

SANTA FARMA GLOBAL COMPACT

2020
COMMUNICATION
ON PROGRESS REPORT

DECEMBER 2020



This report covers the Communication on Progress in order to explain the performance of our company under the United Nations Global Compact.

We welcome your opinions about the content.

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MESSAGE OF THE PRESIDENT

The **Global Compact (GC)** is a non-governmental organization created under the **United Nations** with a view to promoting a **sustainable and mutual development culture** throughout the world. The Global Compact is based on 4 pillars which are supposed to be upheld by the participants. These are **human rights, labour, environment and anti-corruption**. All of them are apparently indispensable values for sustainable **socio-economic development on global scale**. And yet, **"environment"** has come into prominence and gained importance since early 2020 when the pandemic alarmed the entire world about **climate and environment**.

As a matter of fact, this matter remains at the agenda of the United Nations and European Union for a long time. During my term at **IOE (International Organisation of Employers)**, I had the opportunity to have a closer look at the actions taken by several non-governmental organizations pursuing the relevant goals and indeed, take part in some of the activities which enabled me to witness how seriously they deal with this matter.

Of those NGOs, **IPCC** (Intergovernmental Panel on Climate Change), **Global Compact Platform, academic institutions and** relevant departments of the **World Bank, United Nations and European Union** make dedicated efforts to warn the entire world about the threats to our planet with their publications for long years. When we look at the current status, we regrettably notice that communities have not much taken heed of those warnings so far. Yet, **covid-19 pandemic** has managed to attract the **attention of communities** due to its unprecedented effects and consequences. This is an extremely important and serious matter. Nature gives a clear message and invites all communities to take measures for our future.

Contrary to the latest **IPCC** report which anticipated a 1.1-degree increase in global temperature by 2030, the world has already reached that level. Triggered by this 1.1-degree increase, **floods, damaging rains, concurrent drought, fires, overwhelming pandemics** and similar natural disasters herald a more dreadful future if the global temperature continues to rise. Industrialization continues to blur the distinction between urban and rural areas. Therefore, disease-carrying insects and viruses are expected to affect highly populated areas and give rise to new pandemics.

Also, **IPCC** report notes that climate change is induced by mainly **greenhouse gas** emissions in addition to **cosmic triggers**. It goes on to explain that carbon dioxide emissions remain in atmosphere for 100 years. **Paris Climate Agreement** was signed for avoiding those dramatic consequences in 2016 and it was ratified by 191 of 197 participant countries. Member states have committed to make efforts to reduce their greenhouse gas emissions in order to keep global temperature increase at 1.5 degrees at most by 2030. The **US and China**, on the other hand, promised to reach net-zero **greenhouse gas emissions** by 2050 and 2060 respectively. These are ambitious targets but not impossible. To attain these goals, national and local managements of all countries as well as their private and public industries, academic institutions, international and national non-governmental organizations must coordinate their actions and share best practices and technical know-how with each other.

Most importantly, consumers should also give up their longstanding habits and adopt an eco-friendly lifestyle. That is because consumers' preference is the most influential force which steers consumer economies. And a **supra-political approach and devotion** must accompany the actions in order for them to lead to positive results. **The problem at hand is communal and global, bestowing the responsibility to ensure survival of all living beings.** In such a crisis, **healthcare and pharmaceutical industries** have a great role to play.

It is well-known fact **that pharmaceutical industry** has a **strategic importance** for all countries. It is an important actor in healthcare industry and assumes responsibility for the wellbeing of all living beings including humans along with the other healthcare teams. And it is obliged to carry on this mission **continuously** regardless of the conditions.

In the face of the pandemic, the **global pharmaceutical industry went through a challenging test** as it **raced with time to manufacture vaccinations** with dazzling speed in order to offer them for the good of humanity. The industry has proven its significance for human life once again. Although the industry has assumed such a great responsibility, it is an economic unit after all. It has been affected by the problems imposed on global economies as a result of the pandemic.

The problems with supply chain and finance have been the greatest of all. As a result, most industries including pharmaceuticals focus on **localizing** their supply chain.

In the meantime, several companies have benefited from the governmental support schemes. It should be noted that those schemes have made a considerable contribution to pharmaceutical industry, as well. The **pandemic** has also dramatically revealed the **importance of R&D activities** especially in pharmaceutical industry. The industry is expected to increase **R&D** investments with the help of the governmental incentives. **Innovative thinking skills** are indispensable for efficiency of R&D departments. In that respect, it might be useful to focus on **innovative** thinking in educational curricula. The pandemic has changed **business models** globally including Turkey. Meetings and other business communications have gone **digital**. Hence, the pandemic has expedited the adoption of future business models.

It's been 11 years since our company undersigned the Global Compact. We have been committed to uphold the 4 pillars of the Global Compact since then. The enclosed report elaborates the documents and numerical data about each principle as well as the awards received as a result of our efforts. Once more, we would like to underline **Santa Farma** appreciates the dedication to the pillar of **environment** which was incorporated into the Global Compact years ago.

Last but not least, let me express my personal conviction that it will be best for the communities to **support investments** which are intended to promote a lifestyle in **harmony with nature** rather than **fighting** and damaging **nature**. May you stay healthy!

Yours sincerely,
Erol Kiresepi





ABOUT THE REPORT

Santa Farma İlaç Sanayii A.Ş. adopted the UN Global Compact on May 26, 2010. Santa Farma undertakes to regularly communicate its performance in relation to the 10 principles of the Global Compact on an annual basis. This is the eleventh progress report issued by the company.

Santa Farma 2020 Communication on Progress provides information about the progress on Human Rights, Labour, Environment, and Anti-Corruption in line with the requirements of the UNGC. The report covers all of the activities conducted by Santa Farma in relation to those specific matters.

Although the reporting period is set as 1.1.2020 -31.12.2020, the report makes reference to the important previous data since this is the eleventh report submitted by the company. The first part of the report provides an overview of Santa Farma along with the corporate and governance details, its economic value and communication with stakeholders. The second part, on the other hand, offers detailed information about the corporate actions taken in relation to the principles of the UNGC. This part is comprised of chapters dedicated to Human Resources, Labour, Environment, and Anti-Corruption.

This report has been prepared based on **G3 Sustainability Reporting Principles of Global Reporting Initiative** with a view to communicating the corporate performance transparently in line with the principles of accountability in addition to facilitating potential comparisons with the future communications on progress. Your opinions and suggestions about 2020 Communication on Progress Report will be highly appreciated. Please feel free to contact Sema Yetkiner, Director of Human Resources, for all kinds of questions, opinions or suggestions via syetkiner@santafarma.com.tr

ABOUT SANTA FARMA

CORPORATE CULTURE

Our mission is to remain in constant search for better in order to offer favourable solutions for human health and quality of life. Our mission is at the root of our existence.

Our vision is to grow faster than the market average. Our vision is the manifestation of the future aspiration of our company.

Our values make us who we are and they are the linchpins of our corporate culture.

RESPECT FOR THE INDIVIDUAL

- Recognize that the organization consists of a group of human beings above all
- Remember that human is the sole address for development and improvement
- Keep a balance between real business life and human values

OPENNESS TO DEVELOPMENT

- Search for better
- Work for achieving better constantly
- Work on innovations for the future

RATIONAL POWER

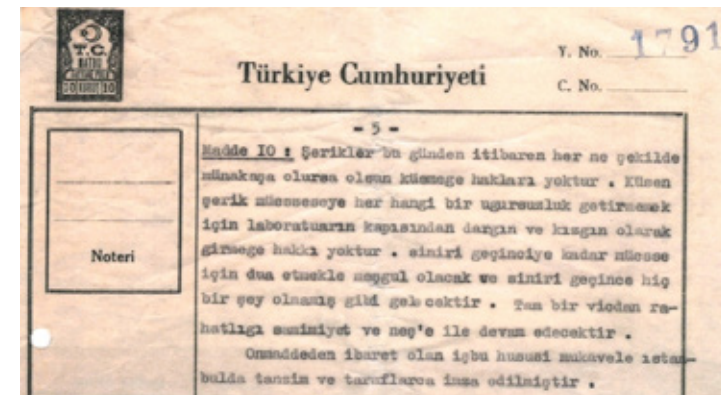
- Remain aware of the intrinsic power of the organization
- Focus on long-lasting and constructive results
- Take knowledge as the basis for all efforts

RESPECT FOR THE WORK, WORKPLACE AND COMMUNITY

- Recognize employees, community and organization as pieces constituting the whole
- Form collaboration among employees, organization and community based on mutual respect
- Promote a peaceful and safe working atmosphere

SPECIAL CLAUSE

The following special clause in the articles of association of the company clearly reveals the company's values and respect for human beings as well as its solid founding principles.



STORY OF OUR LOGO

- The logo of Santa Farma rests on a pyramid which embodies its spirit. The pyramid symbol is portrayed in the form of a triangle in the logo.
- Pyramids are comprised of four triangles which rise from the base only to unite above.
- Each of those triangles symbolizes the four elements constituting the source of life. That is what makes pyramids so powerful. In that respect, pyramids have stood for “power, longevity and stability” throughout history.
- The four triangles constituting Santa Farma pyramid symbolize its values which rise on a solid base to become united above.

BLUE

Colour of stable union, loyalty and strong faith. Symbolizes eternity and farsightedness. This is a colour with high therapeutic, conciliatory and healing properties. **Blue is used in the logo of Santa Farma because it is a colour that depicts the business field in the best manner, points out progressive development and improvement and symbolizes harmonious, stable and peaceful business relationships.**

RED

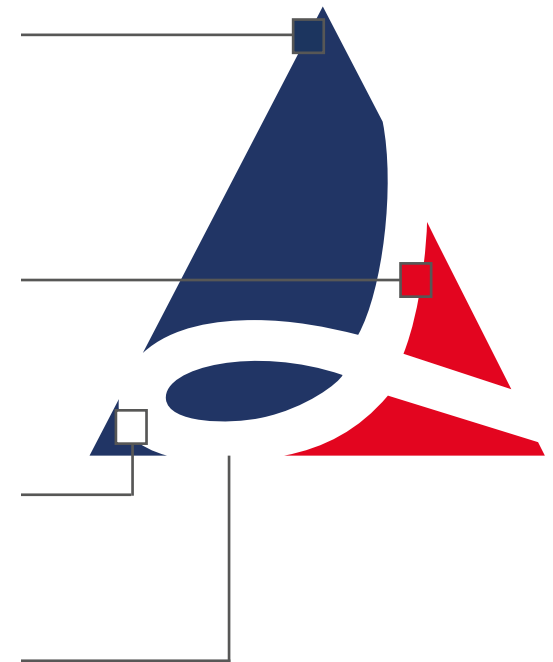
Colour of energy and power. Stands for agility, vigour, and determination and passion to continue till the end. **The vision of Santa Farma is to “grow faster than the market average”.** Red symbolizes the willpower required for this vision. Still, Santa Farma will always cling to its rational power while striving for growth and development. Therefore, red is embedded in the curves of the snake which symbolizes reason so that the vast energy stemming from the colour might be limited.

