executives and consultants who are 70-plus that lead the processes with their knowledge and experiences. On the other hand, Doğuř Construction is a school for young graduates where they make a start in their professional life.

EACH EMPLOYEE OF DOĞUS CONSTRUCTION IS EQUAL





With the objective of being “The Best Place to Work” for its employees, Doğu Construction has practices that comply with international norms not only on Human Resources but also Occupational Health and Safety, performs its activities and develops new projects on this basis.

In Doğu Construction, training programs are not only designed to improve employees’ technical abilities, but also they aim to make contribution to their business and private lives. Training programs which get even more crucial and comprehensive with every passing year are planned by the Human Resources Department at the end of the previous year through “Training Request Forms” shared with the executives. Also, employees may request trainings following the approval of their managers.

Each employee is given the opportunity to follow up the agenda regarding to latest laws and legal regulations through a series of seminars and interviews. Also, employees could improve their level of English through “English Conversation Improvement Clubs” and private lessons.



The employees in the Head Office and some construction sites had the opportunity to improve their MS Office skills through e-Learning in 2013. Also, easily accessible training environment is created for self-help via mobile training tools. In this context, 104 employees in the Head Office and 105 employees from construction sites benefited from this training program.

During January 2013-December 2013, 154 employees from the Head Office attended to the training programs 2457 man/hour. Total hour of training per employee is 16. Total expenditure for this annual training program is 54.450,87 TL.

Undoubtedly, Doğu Construction puts great emphasis on “Occupational Health, Safety and Environment Trainings”.

Each employee in Doğu Construction is subject to various training programs throughout their working lives in order to be aware of potential risks of the working environment, as well as to contribute their own personal development. Moreover, vocational trainings are provided to employees. All types of funds and financial resources are allocated prior to training programs and in case of further financial need extra budgets are generated for additional training requirements. It is an obligation for each employee of Doğu Construction to have an Occupational Health and Safety Trainings and this is being monitored by the relevant departments. These trainings are conducted by the Human Resources and Management Systems Departments in the Head Office whereas in the construction sites, Occupational Health, Safety and Environment Department is the responsible for the management of the same process. Trainings are provided by the specialists and institutions which are specialized in the field and all documents are recorded regularly.

Trainings are one of the most important indicators of the value attached to employees by the Company. Trainings are a good way to encourage them and increase their job satisfaction and efficiency.

In 2013, Doğu Construction provided 23.200 man / hour of trainings on Health, Safety and Environment in its construction sites. Total hour of training per employee in construction sites is 7 and total expenditure for this annual training program is 32.000 TL.



Photo by İshak Öztürk

Each employer in Doğu Construction has an important contribution in the formation of Occupational Health and Safety culture. It is essential to keep “Occupational Health and Safety Awareness” alive in order to popularize this culture and therefore regular trainings are provided to employees in this direction.

Doğu developed systems based on its observations demonstrating the role of conscious and enthusiastic employees in preventing work environment accidents rather than complicated and technical measures.

Doğu Construction, establishes “Occupational Health and Safety Boards” not only in its Head Office but also its inbound and outbound construction sites in compliance with the “Occupational Health and Safety Boards Regulation” in Turkey in consideration of ILO agreements nos.: 155 and 161. An Occupational Health and Safety specialist, an On-Site Physician and Worker Representatives constitute these boards. The number of worker representatives is determined on the basis of the number of employees hired in the Head Office and construction sites in compliance with the regulations.

Subcontractors, who collaborate with Doğu Construction, may establish their own boards on the basis of the number of their employees or may include a Worker Representative in Doğu Construction’s “Occupational Health and Safety Board”. Furthermore, total workforce of Doğu Construction and subcontractors (namely 100%) are being represented in these boards. On the other hand regarding to the issues which necessitate extra specialization, managers and relative department executives from the Head Office participate to the board meetings in addition to the Worker Representatives. However, in the construction sites supervisors and workers attend to these meetings too.