WHITE

Colour of cleanliness, purity, peace and stability. **White is used in the logo of Santa Farma because it reflects our business culture and values.**

SNAKE

Throughout the history, snake has symbolized good health and reason. In mythology, two intertwined snakes are used for symbolizing eternity of life. It is used for preparing drugs for ages. Hence, we use the curves of a snake in the middle of the triangle. **Snake indicates that Santa Farma exists for serving human health and it will make use of rational power while providing this service.**



ABOUT SANTA FARMA

HISTORY OF SANTA FARMA

Having been founded as Farma Laboratory in **1944**, Santa Farma took a leap forward by completing its merger with Santa Laboratory. Santa Farma İlaç Fabrikası Kollektif Şirketi was incorporated in **1954**, followed with the incorporation of **Santa Farma İlaç Sanayi A.Ş.** in **1973**.

Santa Farma adapted itself to the improvements in pharmaceutical industry rapidly and equipped its plants with modern manufacturing technologies and systems. In addition to its licensed products, it has enriched its range of products by manufacturing several drugs licensed for leading multinational companies.

Having been incorporated in 1944, the company has been able to create a reliable and good standing brand in the industry thanks to its mission to **“offer healthy services to healthcare”**. Our next objective is to support **“sustainable development”** with all our might by clinging to our value and corporate strategy in addition to contribute to a bright future.

MILESTONES

- October 22, 1953 - The foundations of the plant in Edirnekapi were laid.
- May 7, 1954 - The first license manufacturing agreement was executed (Spalt tablet).
- Late 1954 - The company changed its title to “Santa Farma İlaç Fabrikası Kollektif Şirketi”.
- 1964 - The first contract manufacturing agreement was executed with Organon Holland which paved the way for technological advance in Santa Farma.
- 1973 - The company changed its title to Santa Farma İlaç Sanayii A.Ş.
- 1982 - The company adopted Food Manufacturing Practices (GMP) Quality standard and completed the technological infrastructure of the plant.
- 1983 - The plant started the institutionalization process following the technological modernization.
- 1987 to 1989 - The Company made technological progress.
- 1989 - The company released the first biotechnological import product in Turkey (Eprex).
- 1994 - Santa Farma moved to its current head office building.
- 1997 - Reorganization of Marketing Department.
- 2008 - Reorganization of Human Resources Division.
- 2009 - The Company started “ERP” and “Corporate Identity” projects.
- 2010 - The company undersigned the United Nations Global Compact.
- 2010 - The new logo was launched and “ERP” project went live.
- 2011 - The corporate website was redesigned.
- 2012 - The foundations of the new Manufacturing Plant and R&D Center were laid.
- 2015 - The foundations new Manufacturing Plant and R&D Center were opened to service.
- 2016 - The Croatian Ministry of Health issued the EU-GMP Certificate.
- 2016 - The R&D Center was accredited by the Ministry of Industry and Technology.
- 2017 - ISO 9001 Quality, ISO 14001 Environment and OHSAS 18001 Occupational Health and Safety certifications.
- 2018 - Beginning of FORA transformation project to enable the company to achieve its goals for 2024.
- 2018 - The Jordanian Ministry of Health issued a GMP Certificate as a result of the audits.
- 2019 - The Croatian Ministry of Health confirmed the extension of EU-GMP Certificate.
- 2019 - Santa Farma celebrated its 75th anniversary.
- 2020 - The company was issued TSE Covid-19 Sage Production certification.
- 2020 - The company was issued ISO 45001 Occupational Health and Safety and ISO 14001 Environmental Management System certifications.

ABOUT SANTA FARMA

Santa Farma Enters OTC Product Market

Santa Farma, which operates in 11 different therapeutic categories including dermatology, digestive system and metabolism, gastroenterology and infection, hematology and in 45 different markets under these categories now enters the market of Over-The-Counter (OTC) products, which are food supplements not included in the scope of drugs. Continuing its growth based on its mission to offer healthy services to healthcare since its incorporation and recognized as one of the most deep-rooted and robust domestic pharmaceutical companies in Turkey, Santa Farma aims to take a leading position in Over-The-Counter (OTC) products market, just like its position in the pharmaceuticals market.

Santa Farma Puts Its Signature For a Better World

Santa Farma has acknowledged its support for the United Nations (UN) and comprehensive multilateralism by undersigning the Statement from Business Leaders for Renewed Global Cooperation. Santa Farma proudly undersigned the "Statement from Business Leaders for Renewed Global Cooperation" as one of the signatories to the United Nations Global Compact.

Business Leaders from 45 Turkish companies signed the Statement

The UN's call to renewed global cooperation was supported by more than 1,000 CEOs from 100+ countries. As the business world's commitment to global cooperation has become more important than ever at a time marked with unprecedented challenges due to the ongoing impacts of Covid-19 pandemic, Turkish companies provided great support to the UN Statement. The statement issued by the UN Global Compact Peace, Justice and Strong Institutions Action Platform was signed by the CEOs of 45 companies in Turkey.



Santa Farma Proves its 75 Years' Commitment to Offer Healthy Services to Health by Qualifying for "TSE COVID-19 SAFE PRODUCTION CERTIFICATE"

Santa Farma's premises in Kocaeli Gebze V (Chemistry) Special Organized Industrial Zone (GEBKIM OSB) qualified for the Safe Production Certificate issued specifically for Covid-19 by Turkish Standards Institute. This certificate constitutes a significant proof of the fact that Santa Farma's manufacturing plants are not affected by Covid-19 and the company continues to undertake its production activities under hygienic conditions.

Santa Farma İlaç Chairman Erol Kiresepi said, "Santa Farma has been awarded the Safe Production Certificate issued specifically for Covid-19 by Turkish Standards Institute. This is not a certificate of achievement but an indication of our commitment to community health."

We stayed in control of Covid-19 right from the beginning. We promptly created and implemented emergency action plans and took all kinds of measures to prevent and control spread of virus and protect our employees and other stakeholders. Due to the strategic importance of our industry, our manufacturing plant remained operational without any interruption. Our primary goal was to help our people to have uninterrupted access to medication. **Meanwhile, we always prioritized the health of our employees, stakeholders and community. This will be our guiding principle in the upcoming period. We would like to offer our heartiest thanks to our employees for their dedication to these unavoidable measures in these challenging times."**



United Nations
Global Compact | 20 years
Uniting business for a better world

#UnitingBusiness

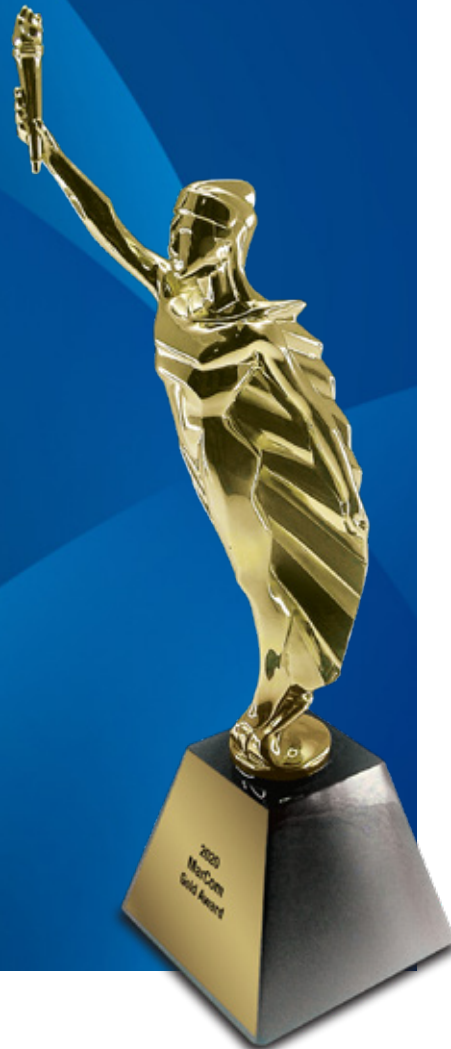


International Gold Award for "Leave a Yellow Note to Life" Project!

Having gained international recognition for various awareness projects, Santa Farma adds another achievement to its successful record. "Leave a Yellow Note to Life" a project which is unconditionally supported by Santa Farma, was awarded Golden Prize at the 17th MarCom Awards this year.

MarCom Awards is organized by AMCP (Association of Marketing Communications Professionals), a leading marketing and communication platform, in the USA since 2004. Recognized as one of the best known competitions of creativity, MarCom Awards received 200,000 applications from 100 countries this year.

In addition to the Golden Prize awarded for its global achievement as a medical website in 2020, 'Leave a Yellow Note to Life' received Golden Spider and Felis awards in 2019 in Turkey.



Santa Farma Awarded For Its "Safe Driving" Project

Santa Farma's "Safe Driving" project was awarded the second prize at the second Occupational Health and Safety Best Practices Awards organized by KIPLAS.

Since the launching of the Vehicle Safety System in corporate vehicles in 2017, Santa Farma has recorded 41.4% decrease in the number of traffic accidents in total while the accidents caused by driver error has dropped by 48.5. Furthermore, the system has ensured 35.9% reduction in the number of drivers involved in traffic accidents, 8.3% reduction in traffic tickets, 24.7% reduction in speeding tickets, 20.5% reduction in tickets related to mobile phone usage and 8% drop in fuel consumption.

Santa Farma Satisfactorily Completes Occupational Health and Safety and Environmental Certification Audits

Santa Farma, a leading domestic pharmaceutical company dedicated to offering healthy services to health, obtained ISO 45001:2018 Occupational Health and Safety Management System and ISO 14001:2015 Environmental Management System certifications after satisfactorily completing the management systems certification audit conducted by SGS, an International Notified Body, on November 16-19, 2020.

SANTA FARMA GETS AWARDED ZERO WASTE CERTIFICATION

As an environmentally responsible company, Santa Farma İlaç Sanayi A.Ş. displays its environmental approach by means of this Zero Waste Certificate which is a reflection of its successful environmental policy.

Zero Waste Certificate is issued to enterprises, organizations and local administrations which are certified to create an internal team to remain in charge of zero waste policies, create a separate collection system for the recyclable wastes specified in the regulation, complete the training for set-up and operation of the system and enter their data to the zero waste information system.

The manufacturing plant of Santa Farma operating on a closed space of 44,000 m2 on a total land of 80,000 m2 at GEBKİM Organized Industrial Zone is one step ahead the industry thanks to its environmental friendly approach. Last year, the plant collected around 353.5 tons of waste comprised of paper in addition to glass, plastics, metals, vegetable oil, mineral oil and organics at Gebkim under the motto of 'Zero Waste'.

The wastes consisted of 209.5 tons of paper, 11.5 tons of glass, 44.9 tons of plastics, 23.2 tons of metals, 720 kilograms of vegetable oil, 63.4 tons of organic wastes and 20 kilograms of mineral oil.

Also, Santa Farma replaced the desk dustbins with shared unit zones at the head office and manufacturing plant at the beginning of last year.

The recycle of the waste resulted in reduction of greenhouse gases by 41.4 tons in addition to saving 1 million 134 thousand 303 kilowatt hours of electricity. Furthermore, the recycling operations guaranteed saving of 3 thousand 562 trees, 44.1 kilograms of raw materials and around 733 barrels of oil.

Santa Farma's eco-friendly manufacturing plant makes serious contributions to the economic efficiency thanks to the "Zero Waste" project. The project enabled the plant to save electricity amounting to TRY 476 thousand 407 as a result of the recycling of paper, glass, plastic and metal wastes. In addition, recycling efforts made it possible to reduce the storage area by 714.52 m3. Also, 25 thousand 395 kilograms of compost were derived from organic wastes.



SANTA FARMA TAKES ITS STRATEGIC COOPERATION WITH MEALIS ONE STEP FURTHER

Santa Farma, one of the most well-rooted domestic pharmaceutical companies in Turkey, took the strategic cooperation made with MEALIS Middle East Life Sciences one step further after executing an agreement last month. Under the new agreement, MEALIS was assigned the selling, marketing and distribution rights of a drug with iron III-hydroxide polymaltose and folic acid, which is used for treatment of iron deficiency anemia.

Below are some of the international meetings attended by Mr Erol Kiresepi, Chairman of Board at Santa Farma, as the first Turkish President of the International Organization of Employers (IOE) in 2020:

Erol Kiresepi Attended G20 Labour Ministers' Meeting

G20 Labour Ministers' Meeting was held online on April 23, 2020. Mr Erol Kiresepi, International Organisation of Employers (IOE) President and Santa Farma İlaç Chairman, represented the global employers at the meeting while Mrs Zehra Zümrüt Selçuk, Minister of Family, Labour and Social Services, attended on behalf of the Republic of Turkey. In his address to G20 Labour Ministers, IOE President Mr Erol Kiresepi noted that the commitments upheld at G20 Leaders' Summit on March 26 were positive for the Business World while it was necessary to determine grants on the basis of individual targets and to make the existing grants more accessible so that the decisions made by G20 states could create a positive impact on real economy.

Erol Kiresepi Addresses Joint Dialogue Forum

Mr Erol Kiresepi, International Organisation of Employers (IOE) President and KİPLAS Deputy President, addressed the Joint Dialogue Forum. Having launched the forum last year with a view to give rise to a joint voice by improving dialogue between all stakeholders of business life, Turkish Confederation of Employer Associations (TİSK) held the second Forum meeting on virtual media by making use of digital technologies this year.

In his address to the Forum, Mr Erol Kiresepi referred to the unexpected global events which occurred in one year's time after the first forum and noted that the socio-economic crisis led to 17.3% drop in employment which already made Covid-19 a humanitarian disaster.

Underlining that the Covid-19 pandemic could be considered as a turning point in many ways, the IOE President went on to express that the crisis made social dialogue an "indispensable" part of the agenda since the only way to overcome the existing challenges to take joint action and it was a pleasing development that different sectors of life were determined to make cooperation at an unprecedented level. Mr Erol Kiresepi stressed that it was important to honour our words instead of just chanting slogans and this crisis must be considered as a warning for all stakeholders to take action as necessary.

IOE President Erol Kiresepi's Term of Office Extended for One Year

In its centenary, the International Organisation of Employers (IOE) resolved to extend the term of Erol Kiresepi, Santa Farma İlaç Chairman and Deputy President of Union of Chemical Petroleum Rubber and Plastic Industry Employers of Turkey (KİPLAS) and IOE President since 2017. IOE General Council which is held in May or June every year was organized virtually on November 24 due to the pandemic. As IOE members unanimously resolved to extend the term of office of Kiresepi for one year, he will remain in charge of the largest organisation of employers with the highest representation power in global scale till the next IOE General Council.



ABOUT SANTA FARMA

BUSINESS FIELD

“Santa Farma manufactures not only original drugs but also equivalent drugs in order to contribute to cost effective methods in health costs while making drugs accessible to more people.”

Santa Farma is engaged in manufacturing, import, export, marketing and sales of drugs in pharmaceutical industry. It is recognized as a deep-rooted and important company dealing with **“manufacturing of original and equivalent drugs”** in Turkish pharmaceutical market. The company invested EUR 150 million in its state-of-the-art manufacturing plant which was commissioned for the benefit of Turkish pharmaceutical industry with a closed space of 44 thousand sqm in Dilovası, Kocaeli in 2015.

The manufacturing plant which boasts of the capacity to manufacture annually 150 million boxes in a single shift based on EU-GMP, TR-GMP and Jordanian GMP certificates not only manufactures products for our country and countries of export but also provides localization support to global and domestic pharmaceutical companies which are engaged in importing pharmaceutical products.

Santa Farma abides by the principles of “Current Good Manufacturing Practices” (cGMP) in its plants. Drugs which are proven to be bio-equivalent through scientific studies and Good Manufacturing Practices (cGCP) are therapeutically equivalent drugs. In that respect, Santa Farma complies with all the laws and regulations enforced by the Ministry of Health, which is in charge of registration procedures to be conducted for release of drugs.

Currently, a great many of governments encourage manufacturing of equivalent drugs in order to reduce public healthcare costs. This makes it possible to allocate higher funds to other public concerns with a view to contributing to the welfare of the country in general. Manufacturing of equivalent drugs also increases the global competitive power of the relevant country as it provides the manufacturing companies with opportunities for export.

ABOUT SANTA FARMA

OFFICES AND PLANTS

Santa Farma is headquartered in Okmeydanı, Şişli-İstanbul while the Manufacturing Plant and R&D Center is located in Dilovası-Kocaeli. The company conducts the marketing and sales activities through 8 regional offices.



R&D Center

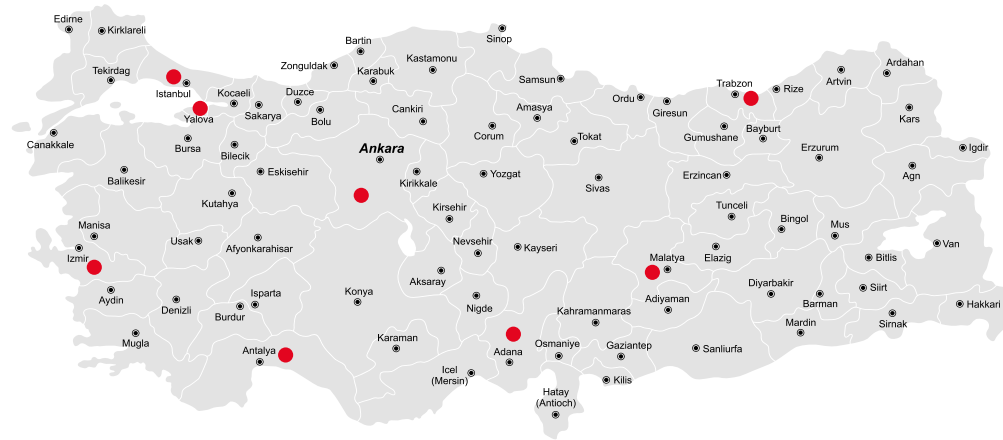
Marketing
Center

Head Office



Manufacturing Plant

REGIONAL OFFICES



Santa Farma aims to provide people with the best means for health by manufacturing high quality products.

Manufacturing Activities

With an annual manufacturing capacity of 150 million boxes, Santa Farma manufactures its licensed products in addition to several drugs licensed for leading multinational companies.

The manufacturing plant conducts its operations in full compliance with the Current Good Manufacturing Practices (cGMP) introduced by the EU-GMP and World Health Organization (WHO) and embraced by Turkish Ministry of Health in order to promote international standards in drug manufacturing activities.

Santa Farma aims to provide people with the best means for health by manufacturing high quality products.

Available pharmaceutical forms:

- Tablet, film coated tablet, pills, capsules, sachets, powder, filling, effervescent
- Syrup, solution, suspension
- Mouthwash
- Oral, nasal spray and drop
- Pomade, ointment, gel, cream, and lotion.

Santa Farma Gebkim Manufacturing Plant undertakes contracted manufacturing activities for and on behalf of MSD Turkey, Janssen, Angelini, Yenişehir Laboratuvarı, Bilim İlaç, Astellas, DNC Pharma, Liba Laboratuvarları and Sandoz.

Quality Management System

The Quality Management System is based on:

- Regulations of Turkish Ministry of Health (all of the applicable laws and regulations, GMP, GDP Guidelines)
- PIC/S,
- Eudralex Volume 4,
- WHO Guidelines,
- The International Council for Harmonisation (ICH) / Pharmaceutical Quality System (Q10).

TR- GMP Certificate

Santa Farma Gebkim Manufacturing Plant, which was awarded a GMP Certificate by Turkish Ministry of Health on 26.06.2015, became entitled to extension of the GMP certificate following satisfactory conclusion of the audit conducted on 05-06.05.2019.

EU-GMP Certificate

Similarly, Santa Farma Gebkim Manufacturing Plant, which was awarded the EU-GMP Certificate by Croatian Health Agency HALMED on 11.11.2016, became entitled to extension of the certificate following satisfactory conclusion of the audit conducted on 02-06.09.2019.

Management System Certifications

Santa Farma was awarded ISO 14001 Environmental and ISO 45001 Occupational Health and Safety Management System certifications in 2020.



R&D

In general, Research and Development (R&D) activities focus on boosting innovation to offer new services to people and increase their quality of life. Therefore, pharmaceutical R&D carried out for development of new treatment methods and production of new drugs is **among the priority investment areas** in both developed and developing countries. Accordingly, pharmaceutical industry is treated as a strategic industry.

The rise in the world population, changes in welfare of communities, their demographic attributes and lifestyles, and accompanying impacts on global ecosystem combine to diversify and increase health problems of human beings. Santa Farma R&D Center makes efforts to improve life quality of patients by offering easily accessible, alternative means of treatment drugs with high added value in international standards in order to respond to new demands and keep pace with these rapid changes. Furthermore, it conducts product development activities to contribute to national economy and help finance the current deficit.

Situated on a land of 3,000 m² and comprised of 4 floors, the R&D Center performs its activities as an “R&D Center” accredited by the Ministry of Industry and Technology since 2016.

Santa Farma İlaç R&D Center conducts the following activities for not only domestic market but also regulated markets including the European Union and developing world markets:

- Patent and intellectual property rights,
- Active ingredient research and evaluation,
- Alternative active ingredient evaluation,
- Pharmaceutical technology development,
- Development of pharmaceutical analytics,
- Bio-equivalence and Clinical Studies,
- New product stability studies,
- CTD application file preparation activities based on Quality by Design (QbD)



The quality of Santa Farma R&D Center is widely accepted and has eligibility leading the world.

The know-how derived from the studies conducted at Santa Farma R&D Center is used for developing future products through information sharing based on human-oriented principles which help to improve new product reliability and effectiveness thanks to the increasing know-how of the company. This working culture creates a positive impact on productivity as it increases motivation and communication between colleagues.

The R&D Center is comprised of pharmaceutical analytic development laboratories (instrumental analysis and wet chemical laboratory), pharmaceutical technology development laboratories, warehouses and offices. Our team of professionals with B.Sc., M.Sc. or Ph.D degrees on pharmaceutical chemistry, pharmaceutical technology, patent and intellectual property rights and clinical development use high technology equipment to create innovation.

Santa Farm scientists keep up with the scientific and technological improvements and advances thanks to the internal and external training offered to them based on the human oriented approach of the company. This makes it possible for Santa Farma R&D staff to improve their scientific knowledge as necessary.