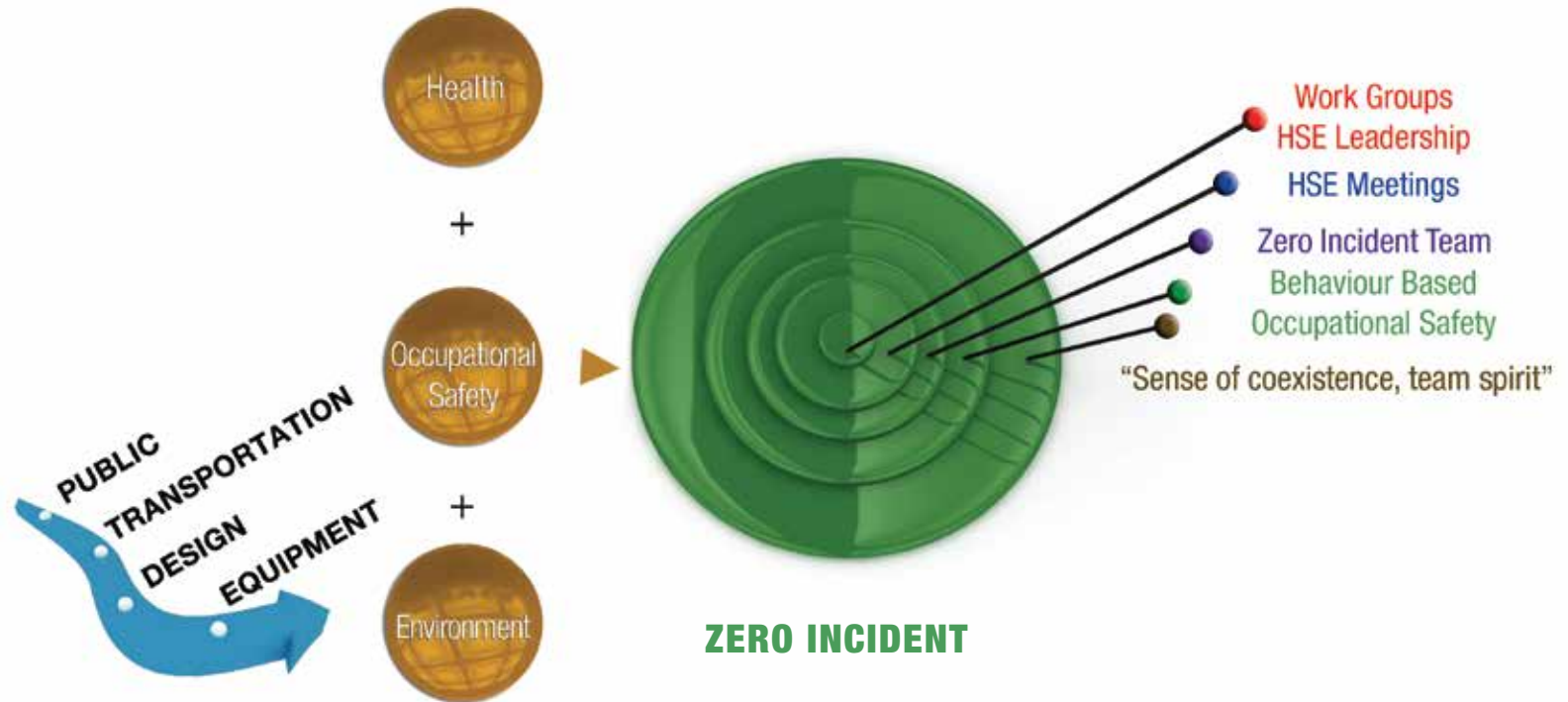
Board meetings are held quarterly in the Head Office and every month in construction sites, minutes of meeting are recorded. Following the board meetings, actions are taken against non-conformities, and such non-conformities are monitored regularly.

It is a well-known fact that construction is the most dangerous land-based work sector in Turkey and in the world. Turkey ranks 3rd place worldwide whereas 1st place in Europe in terms of occupational injury and incidence rate. In this context, Doğu Construction's priority is to prevent occupational incidences and ensure a risk free, safe and healthy work environment for its employees both physically and mentally.



Zero Incident Philosophy

Doğuş Construction adopts the “Zero Incident Philosophy” and forms its procedures conforming to this philosophy.



Management Information Systems Department at the Head Office is formed of a staff specialized in Occupational Health and Safety as well as A, B and C Class Occupational Health and Safety and health specialists (On-site Physician, Health Officer) who are in contract with Common Health and Safety Unit (OSGB). The same duty is undertaken by the Occupational Health, Safety and Environment (HSE) Department in construction sites.

Zero Incident Philosophy

In order to minimize risks to the health and safety of employees, besides to legislations, a hierarchy of control is followed from the beginning of the projects.

Health, Safety and Environment Department and other department supervisors evaluate the risks in the work environment and define the necessary measures for the each risk that should be taken. All incident statistics are kept by the Head Office, and necessary corrective-preventive actions are initiated. Construction sites on the other hand, submit reports to the Management Information Systems Department at the end of each month.

	Utilization Rate (IR)	Lost Day Rate (LDR)	Absence Rate (AR)
Head Office	0	0	0
Üsküdar-Ümraniye-Çekmeköy Metro	0,82	0,61	1,23
Artvin Dam and HEPP	0,98	1,76	2,13

*The table shows the occupational incident rates reported in 2013 including the data of Doğuş Construction Head Office and just two construction sites of the Company. Data does not include slight injuries (first aid) and losses related to other health issues except the occupational accidents. Also, “calendar day” is considered during the calculation of lost day rate, and counting started from the day following the accident. Since no incident took place in Doğuş Construction Head Office, no such incident is included to the evaluation.

No occupational accident or disease took place in 2013 that was resulted in death.

Incident reports are being issued according to “Doğuş Construction Incident Examination Procedure” that was written in accordance with “ILO Recording and Notification of Occupational Accidents and Diseases” and ISO 14001:2004 and OHSAS 18001:2008, and comply Occupational Health and Safety Code and Social Security Institution Law of the Republic of Turkey.

Doğuş Construction controls the impacts of its each activity on the environment as its fundamental principle. All legal requirements are being fulfilled by the Company in order to protect and make the environment a better place for all species through generating awareness by its “livable environment for everyone” motto.

In order to preserve the environment, new technologies are being pursued and assessed to be integrated to the present system. Necessary adjustments are made to reduce the amount of the waste originated during the production, assess or dispose them in order not to cause environmental damage, as well as to save energy at each phase of the production. Wastes are documented and necessary procedures are performed.

In the direction of generating awareness among its employees towards the preservation of environment, Doğuş Construction provides comprehensive trainings to them within the context of environmental policy, environmental objectives, waste management and environmental management system and monitors the impacts of such trainings. Each employee of Doğuş is aware of his responsibility on the result of his own practices on the environment. He is liable to perform his practices in a way conforming environmental policy and objectives, and to minimize the amount of waste, to store and assess them properly.



Materials and Energy

Doğuş Construction determines the equipment, materials and raw materials that it uses in its Head Office and construction pursuant to environment and sustainability policy, and monitors purchasing and implementation procedures for the effective utilization of these components. Doğuş Construction uses various natural resources such as oil, water and wood as well as materials such as construction equipment, generators and accumulators for the execution of its activities. Mostly, raw materials such as aggregate and cement required during the production of concrete and steel are purchased and occasionally aggregate is obtained from internal sources. Due to the fact that most of the raw materials are used for production, no waste is originated. On the other hand, almost all the materials except the packages and maintenance lubricants are stored and disposed separately.

Materials Used	Head Office	¹ ARB	² ÜÜÇ	Total
Direct Materials				
Aggregate (ton)	-	1.017.200	167.800	1.185.000
Steel (ton)	-	9.455	15.800	25.255
Cement (ton)	-	159.423	36.000	195.423
Non-renewable Materials				
Fuel Oil (lt)	-	701.965	-	701.965
Fuel (lt)	26.000	-	6.324	32.324
Diesel Fuel (lt)	59.000	6.437.459	1.987.408	8.483.867
Natural Gas (m ³)	35.700	-	435.837	471.537
Electricity (kWh)	5.660	9.717.423	7.236.673	16.959.856
Renewable Materials				
Water (m ³)	3.700	900.000	915.000	1.819.300

* Materials used by the Head Office and two construction sites of the Company in 2013, are categorized as non-renewable materials, direct materials and renewable materials in the table.

¹ Artvin Dam and HEPP

² Üsküdar-Ümraniye-Çekmeköy Metro

Doğuş Construction puts great emphasis on water consumption not only in its Head Office but also construction sites, acts responsibly towards the efficient consumption of water and the discharge of used water in a way to comply with legal legislations and company principles.