Lateral project groups conduct each step of the new product development activities in alternative dosage forms with great care and attention in order to increase patient compliance and comfort in line with scientific improvements. In that respect, every single step of the studies are followed in line with cGMP (Good Manufacturing Practices) and cGLP (Good Laboratory Practices) compliance rules which are referred to in national and international guidelines while cGCP (Good Clinical Practices) constitutes the basis for clinical studies.

Santa Farma R&D Center undertakes TUBITAK and TEYDEB projects in cooperation with universities, public and private sector in order to contribute to improvement of science and technology in Turkey by means of enactment of regulations which shall encourage development of new drug forms and

progress in pharmaceutical technologies as well as scientific research.

Santa Farma R&D Center aims to reinforce the position of our country and Santa Farma ilaç in global markets by continuously improving the quality of the products. All departments get involved in those studies through a multi-disciplinary approach so as to meet the product needs of several countries throughout the world. The ultimate goal is to contribute to national economy and give support to finance the current deficit by increasing the national export volume.

In short, Santa Farma R&D Center is recognized for the high quality of all outputs in addition to its products thanks to the innovation created as a result of its scientific approach which is cemented through its corporate structure.

WAREHOUSES

The Representative Pharmaceutical Warehouse available in the new manufacturing plant and R&D Center was audited by the Ministry of Health on 31.12.2014. Following the audit, the Ministry of Health issued a license on 05.03.2015. The warehouse is used for storage and shipment of products since 01.08.2015.

Located in the new manufacturing plant and R&D Center, Santa Farma Representative Pharmaceutical Warehouse boasts of a capacity for 10,098 pallets. Finished products and raw materials / packaging materials are stored in the same warehouse but in different sections separated with wires. The warehouse has a storage section of 70 pallets for the raw materials which have to be stored in cool or warm temperatures. Also, there is a storage section of 30 pallets for cold chain finished products. BMS system is used for measuring and monitoring the temperature and humidity levels in the warehouse on 24/7 basis. Finished products are distributed through the shipping section in the same warehouse. Combustible/inflammable raw materials are stored in a different warehouse of 70 pallets.

ABOUT SANTA FARMA

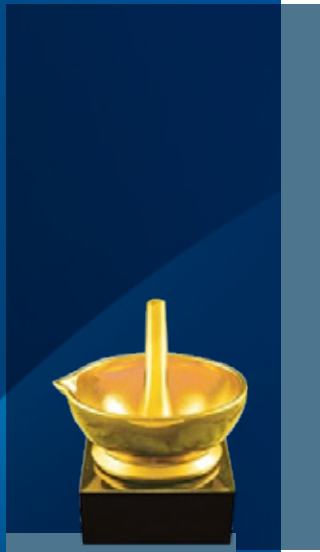
INVESTMENT



Manufacturing Plant and R&D Center

The foundations of the Manufacturing Plant and R&D Center were laid in GEBKIM Organized Industrial Zone in 2012. The plant which is located on a land of around 80.000 m² boasts of a manufacturing capacity of annually 150 million boxes. With its 45.000 m² indoor spaces, the plant began to perform manufacturing operations after it was awarded the GMP certificate of conformity on 26.06.2015 following the necessary audits.

Thanks to its plant investment, Santa Farma was awarded Golden Vessel Drug and Pharmaceuticals Success Award for "Investment of the Year" by Pharmaceuticals Magazine during the third award ceremony held on November 05, 2012.



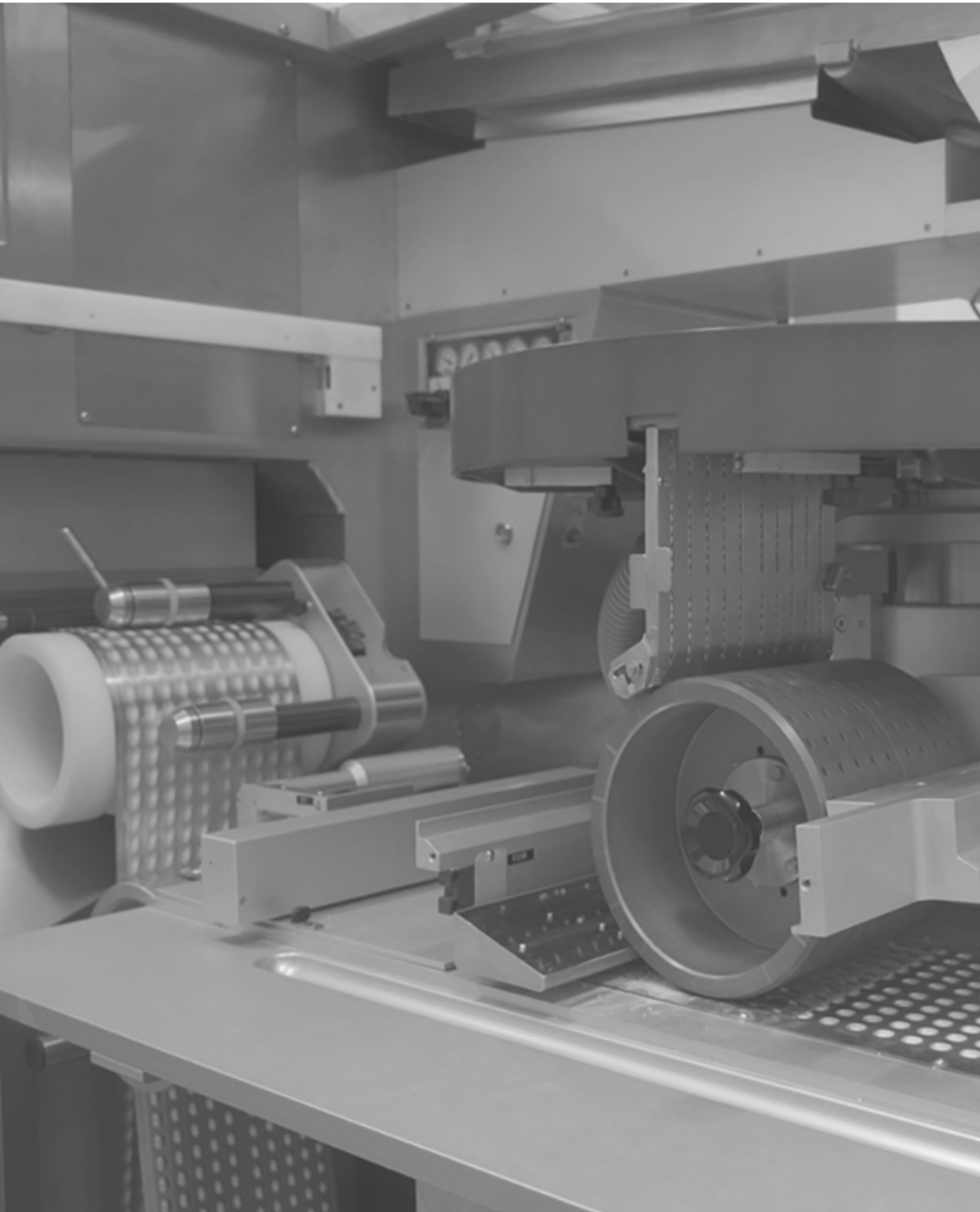
Golden Vessel Award



Corporate Scale

Santa Farma İlaç Sanayi is a joint stock company. The chart below summarizes its major shareholders, magnitude and sales-cost statement as of December 2020:

Headcount	1,095
Net Sales	TRY 694,519,384.32
Shareholders' Equity	TRY 329,668,256.17
Quantity of Product and Service Supply	70,225,704 boxes of drugs
Total Assets	TRY 799,819,201.31
Major Shareholder	Erol KİRESEPİ



PRODUCTS

The company undertakes manufacturing, import and marketing of drugs in several therapeutic categories digestive system and metabolism, musculo-skeletal system, respiratory system, gastroenterology and infection, dermatology, nervous system, haematology, cardiovascular system and immune system.

DIGESTIVE SYSTEM AND METABOLISM

Apikobal Film Tablet	Manufacturing	Tribudat Forte Tablet	Manufacturing
Apikobal Plus Enteric Coated Tablet	Manufacturing	Tribudat Granule	Manufacturing
Juvelta Granule	Manufacturing	Tribudat Tablet	Manufacturing
Pinix Film Coated Tablet	Manufacturing	Ukra Film Coated Tablet	Manufacturing
Spanol Film Coated Tablet	Manufacturing		

MUSCULO-SKELETAL SYSTEM

Acetudil Forte Capsule	Manufacturing	Flexo Spray	Manufacturing
Dicloflam Coated Tablet	Manufacturing	Paraflex Tablet	Manufacturing
Draxol Film Coated Tablet	Manufacturing	Parafon Tablet	Manufacturing
Elektra Ampule	Manufacturing	Quando Film Coated Tablet	Manufacturing
Elektra Film Coated Tablet	Manufacturing	Sempriban Film Tablet	Sanofi Manufacturing
Elektra Fort Film Coated Tablet	Manufacturing	Sempriban Ampule	Sanofi Manufacturing
Elektra Plus Gel	Manufacturing	Thermoflex Cream	Manufacturing
Flexo Ampule	Manufacturing	TioRelax Ointment	Manufacturing
Flexo Gel	Manufacturing	TioRelax Tablet	Manufacturing

GASTROENTEROLOGY AND INFECTION

Evasif Film Tablet	Manufacturing	Zenticavir Film Tablet	Sanofi Manufacturing
Sidatria Film Coated Tablet	Sanofi Manufacturing		

RESPIRATORY SYSTEM

Allerset Film Coated Tablet	Manufacturing	İliadin Merck Drop	Manufacturing
Allerset Oral Drop	Manufacturing	İliadin Merck Paediatric Spray	Manufacturing
Allerset Syrup	Manufacturing	İliadin Merck Dosage Spray	Manufacturing
Anthix Tablet	Manufacturing	Lornia Syrup	Manufacturing
Bronchorest Capsule	Manufacturing	Nazoster Nasal Spray	Manufacturing
Buğuseptil Vapour Solution	Manufacturing	Pulmistat Syrup	Manufacturing
Crebros Film Coated Tablet	Manufacturing	Pulmistat Fort Syrup	Manufacturing
Fluibron Paediatric Syrup	Manufacturing	Pulmorest Fort Syrup	Manufacturing
Fluibron Syrup	Manufacturing	Pulmorest Syrup	Manufacturing
Forflu Film Coated Tablet	Manufacturing	Sulfarhin Nasal Ointment	Manufacturing
Flurend Mouthwash	Manufacturing	Usyex Spray	Manufacturing
Flurend Oral Spray	Manufacturing		

DERMATOLOGY

Codermo Cream	Manufacturing	Magnis Cream	Manufacturing
Codermo Lotion	Manufacturing	Oly Cream	Manufacturing
Codermo Ointment	Manufacturing	Oly Plus Cream	Manufacturing
Dermacutan Gel	Manufacturing	Oly Spray	Manufacturing
Locoderm Cream	Manufacturing	Terbisil Tablet	Manufacturing
Locoderm Lipo Cream	Manufacturing	Terbisil Cream	Manufacturing
Locoderm Ointment	Manufacturing	Terbisil Spray	Manufacturing