A channel is connected to the sewer line for domestic wastewater originated during the production in Üsküdar-Ümraniye-Çekmeköy construction site and in the Head Office. On the other hand, there are treatment systems for the wastewater originated in the Artvin Dam and Hydroelectric Power Plant construction site and wastewater is discharged after being treated. What is more, environment consultancy firms and Provincial Environment Directorate make wastewater analysis, and various parameters such as KOİ, BOİ, AKM and pH are measured periodically, and maintenance is performed to ensure system performance. Sedimentation ponds at construction sites enable the water with settled suspended solids to be used for irrigation purposes.

The Company has an Environment Management System in compliance with ISO 14001 for the usage of natural resources, such as water. Environment plans and procedures, control forms and monitoring-measurement systems are prepared for each project according to this system and trainings are planned for employees and activities are reported to the Head Office in monthly basis.

Head Office and construction sites are audited twice a year by the Management Systems Department, and once a year by external auditors including their compliance to environmental issues.

Wastewater (m³)				
Treatment System	Head Office	¹ARB	²ÜÜÇ	Total
Discharge to Sewage	3.717	-	12.478	16.195
Discharge after Treatment Plant	-	193.458	-	193.458
Transportation with Tankers	-	-	102.478	102.478

*Table indicates the total amount of wastewater discharged and treated in 2013.

¹ Artvin Dam and HEPP

² Üsküdar-Ümraniye-Çekmeköy Metro

Doğuş Construction categorizes the waste as hazardous and non-hazardous waste. Waste boxes are placed in the Head Office while there are waste sites in construction sites. Wastes are collected separately according to their types and are recorded following the delivery to the authorized institutions for disposal purposes.

The Company has Waste Management Plans as a result of ISO 14001 requirements, and they are customized for each project in accordance with legal legislations. Waste management plan data tables are used to record the waste quantity while waste management plan matrix is used to determine where to send each waste for disposal matters. Estimations are made on the quantity of waste generation on a three-year basis and storage spaces are allocated at the construction sites.

Most of the waste such as metal, glass and plastic could be recycled because they are being collected separately depending on their types. Thus, by preventing the degree of environmental pollution that is caused by wastes, this contributes to sustainability.

In 2013, 5420 kg of waste paper was collected in the Head Office and was donated to Ayhan Şahenk Foundation for recycle.

Wastes	Disposal Method	Head Office	¹ ARB	² ÜÜÇ	Total
Waste Machine Oil (lt)	Delivery to the authorized lubricant disposal institution	-	68.400	57.840	126.240
Waste Vegetable Oil (lt)	Delivery to the authorized lubricant disposal institution	-	1.100	870	1.970
Plastic (kg)	Delivery to Municipality	5	140	127	272
Glass (kg)	Delivery to Municipality	7	70	55	132
Medical Waste (kg)	Delivery to medical institution	10	50	45	105
Used Filter (kg)	Delivery to the authorized lubricant disposal institution	-	9.500	10.140	19.640

*The table shows the amount and disposal methods of the waste that were generated in 2013 in the Head Office and two sites of Doğuş Construction.

¹ Artvin Dam and HEPP

² Üsküdar-Ümraniye-Çekmeköy Metro

Doğuş Construction has environmental engineers and officers in its Head Office as well as its construction sites for the assessment and management of environmental factors.

Also, Doğuş adapts the production method that may give the least damage to the environment in consideration of the Environmental Impact Assessment (EIA) reports of each project. Doğuş makes various investments on its employees and to the region in order to protect the fauna and flora during its activities.

In 2013, Doğuş Construction spent approximately 110.500 TL on personnel costs, trainings, treatment facilities, periodic measurements, waste disposal and environmental licenses in order to raise environmental awareness in the Head Office and the construction sites and for the disposal of the polluters as well as to popularize the sense of a sustainable environment and act in parallel with legal legislations.



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Artvin Dam and Hydroelectric Power Plant

When one makes a comparison between the condition of sub-provincial centre of Yusufeli, the town that hosts some of the employees working in the construction of Artvin Dam and HEPP, back in 2011 and its current status today, it is recognizable that it has become a centre that has developed and improved day by day due to new residential areas and shopping malls.

It is a well-known fact that hydroelectric power plants are reversible and completely renewable sources with very low waste production. Besides to energy that is produced by dams, in spite of very limited damage they may cause on the nature, they create new habitats for living creatures with the reservoir lake and have positive regulating impacts on the environment and climate. Along with great contribution Artvin Dam and HEPP will make on the national economy by generating energy, it provides plenty of employment opportunities to people at the construction stage and is envisaged to employ 20-25 people during its operation, and the direct and indirect benefits it has on various sectors such as tourism and fishing and of affiliated employment opportunities far better exceeds its investment cost.

In addition to all these, with the reconstruction of the section of the Artvin-Erzurum State Road which is within the borders of the Artvin Dam reservoir and that was constructed with low standards by using outdated technology many years ago, a significant increase in quality will be realized in this critical transport artery in safer higher elevations with high standards. It is expected that this also will bring great contribution to the economy of surrounding cities.



Treatment plants in Artvin Dam and Hydroelectric Power Plant are subject to periodic maintenance and discharge standards are formed through control samples collected once in every 2 months. Standard values are controlled through dust and flue gas emission measurements at construction site.

In order to mitigate the negative impacts on the environment, discharge of concrete waste to the creek is prevented through constructing concrete walls at the river section of power plants. Each type of waste is removed and disposed of by licensed firms in accordance with the waste management plan. Within the scope of Çoruh River "River Guard Band", wetland protection permissions are received and affiliated procedures are being monitored regularly.

Furthermore, there are works performed by Doğuş Energy, the Client, within the framework of environmental awareness. Since a part of the Artvin Dam and Hydroelectric Power Plant site is located within the limits of "Çoruh Valley Wildlife Improvement Region", observation and inventory practices are being performed in coordination with the Artvin National Park Directorate with the aim to monitor and improve wildlife and protect diversity of the species. The Client also supported and sponsored the "Olive Branch Tale" that was organized by the Provincial Food and Livestock Directorate. Thus, olive types that were submerged under the reservoir will be protected and new olive gardens including young newly grafted olive trees will be created.



Üsküdar-Ümraniye-Çekmeköy Metro Project

The construction of Üsküdar-Ümraniye-Çekmeköy Metro that commenced in 2012, is a very crucial project that will bring solution to Istanbul's transportation problem.

The distance between Üsküdar and Çekmeköy is 27 km. However, this distance can be covered within 1.5 hours due to intense traffic. With the completion of the project, 700.000 people will be able to travel the same distance in 24 minutes without being stuck in the traffic due to this metro line composed of 16 stations. Therefore, the completion of this project is of critical importance to Istanbul. There are several measures and responsibilities that Doğu Construction has undertaken during the implementation of such a huge project in order not to bring life to a halt in the heart of the city, in a region where life flows so rapidly.



Responsibility to Make Contribution to Urban Infrastructure Projects

Doğuş Construction is implementing its fourth metro project besides to Taksim-Şişli, Kadıköy-Kartal, Otogar-Kirazlı-Başakşehir metro projects that it has undertaken in the most crowded city of Turkey, Istanbul. Aforementioned metro line includes 16 underground stations, double line tube tunnel with a length of 20 km and implementation of all the electromechanical works at vehicle warehouse/maintenance site. This metro line has a route that extends on west-east axis in a way to include the districts of Üsküdar, Ümraniye, Çekmeköy and Sancaktepe.

Responsibility to Implement High Technology

In the metro line rail systems, high-tech driverless vehicles shall be employed, platform isolator door systems shall be available in each station as well as all types of facilities shall be provided to the handicapped such as lifts and walking platforms. This metro line shall make great contribution to Istanbul's transportation network due to its integration to current Marmaray and Metrobus lines as well as to Bostancı Metro Line that shall be constructed in the near future.

Responsibility to Ensure Minimal Disturbance to Inhabitants

By changing the construction methods at sections where station construction works and roads are intersected, necessary measures are taken to release the roads that are blocked due to traffic. Information meetings are held with inhabitants prior to the commencement of road closing works and they are notified via brochures and posters regarding to the works that shall be performed and until when this will continue.