NERVOUS SYSTEM

Cralium Tablet	Manufacturing	Lev-End Film Coated Tablet	Manufacturing
Cogito Basis Oral Solution	Manufacturing	Lev-End Oral Solution	Manufacturing
Cogito Film Coated Tablet	Manufacturing	Phocuss Film Coated Tablet	Manufacturing
Cogito Treatment Initiation Pack	Manufacturing	Phocuss Treatment Initiation Pack	Manufacturing
Duloxx Capsule	Manufacturing	Sayfren Tablet	Manufacturing
Elepsi Film Coated Tablet	Manufacturing	Sayfren Oral Solution	Manufacturing
Etkinia Tablet	Manufacturing	Secita Film Coated Tablet	Manufacturing
Gyrex Film Coated Tablet	Manufacturing	Zhedon Film Coated Tablet	Manufacturing

HAEMATOLOGY

Ferlos Tablet	Manufacturing	Santafer Ampule	Manufacturing
Ferlos Oral Solution	Manufacturing	Santafer Fort Film Tablet	Manufacturing
Ferroven I.V. Ampule	Manufacturing	Santafer Oral Drop	Manufacturing
Oxfet Film Coated Tablet	Manufacturing	Santafer Syrup	Manufacturing

CARDIOVASCULAR SYSTEM

Calbikor Tablet	Manufacturing	Modet Film Coated Tablet	Manufacturing
Hirudoid Forte Gel	Manufacturing	Trentilin Retard Film Coated Tablet	Manufacturing
Hirudoid Forte Cream	Manufacturing	Trentilin Ampule	Manufacturing
Modet Capsule	Manufacturing		

UROGENITAL SYSTEM

Eccury Film Coated Tablet	Manufacturing	Longis Film Coated Tablet	Manufacturing
Komox Capsule	Manufacturing		

ABOUT SANTA FARMA

OVERSEAS MARKETS AND PARTNERSHIPS

Santa Farma has proudly extended its successful domestic operations to overseas countries. The company is currently marketing its innovative equivalent products in overseas markets thanks to its long-term marketing experience as well as registration files updated in line with the international standards. In that sense, it steadily extends its operations in overseas markets every year.

Santa Farma provides its business partners with training, product info, advanced marketing methods and strategies, management advice and guidance for preparation of registration application files. Santa Farma will continue to focus on export operations as an indispensable part of its growth strategy in future years as well.

As of the end of 2020, the company is involved in business partnerships in the following countries:

- Afghanistan
- Albania
- Azerbaijan
- Western, Eastern and Central Africa countries
- Dominican Republic
- Philippines
- Georgia
- Hong Kong
- Iraq
- Cambodia
- Kazakhstan
- Kyrgyzstan
- Kosovo
- Mongolia
- Uzbekistan
- Tajikistan
- Turkmenistan
- Pakistan
- Uganda
- Jordan
- Vietnam
- Yemen

The company aims to form new business partnerships in the following countries in 2021:

- United Arab Emirates
- Bosnia and Herzegovina
- China
- Kuwait
- Malaysia
- Mexico
- Moldova
- Russia
- Sudan
- Chile
- Uganda
- Ukraine

In 2021, the company executed a joint development and contract manufacturing agreements for 1 product with a European-based global company and intends to increase the number of such cooperative efforts throughout 2021.

LICENSE AGREEMENTS

Santa Farma steadily renews and improves its product range by executing license agreements with leading global companies in order to serve the community and healthcare industry in the best manner possible. The chart below provides a list of the companies with whom the company has executed license agreements:

LICENSORS



CORPORATE GOVERNANCE

Management of Santa Farma is entrusted to:

- Board of Directors,
- Executive Board, and Senior and Functional Managers at various levels.

Board of Directors

Board of Directors: consists of one President and three directors.

The Board of Directors is responsible for making strategic decisions about the company, and finding and allocating resources related to those decisions.

Executive Board

Executive Board: consists of one Chairman and four Vice Chairmen. Vice Chairmen are senior managers of Marketing and Sales, Strategic Planning and Operations, Finance and Plant divisions.

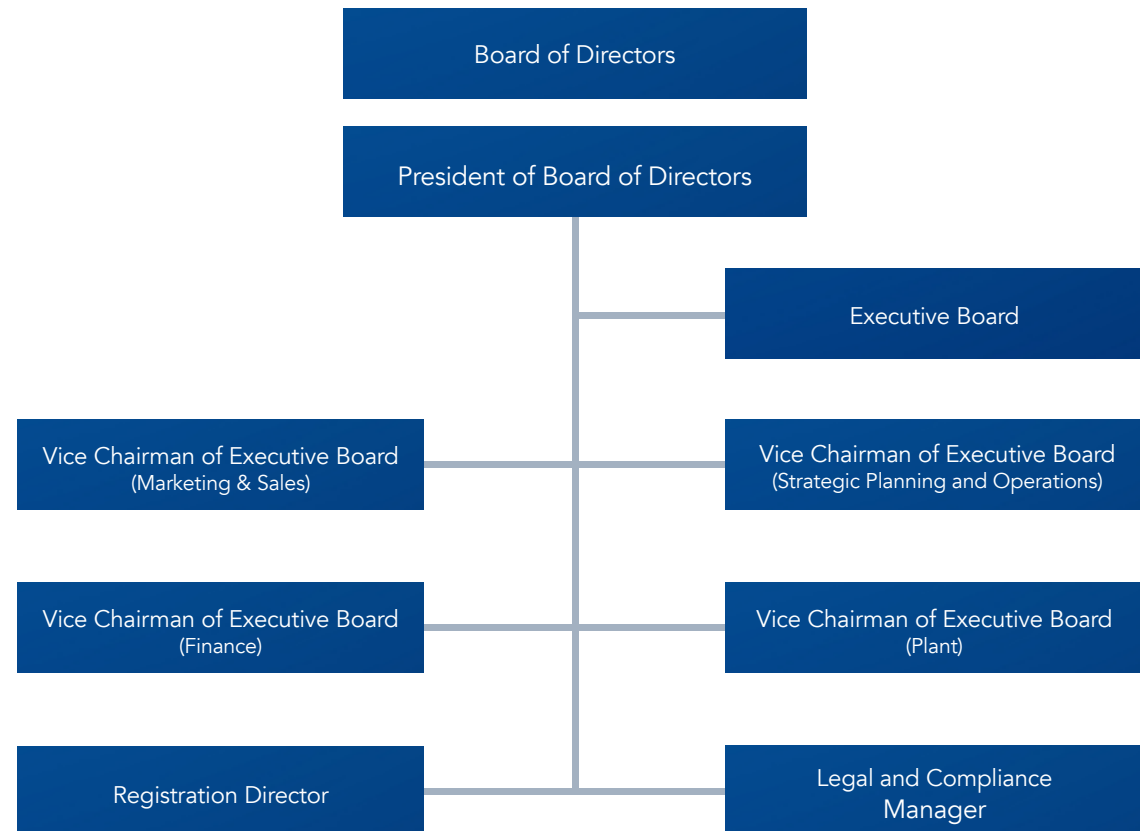
The Executive Board is responsible for setting corporate targets and organizing the required actions, making decisions about the management systems and business processes required for attaining corporate targets, analysing and evaluating business results and taking actions as necessary.

Senior and Functional Managers of Various Levels

Senior and functional managers of various levels: consist of the functional managers reporting to the President of the Board of Directors and Vice Chairmen.

They are responsible for administering the existing management systems in line with the strategies set for the corporate targets.

SENIOR MANAGEMENT ORGANIZATION CHART AT SANTA FARMA





CORPORATE GOVERNANCE

ECONOMIC PERFORMANCE

Below is the economic value created by Santa Farma İlaç Sanayi A.Ş. in 2020:

Gross sales	TRY 926,011,433.64
Revenues	TRY 26,971,894.69
Wages due to Employees	TRY 112,620,069.78
Payments due to the Government	TRY 66,779,425.11
Payments due to the Funders and Banks	TRY 34,676,854.06

CORPORATE GOVERNANCE

SANTA FARMA AND STAKEHOLDERS

Santa Farma considers all of the communal parties as its stakeholders to the extent such parties have any relationship with the company and affect the company with their actions or get affected from our actions. The primary stakeholders are **our employees, shareholders, healthcare professionals, patients and relatives, journalists, suppliers, distributors and business partners, associations, community and non-governmental organizations.**



COMMUNICATION WITH STAKEHOLDERS

EMPLOYEES

We communicate with our employees by means of meetings and HR processes: Ekol communication platform, annual meetings, company picnic, orientation training, general training, technical training, video conference system, CCTV system, teleconference meetings, various project studies, job interviews, performance assessment system, sporting events, volunteering projects, social club activities and similar processes and methods are used for communicating with employees.

SHAREHOLDERS

The board of directors communicate with the shareholders through monthly/annual etc. meetings. They exchange information and make strategic decisions about the future of the company. Those meetings help us communicate with the shareholders on a regular basis.

HEALTHCARE PROFESSIONALS

Physicians: Medical representatives pay regular visits to physicians. Treatment alternatives and molecules are evaluated through scientific meetings. Therapeutic websites are created to provide up-to-date information to physicians. We also attend the national congresses, symposia and meetings organized by relevant associations in Turkey. We hold satellite-based symposia in order to offer scientific support with the help of domestic and international lecturers. We organize training programmes on specific therapeutic fields in order to contribute to professional development of physicians. We provide unconditional support to several projects of associations in order to raise awareness regarding specific diseases.

Pharmacists: Medical representatives pay regular visits to pharmacists. We undertake one-to-one training sessions about diseases, treatment options and molecules in order to help them increase and update their professional knowledge.

We have launched special websites for pharmacists so as to provide them with refresher training on professional regulations. Pharmacists are offered web-based training about diseases, treatment options and molecules.

PATIENTS AND RELATIVES

The company communicates with patients and their relatives indirectly through various awareness raising projects conducted in collaboration with specific associations.

CORPORATE GOVERNANCE

SANTA FARMA AND STAKEHOLDERS

JOURNALISTS

Journalists are regularly contacted through press releases, special reporting activities and press meetings.

SUPPLIERS

We contact our suppliers through contracts, meetings, improvement audits, site visits, and tenders.

DISTRIBUTORS AND BUSINESS PARTNERS

We communicate with distributors and business partners through agreements, training sessions and meetings.

MEMBERSHIPS TO ASSOCIATIONS

Pharmaceutical Industry Association of Turkey (TİSD)

Istanbul Chamber of Industry (İSO)

Istanbul Chamber of Commerce (İTO)

Union of Chambers and Commodity Exchanges of Turkey (TOBB)

Foreign Economic Relations Board of Turkey (DEİK)

Swiss Chamber of Commerce in Turkey

Italian Chamber of Commerce in Turkey

Union of Chemical Petroleum Rubber and Plastic Industry Employers of Turkey (KİPLAS)

Kocaeli Chamber of Industry

United Nations Global Compact (UNGC)

COMMUNITY AND NON-GOVERNMENTAL ORGANIZATIONS

Corporate social responsibility projects, corporate website and corporate social media accounts form the most important of our communication with the community. Besides, we collaborate with TEMA, ÇEVKO, AÇEV, KAÇUV, Tohum Autism Foundation, TOFD, TODEV, Encander, Viral Hepatitis Control Association, Alzheimer Association of Turkey, GEA, İyimser Abla, KIZILAY, Sosyal Ben and similar NGOs for several projects.

CORPORATE GOVERNANCE

SOCIAL RESPONSIBILITY



Santa Farma's marathon team attended the 40th Istanbul Marathon in order to collect donations for "Don't Forget Yourself" project conducted in collaboration with Turkish Alzheimer Association in 2018. With a team of 97 employees, Santa Farma was distinguished as the leading company in pharmaceutical industry. During the celebration held at the refurbished Day Care Center, Turkish Alzheimer Association presented the certificates of appreciation and thank you letters written by relatives of patients to the marathon teams which were able to collect the highest sums of donation for the benefit of the association. In 2020, the company released informative videos and aired live feed to raise awareness about Alzheimer.



Santa Farma provided unconditional support to the Viral Hepatitis Control Association's awareness project "Leave a Yellow Note to Life", which intends to increase awareness about Hepatitis B and encourage more people to take tests and take measures. Following Golden Spider and Felis Awards in Turkey, the project was also awarded at MarCom Awards in global platform.

Under the project "Leave a Yellow Note to Life" which was reached almost 4 million people in just four months, Santa Farma cooperated with the Yellow Microphone, which is Turkey's most popular street interviews channel. Street interviews were made by the famous actor Hayreddin. In the viral videos, people were asked "What does 'B' mean for 1.8 million people in Turkey?" and informed about Hepatitis B.



Another social responsibility project supported by Santa Farma employees is the "Kapak Olsun" campaign initiated by TOFD for donating wheelchairs to individuals with orthopaedic disability so that they can independently and freely go around, make shopping and discover the world around them. Accordingly, we collect plastic bottle caps in the collection units available in our head office, plant and other corporate offices and send them to TOFD at regular intervals.



CORPORATE GOVERNANCE

SOCIAL RESPONSIBILITY



Economic, humanitarian and social development will not be possible without encouraging women who constitute half of the society to become involved in all aspects of life. Under the initiative taken in 2018, the company provided support to women's cooperatives from all over Turkey on the occasion of 8th of March this year, as well. All male and female employees were presented the sets prepared by İyimser Abla, a non-governmental organization, as a symbol of the company's conviction that female labour is invaluable for the society.



58 employees volunteered to participate in "Happy Tales" project organized in cooperation with Laughter Heals Association. The fairy tales selected for children hospitalized for cancer treatment were vocalized by our volunteers and after that, they were sent to the children at mp3 players with the help of the association. Also, we celebrated the new year and collected donations for children on treatment during 'Laughter Yoga' live feed on Instagram which was also organized with Laughter Heals Association on December 29.



The company undertook 2 different projects with the Association of Protection and Livelihood of Disabled and Destitute Animals (Encander) throughout the year. We paid visits to Encander which hosts more than 400 disabled or abused animals with a team of 15 individuals. During the visits, we explored their needs and provided them with the required medical supplies and cleaning materials.



CORPORATE GOVERNANCE

SOCIAL RESPONSIBILITY



As a customary practice, we raised awareness about February 15, Childhood Cancer Day by wearing yellow ribbons and using #sarıyıfarket hashtag. All employees at the Manufacturing and R&D Center, site organization and head office supported the project.



TÖDEV (Turkish Foundation for Support for Autism and Education) and GCL Geri Kazanım undertake E-Waste Recycling Project in order to finance the education of autistic children. In order to support the project, the employees and relevant departments collect the plug or battery operated products at the end of their useful life so that they might be recycled for the benefit of the project.



We contributed to “from Dream to Reality” project undertaken by Sosyal Ben Foundation, a non-governmental organization which aims to enable the children between the ages of 7-13 in disadvantaged areas to explore and develop their talents and holds field and training activities that will contribute to their personal development at national and international level.



HUMAN RIGHTS MANAGEMENT

ACCESS TO MEDICATION

Equivalent drugs make it possible to offer effective treatment options with more affordable prices than reference drugs. Hence, Santa Farma facilitates access to medication and improves public health by manufacturing equivalent drugs.

Currently, a great many of governments encourage manufacturing of equivalent drugs in order to reduce public healthcare costs. This makes it possible to allocate higher funds to other public concerns with a view to contributing to the welfare of the country in general.

Santa Farma distributed around 51 million boxes of drugs directly in domestic market in 2020. It ranks among top 15 companies in terms of distribution volume. Those activities conducted by Santa Farma conform to the Human Rights Guidelines for Pharmaceutical Companies in relation to Access to Medicines issued by the United Nations.

“Santa Farma contributes to savings on healthcare costs and makes medication accessible to more people by manufacturing equivalent drugs.”



PATIENT RIGHTS

Santa Farma is responsible for manufacturing reliable products in order to promote the healthcare services extended to patients. In other words, it is dedicated to “offering healthy services to healthcare”.

To that end, Santa Farma has set up a pharmacovigilance system which is meant to enable the company to perform its obligations regarding product safety and take suitable actions if necessary. This system is administered by pharmacists who are assigned as the “Pharmacovigilance Executive and Representative” in charge of the “Pharmacovigilance Unit” under Registration Department in Turkey. Having been selected from qualified candidates who are able to perform the duties arising from the pharmacovigilance system in line with the regulations and guidelines in force, the Pharmacovigilance Executive and Representative are responsible for product safety at Santa Farma and they remain available on 24/7 basis. Pharmacovigilance Executive and Representative attend the training programmes organized by Turkish Ministry of Health on pharmacovigilance.

Santa Farma performed a risk/benefit analysis with respect to adverse reactions (side effects) arising from Santa Farma products in 2020 reporting period. The outcome of this analysis was reported to both the Ministry of Health and licensor companies in line with the relevant regulations and guidelines.

Santa Farma Pharmacovigilance Division:

a) Monitors product safety on a continual basis. To that end, it provides pharmacovigilance training to all employees. Through those training organizations, the unit provides up-to-date information about the applicable regulations and guidelines, explains the actions to be taken in case of any adverse reaction report, and raises awareness regarding pharmacovigilance.

b) Takes note of all suspicious and serious adverse reactions (side effects) which might be attributable to consumers, healthcare professionals or the literature in Turkey and reports those cases to the Pharmacovigilance Center of Turkey (TÜFAM) within fifteen days at the latest. Also, it monitors the progress in relation to those cases which have to be reported to TÜFAM within fifteen days.

c) Takes note of adverse reactions observed in other countries where the drugs are registered as well as all kinds of changes which might affect the benefit/risk assessment of the respective drug including the restrictions and prohibitions introduced by competent authorities, archives the relevant details and report them to TÜFAM if necessary. Hence, it keeps the drug information up-to-date in line with the existing scientific data.

d) Takes note of all minor adverse reactions observed in Turkey and other countries where the drugs are registered and arising from the literature and archives the relevant information to be included in the Periodical Benefit/Risk Assessment Report.

e) Prepares the “Periodical Benefit/Risk Assessment Report”, which is a scientific form of evaluation report, immediately upon request or 18 months after registration and during renewal of registration (5th Year) for any drug registered in Turkey and submits the same to the Turkish Ministry of Health.

f) Minimizes the risk by evaluating the information derived in relation to pharmacovigilance activities and takes necessary measures.

g) Undertakes pharmacovigilance activities by means of a validated system in line with the requirements of the current regulations and guidelines.

PROMOTION OF EMPLOYEES' RIGHTS

RIGHTS OF SANTA FARMA EMPLOYEES

Santa Farma upholds article 23 of the Universal Declaration of Human Rights which provides that:

"Everyone, without any discrimination, has the right to equal pay for equal work. Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection."

Santa Farma has implemented an Employee Rights and Human Resources Policy since its incorporation. The company prioritizes employee rights and working environment. As we have already noted, Santa Farma endeavours to create a **working environment** where employees may **voluntarily** put their knowledge and skills to use and expects the management staff to uphold this principle.

The company does not make use of forced and child labour and does not encourage those two forms of labour in any organization. We execute an employment contract with each employee and respect the legal probation period. We treat all employees equally and support the principle of granting equal right of protection to everyone legally without discrimination.

"Santa Farma respects the employees' right to freedom of peaceful assembly and association."

Santa Farma uses a **Job Assessment System** to determine wages in line with the principle of "equal pay for equal work". We compare the wages applied in the company with the market wage reports annually and conduct the necessary analyses in order to make wage increases in line with the corporate policies as well as economic indicators.

In addition to monthly wages, we provide our employees with several benefits such as religious holiday allowance, fuel allowance and leave allowance. Also, the company funds a significant portion of the private healthcare insurance extended to the employees.

"Santa Farma respects the employees' right to rest and free time based on the understanding that this right covers a reasonable limitation of office hours and extension of the right to paid leave at specific intervals."

Santa Farma employees are entitled to benefit from paid leave period provided in the law applicable in our country. As a matter of fact, the leave period granted to the employees is well above the legal period. As it might be inferred from the following chart, our employees enjoy a leave period extending the legally required period.

 Duration of Employment	 Legal Leave Period	 Leave Period Applicable at Santa Farma
1-5 years	14 days	20 days
6-15 years	20 days	26 days
15+	26 days	30 days

PROMOTION OF EMPLOYEES' RIGHTS

WORKING ENVIRONMENT AT SANTA FARMA

"We endeavour to provide a favourable working environment to employees while also creating suitable social means and opportunities to improve social bonding between employees."

We recognize that creating a favourable working environment is crucial for employee's well-being and performance.

Hence, we took action to create modern working offices in our head office building in 2016. The head office is home to 13 meeting halls and a conference hall. Also, there are 7 meeting halls and a conference hall at the manufacturing plant and R&D Center. As a company dedicated to creating a favourable social environment, we encourage our employees to engage in sporting activities at football-basketball and volleyball fields. We believe that such activities will also improve the personal relationship between employees.

We have installed CCTV system at the canteens in our head office and manufacturing plant in order to share up-to-date information about the company with our employees. The system is used for disclosing monthly sales figures, manufacturing information, training organizations, news, meetings, awards, sporting achievements, environmental activities, and social responsibility projects to our employees so that our internal stakeholders will remain knowledgeable about the corporate actions.

We effectively use a video conference system and Skype for Business and Microsoft Teams systems between regional offices and head office in order to enhance our communication with our employees. This contributes to reducing travel costs in addition to mitigating our impact on nature by reducing greenhouse gas emissions.

In the face of Covid-19 pandemic, the company adopted remote working model as of March 2020 and equipped all employees working from home with VPN technology for safe connectivity in order to avoid potential disruptions to business continuity. Microsoft Teams, and online interactive meeting and efficiency application, was launched during the same period. This application was used by 80% of the employees at the company. **As the site employees were affected by the restrictions adopted during the pandemic, the company developed and introduced a number of systems to enable them to reach healthcare professionals remotely for promotional activities.** This made it possible to protect our employees from negative impacts and risks of the pandemic.