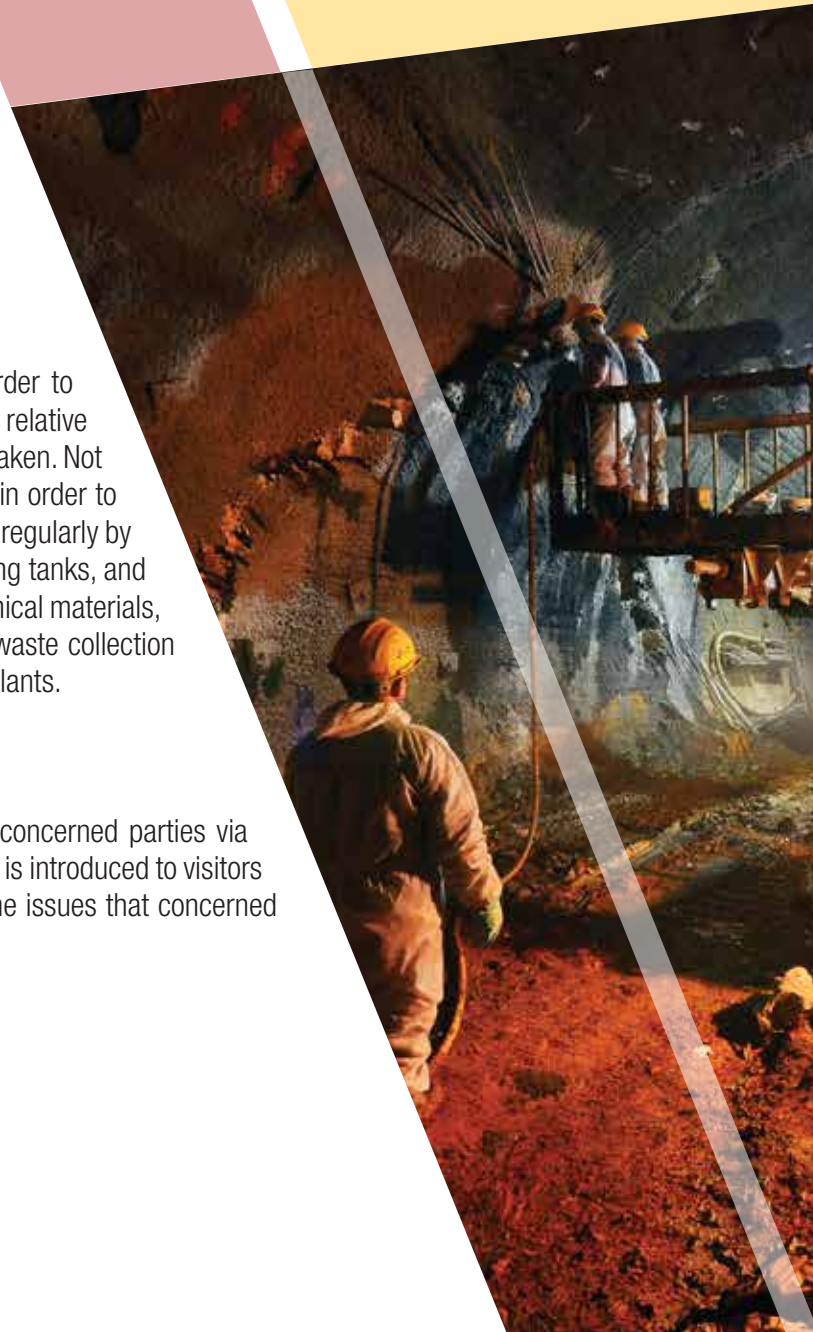


Environmental Interaction Responsibility

Soil movements are monitored regularly on and below the surface in order to minimize environmental effects during the project implementation process, relative measurements on gas, noise, dust are made and necessary measures are taken. Not only washing pools are placed at the entrance and exit points of the sites in order to wash vehicles' wheels but also surrounding roads are washed and cleaned regularly by street washers. Water that is used at the sites is filtered by means of holding tanks, and transferred to the sewage system cleaned. Hazardous wastes such as chemical materials, used motor oil and batteries are collected and disposed of in hazardous waste collection centres. Also, wastes such as paper and boxes are delivered to recycling plants.

Responsibility to Provide Information

Information regarding to works that are implemented is provided to the concerned parties via project web site and light boards available at the site entrances. The project is introduced to visitors with an introductory film and brochures, and information is provided on the issues that concerned the inhabitants.