The available infrastructure and systems boost our business productivity and capacity of communications. Besides, end-to-end encryption (WILDCARD SSL-VPN-2FA-Antivirus- e-Mail Security etc.) ensures full security.

We renewed and commissioned our Ekol Internal Communication Platform in the form of a corporate communication portal powered through Microsoft Sharepoint Online infrastructure. Ekol Social Microsoft Yammer, our internal social media platform, was launched for allowing all employees to interact through the same platforms. All Medical Sales Representatives are provided with mobile devices which enable them to have online access to all kinds of information about our human medicinal products. Hence, we have managed to eliminate the use of printed materials in order to minimize the number of trees cut for our operations in line with our environmental commitments. Also, we use Ekol in order to provide our employees with free online training and information in addition to enabling them to meet for achieving joint objectives by means of social clubs and events.

PROMOTION OF EMPLOYEES' RIGHTS

WORKING ENVIRONMENT AT SANTA FARMA

The Enterprise Resource Planning (SAP-ERP) Project which was launched in November 2011 aims to promote cost traceability, standardize business processes and control all of the processes from raw material supply to actual manufacturing phases. The fully validated processes enable the company to manage all operations in a well-integrated manner.

Also, the transition to Central Procurement organization, which was implemented in line with the goal of improving business processes, enabled us to adapt the Supplier Relations Management (SAP SRM) module as necessary.

In addition to SAP-ERP and QMex systems, the company makes effective use of support systems such as business acumen and several operational systems integrated with each other meant to increase effectiveness of business processes. Those systems are continually updated in order to keep pace with changing needs. In that respect, we developed B2B Order Integration infrastructure for our domestic customers in 2018.

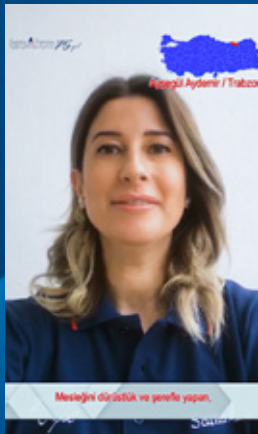
The company organizes annual meetings at the end of each year in order to disclose corporate strategies to employees and improve the communications between employees. During those meetings, we evaluate the previous year, set the targets for the next year, offer trainings on several issues, launch our products and support teamwork by means of various activities. Also, we create a social environment where employees may relax and have fun together. Ekol Outdoor Sports Club went to trekking in Belgrad Forest at the beginning of the year.

Respect for the individual, openness to development, rational power, and respect for the work, workplace and community remain at the core of our human resources policy. With this in mind, we are dedicated to undertake projects which will satisfy the needs of the new generation and increase satisfaction of employees. In that respect, we continue our "Take Action" project **for our employees and their families in order to help them maintain a good balance between their business and private lives.** The project covers a wide range of arts and culture activities to provide support to our employees and their families about various fields including nutrition, sports, stress

management, parenting and child care support. During the pandemic, we made live broadcasts on 18 different topics. **Our employees and their families had the opportunity to contact dietitians, psychologists, exercise coaches and other experts more than 200 times.** We received special online discounts from 97 companies for the benefit of our employees. As part of **Covid-19 Diaries**, a different department shared an informative video on Covid-19 every week. **We prepared videos** for May 14, Pharmacists' Day and May 19, Commemoration of Atatürk, Youth and Sports Day with the voluntary contributions of our employees.



We launched Innovation Series section on our corporate portal in order to provide regular updates. Also, we uploaded audio books, short books and essays on the Digital Library section of the portal and shared them with the employees throughout the year.



PROMOTION OF EMPLOYEES' RIGHTS

EMPLOYMENT

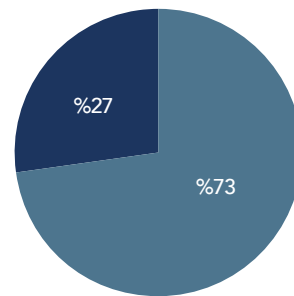
As of December 2020, Santa Farma employee profile is:

TOTAL WORKFORCE UNDER EMPLOYMENT CONTRACTS

	Total
Number of Employees with Contracts of Definite Duration	4
Number of Employees with Contracts of Indefinite Duration	1068
Total Number of Employees	1072

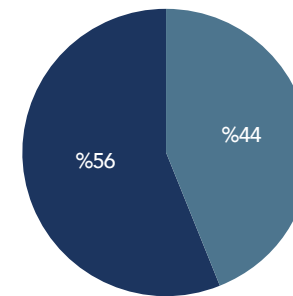
TOTAL WORKFORCE PER GENDER

Company Total	Total	Head Office	Total	Manager Positions	Total
Number of Female Employees	288	Number of Female Employees	83	Number of Female Managers	41
Number of Male Employees	784	Number of Male Employees	65	Number of Male Managers	98
Total Number of Employees	1072	Total Number of Employees	148	Total Number of Managers	139



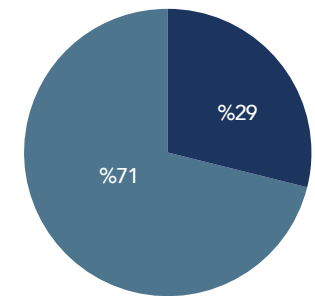
Grand Total

Number of Male Employees
Number of Female Employees



Head Office

Number of Male Employees
Number of Female Employees



Manager Positions

Number of Male Managers
Number of Female Managers

NUMBER OF TERMINATIONS IN THE REPORTING PERIOD

Number of Employees Subject to Termination	Female	Male
	27	46
Total	73	



We think of the company as a big family and each employee is a member of this family. Since our employees have worked at the company for a long time, they remain committed to the company with an outstanding sense of belonging.

As of 2020, the **average service duration** is 7.6 years. We recognize our employees who have worked for more than 10 years by offering recognition plates and underlining their importance to the company at the annual meeting every year. The **employee transfer rate** is **6.7%** in 2020.

AVERAGE SERVICE AND EMPLOYEE TRANSFER RATE

Average Service Duration (Years)	7,6
Employee Transfer Rate (%)	% 6,7

EMPLOYEE TRANSFER RATE PER GENDER

Employee Transfer Rate (%)	Female	Male	Total
	2,4	4,3	6,7

PROMOTION OF EMPLOYEES' RIGHTS

EQUAL OPPORTUNITY

At **Santa Farma**, we uphold the principles of equal opportunity and respect for the individual in all Human Resources processes beginning from the hiring without making discrimination as to ethnic background, religion, language, race, political affiliation or gender.

We evaluate the professional experience and expertise of candidates objectively during hiring, promotion and similar processes in order to promote equal opportunity.

Hiring management system of **Santa Farma** aims to recruit qualified individuals who adhere to the corporate culture and values, meet the requirements of the position, and have the competences required to contribute to the organization and therefore, select the suitable candidate in line with the principle of equal opportunity.

Everyone who wants to work at Santa Farma may file an application for the vacancies or potential vacancies on our online and other platforms. The vacancies are announced at web portals and candidates are also offered the opportunity to contact Santa Farma through its corporate website.

All applications are evaluated in line with the criteria specified in the vacancy announcements and suitable candidates are invited to an interview. The candidates are currently interviewed through online platforms due to the pandemic which affects our country just as the rest of the world. The interview process is held for evaluating the candidates according to the objective criteria and competences required for the position and each candidate is given a score in order to hire the candidate with the most suitable qualifications. **Since the outbreak of the pandemic, we conduct the foreign language tests, personality, behavioural and conformity tests, case studies and simulations online.** After that, we perform reference checks and extend our job offer to candidates who succeed in all of the abovementioned processes. We give negative feedback to candidates, when applicable, via internet portals and e-mail.

As a company dedicated to show Respect for the Individual, Santa Farma gives feedback to all candidates about the progress of the hiring process based on the criteria of objectivity and transparency.

Similarly, all tests and inventories, case studies, simulations and presentations constituting Assessment Center Applications are conducted online for the assignment and promotion processes for internal candidates.

Santa Farma maintained its popularity with jobseekers by receiving 51,474 applications through all career portals and its corporate website in 2020. The company makes it a priority to give feedback to all applicants through all career portals and its corporate website. In that respect, we gave feedback to all applicants in 3 days on average and maintained 100% response rate for the 10th year in 2020. As a company dedicated to upholding principles of equal opportunity in hiring processes, Santa Farma hired female employees for 30% of all vacancies and **71% of vacancies** at the head office in 2020.

Santa Farma admits interns to the plant and head office in cooperation with universities. Interns are provided with the opportunity of technical and professional development. Following the completion of the internship, they are recruited based on the employment needs of the company. Santa Farma admitted **30 interns** in total 25 of whom were assigned at the plant while the remaining 5 interns were assigned at the head office in 2020.

Total number of positions, number of applications, statistical data about the interviews, fulfilment of positions, candidate selection, evaluation and feedback processes are evaluated and reported on an annual basis. This makes it possible to define the points for development and set objectives for betterment and improvement of hiring processes.

Beginning from the announcement of job advertisement, all hiring processes from the initial interview of the Human Resources to the filling of the position are monitored based on the relevant objectives. 20% of new hires were assigned in Istanbul while 80% were assigned at our plant in Dilovası in 2020.

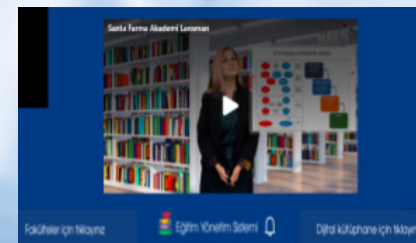
PROMOTION OF EMPLOYEES' RIGHTS

Educational Activities at Santa Farma

As a company that values its employees, Santa Farma offers personal and professional development training programmes to increase their motivation and creates suitable means for enabling the enterprise to keep up with the changing conditions along with the employees. Accordingly, **Santa Farma Academy** was founded in 2020. The Academy is comprised 4 faculties which are Faculty of Sales, Faculty of Education, Faculty of Marketing and Medicine, and Faculty of Leadership. Professional training and personal development training programmes are planned in the form of internal and external organizations. Santa Farma Academy is accessible through the corporate portal and the educational catalogues and contents of the faculties are published on the page of the academy. Also, employees may have access to the Digital Library which is intended to support their development in addition to the Education Management System which contains online educational contents and presentations.

In 2020, 13 Digital Essays, 11 Short Books, and 3 Audio Books were uploaded to the Digital Library for the benefit of the employees.

As a consequence of the pandemic, professional and personal development training was provided online thanks to the digitalization. Before the pandemic, Santa Farma used the Education Management System (EYS) for keeping educational records, broadcasting videos of face-to-face classes/conferences and publishing reports. Since the outbreak of the pandemic, professional and personal development training is provided through EYS because of the risks of face-to-face classes and conferences. Those who miss the classes or new hires may check EYS for videos or presentations.