Material Supply

Doğuş Construction cooperates with subcontractors and suppliers during the implementation of each project not only in ancillary works related to service production but also in some stages of the main works that require advanced technological expertise.

During the construction and support processes, there is a buying procedure applicable not only in the headquarters but also in the construction sites in order to guarantee the supply of the products and services with the required quality and quantity within the deadline.

It is a priority for Doğuş Construction to purchase the environment-friendly and risk free materials consistent with Occupational Health and Safety procedures.

The degree of the products, materials and services can be reviewed under three main headings.

- Those that have a direct impact on the quality of services and Occupational Health and Safety performance (For example; steel, cement, bitumen and steel mesh, etc. . .)
- Those that have an indirect impact on the quality of services (For example; machines, equipment and its parts, maintenance auxiliary materials, fuel, mineral oil and survey instruments, etc. . .)
- Materials and services that do not have an impact on the quality of services but that can be purchased from a potential supplier (For example; stationery equipment, basic manual tools, office equipment and cleaning materials etc...)

With embracing manner towards the local communities, Doğuř Construction has adopted its main objective as to make economic and cultural contribution to the regions where it operates. Therefore, Doğuř Construction creates business volume for the subcontractors and suppliers it collaborates, and puts great importance on local suppliers and local labour. With this aim, Doğuř Construction implements various social projects in order to create new resources, labour and business volume.

“Local” refers to the geographical regions that are close to where Doğuř implements its projects, and that shelters the manufacturers and suppliers who can provide services to Doğuř in conformity with its criteria. Suppliers, which are deployed at a distance of 0-400 km from Doğuř construction sites and which satisfy the requirements for establishing a commercial relationship with Doğuř, are referred to as “Local Suppliers”.

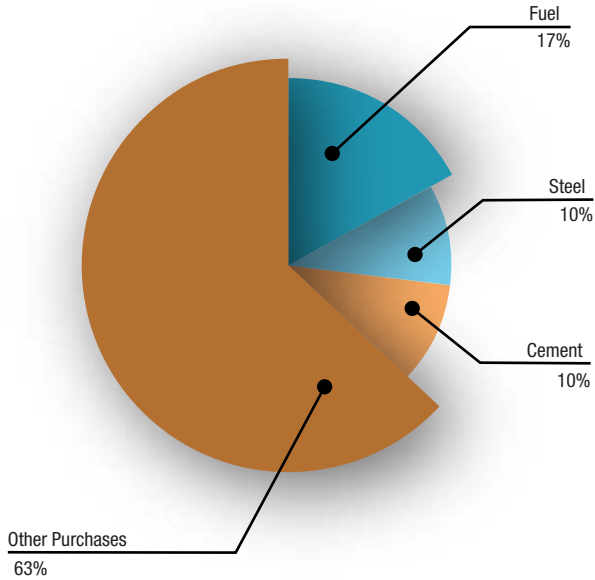
Other factors that are considered during the selection of local suppliers are as follows:

- Business volume in the region
- Capacity to provide added value in terms of time and cost
- Capacity to provide sustainability in terms of service and supply
- Craft knowledge and knowledge in infrastructure

Products	Amount (000 TL)
Cement	20.114
Steel	20.012
Oil	32.040

* The table shows the purchases in 2013 that were made from local suppliers on the basis of basic products.

These values correspond to 37 % of the total quantity of purchases made by construction sites.



* The table shows the local purchasing rates that were made by the active construction sites of Doğuş Construction in 2013.

Products	Amount (000 TL)
Cement	20.114
Steel	14.843
Oil	20.920

* The table shows local purchases by the Artvin Dam and Hydroelectric Power Plant construction site in 2013.

Doğuş Construction attaches great importance to the local market in terms of suppliers and labour in the regions where it implements its projects. Localization works that are performed throughout the project ensure a decrease in costs and expenses while contributing to the development of local sectors.

Therefore, besides to positive impacts of local supplier selection and local employment on the economy of the region, it strengthens the relations with the local community and makes contribution to the sustainability policies of the companies.

The local purchase consideration by the Artvin Dam and Hydroelectric Power Plant construction site in 2013 corresponds to 82% of the total purchase consideration during the same period. Such high rates do not only provide business volume to local suppliers, but also supports sustainability strategies of the companies.

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