Webinars

Santa Farma organizes conferences at the plant and head office at specific intervals based on the personal, motivational and organizational development needs. The Company started by organizing "A New Year, A New Me" conference at the beginning of 2020. **Yet, with the outbreak of the pandemic**, webinars went online which made it possible to make the events accessible to all employees of Santa Farma. As the pandemic was the main agenda of 2020, webinars mainly focused on how to change habits, acquire new habits, create new routines while working from home, keep emotions and behaviours under control in an unpredictable period. As a matter of fact, different aspects of wellbeing and fitness were also discussed since the pandemic brought "Fitness" to the fore. Webinar headings were:

- Let's Talk Webinar
- Be A Maestro to Manage Change
- Change Management
- "Lead Fit" Webinar
- Emotional Agility Webinar
- Dialogue for Development in People Management
- Remote Management of Teams, Motivation and Targets

Webinars were held in an interactive atmosphere. In 2020, **28 webinars** were organized with **2735 participants** in total.

Internal Training

31 internal training sessions were conducted with 1044 participants in 2020. Internal training headings are provided below.

- New Generation Management Skills for First-Tier Managers
- PDPL Objection Session – Objection Management
- Remote Promotion Training - New Generation Management Skills and Moderation
- Online Presentation Skills and Remote Promotion Training – New Generation Management Skills and Moderation
- Online Presentation Skills

Mandatory Training Programmes

Online Orientation Training

Orientation training programmes which are meant to ensure adaptation of new hires and inform them of the corporate culture **went online through Teams during the pandemic**. Online orientation training sessions help the new hires have a grasp of the corporate culture, corporate values, vision and mission, its organizational structure, functions of individual divisions and HR practices. Santa Farma offer "Welcome Box", prepared by Orienteam, to the new hires as part of the orientation.

Online OHS Training

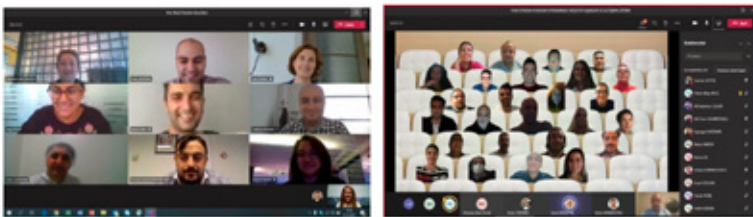
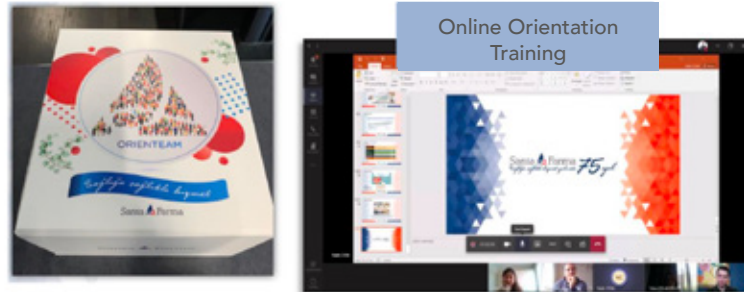
OHS training programmes are intended to evaluate the risks in working environments and to raise awareness in employees in that regard.

During the pandemic, all employees were provided with 12 hours' online OHS Training by means of the Training Management System.

Leadership and HR Training

Training programmes on Team Coaching, Personal Coaching, Training of Trainers, Training of Assessors, New Generation Management Skills for First-Tier Managers were conducted by the company.

We ask participants to give feedback about the training programmes in order to evaluate and report satisfaction of participants. The following chart summarizes the training programmes organized by the Human Resources Department for the Head Office, Central Marketing Office and Site employees and the training duration per employee in 2020.



TRAINING DURATION PER EMPLOYEE / HEAD OFFICE

2020

TRAINING PROGRAMMES	TOTAL NUMBER OF PARTICIPANTS	NUMBER OF PARTICIPANTS x TRAINING DURATION (HOURS)	TRAINING DURATION PER EMPLOYEE (HOURS)
A New Year, A New Me Conference Training	50	100	0,09
Change Management (2 Groups)	278	556	0,51
Change Management - Plant	219	219	0,20
Face - to - Face OHS	55	220	0,20
Let's Talk - Webinar	100	100	0,09
Mentor - Mentee Training	20	40	0,04
New Generation Management Skills for First - Tier Managers	39	273	0,25
Orientation - Head Office	12	24	0,02
Online OHS - Head Office -Site	642	7704	7,13
Online OHS Training - Plant	411	4932	4,56
Online Presentation Skills	7	35	0,03
Orientation - Plant	55	55	0,05
PDPL Objection Session-Objection Management	499	499	0,46
Remote Promotion-New Generation Communication Skills and Moderation	499	1996	1,85
Team and Personal Coaching	13	5	0,00
Training of Assessors	1	14	0,01
Training of Trainers	1	16	0,01
Webinar - Be a Maestri to Manage Site (4 Groups)	556	1112	1,03
Webinar - Dialogue for Development in People Management	49	49	0,05
Webinar - Emotional Agility (7 Groups)	808	808	0,75
Webinar - Lead Fit (8 Groups)	806	0	0,00
Webinar - Remote Management of Teams, Motivation and Targets	49	49	0,05
Average of SF Employees: 1081	5169	19.612	18,15

MENTREE



Having launched a mentoring programme with a view to contributing to the development of our employees and improving our corporate competencies in 2018, we introduced "MENTREE 3.0" in 2020.

Under MENTREE 3.0, 20 volunteering mentors comprised of directors and managers and 20 volunteering mentees met through online meetings and conversations for 6 months. Mentors followed the development of their mentees under the programme.

In 2020, the company provided scheduled online training on Santa Farma/Ekol Portal. Also, training organizations were made digitally on Microsoft Teams.

TRAINING DURATION PER EMPLOYEE / PLANT

2020

TRAINING PROGRAMME	TOTAL NUMBER OF PARTICIPANTS	NUMBER OF PARTICIPANTS x TRAINING DURATION (HOURS)	TRAINING DURATION PER EMPLOYEE (HOURS)
Awareness Training	525	528	1,27
GxP Training	330	5.636	13,55
Occupational Health and Safety & Environmental Training	984	2.959	7,11
Qualification Training	43	66	0,16
Professional Training	1245	810	1,92
Orientation/Rotation Training	98	11.603	27,89
Periodical Training	493	391	0,94
QMex Training	67	46	0,11
SAP Training	87	4.922	11,83
SOP Training	5.836	2.655	6,38
Product Safety Training	26	13	0,03
TOTAL	9.734	29.628	71,19



PROMOTION OF EMPLOYEES' RIGHTS

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

In 2020, Santa Farma İlaç Gebkim OSB Plants underwent certification audits for ISO 45001 Occupational Health and Safety Management System. Following the satisfactory conclusion of the audits, the plant was entitled to the certification.

Santa Farma performs a number of occupational health and safety activities in order to minimize or restrict the risks arising from its activities throughout all processes ranging from new product development to delivery to end-customers, improve the designated performance indicators steadily and meet requirements of GMP and Occupational Health and Safety Management System.

Santa Farma plants also take a number of occupational health and safety measures which are summarized below.

The senior management has adopted an OHS policy which is meant to reinforce, implement and uphold the OHS objectives and criteria. The OHS policy was revised and shared with the stakeholders under ISO 45001 Occupational Health and Safety Management System in 2020.

The OHS policy is disclosed to the employees through several channels including several monitors and panels inside the buildings, common areas, orientation and basic training programmes. Also, the policies are shared with the employees and relevant stakeholders on the corporate website.

Under the OHS policy, Santa Farma takes necessary measures to eliminate threats and mitigate risks by ensuring participation of and consultation with employees and/or employee representatives with a view to protecting employees against occupational accidents, occupational diseases, injuries and negative health conditions and undertakes to improve the performance continuously. Target based training and periodical reviews on occupational health and safety form the basis of occupational health and safety agenda. The company undertakes to improve its occupational health and safety performance constantly, comply with the applicable occupational health and safety laws, needs and expectations of related parties and other potential requirements, and to review its occupational health and safety policy periodically based on new developments.

ASSIGNMENT OF OHS PROFESSIONALS

Santa Farma has assigned an Occupational Physician and Occupational Safety Specialist to work at the head office during the office hours designated in the “Regulation on Duties, Powers, Responsibilities and Training of Occupational Physicians and Other Paramedics” and “Regulation on Duties, Powers, Responsibilities and Training of Occupational Safety Specialists”.

Santa Farma Gebkim OSB Plants, on the other hand, engage such professionals to work above the legal period by assigning a full-time Occupational Physician and Occupational Safety Specialists on site. Also, Santa Farma GEBKİM OSB Plants engage Other Paramedics and Occupational Safety Technicians although it is not legally required to assign those professionals.

OCCUPATIONAL HEALTH AND SAFETY COMMITTEE

Formed in line with the “Regulation on Occupational Health and Safety Committees”, the occupational health and safety committee met and performed functions regularly in 2020. According to the Hazard Classification List, the workplace is classified as hazardous according to which it is required to hold Occupational Health and Safety Committee meetings regularly every 2 months. Supervisors of relevant departments are invited to those meetings in addition to the individuals indicated in the abovementioned regulation. Matters arising from the requirements of the regulations are discussed at the meetings. In that respect, the committee discusses and resolves such matters as improvement activities necessitated by the analysis of the current condition, Occupational Health and Safety activities required under the annual budget plans, corrective and preventive activities determined as a result of the evaluation of OHS risks, consideration and review of amendments to regulations of public authorities, feedback given by stakeholders, findings and suggestions of employee representatives and committee members, occupational accidents, diseases and near-misses, emergency plans, training activities etc.

HEALTH SCREENING

Issued under the “Regulation on Duties, Powers, Responsibilities and Training of Occupational Physicians and Other Paramedics”, the Occupational Health and Screening Procedure requires the employees to undergo regular health checks and examinations in addition to the pre-employment checks conducted on new hires. Employees assigned at manufacturing sites and cafeterias also undergo periodical examinations for infectious diseases every 6 months. Employees undergo periodical examinations according to the risks pertaining to their terms of reference and working processes. Their health risks are evaluated according to annual hygiene measurements and health screening is performed through annual follow-up processes. Employees assigned at manufacturing sites undergo periodical examinations for infectious diseases every 6 months. Contractors of catering services and shuttle buses undergo regular health audits, as well.

Since the Covid-19 pandemic broke out, the company has adopted measures in line with the directives of the competent authorities by updating them where necessary. The company prioritizes the health of its employees. In that respect, Santa Farma İlaç Sanayi A.Ş. Gebkim Plant received TSE Safe Production certification in July 2020.

Since the beginning of the Covid-19 pandemic, the company has increased the number of cleaning and sanitization processes and reduced the number of employees sharing the same environment by adopting remote working methods. Pregnant and breastfeeding employees as well as those with chronic diseases posing health risks have been encouraged to work from home. Use of face masks is mandatory at the company. All employees are provided with masks regularly. Social distancing rules are upheld in working areas, common spaces, smoking lounges and cafeterias. The company has increased the number of available sanitizers. It has organized training sessions on Covid-19 infection and how to prevent infection. Informative videos and banners have been prepared.

Additional measures have been taken for ventilation and the shuttle bus capacity has been reduced by 50%. Access of visitors has also been limited to strictly necessary conditions. In such cases, visitors are asked to complete the **Covid-19 Health Declaration and Commitment Form and provide their HES codes.** In order to reduce contact, employees are required to use their entrance cards instead of fingerprints at the turnstiles. Employees who are tested Covid-19 positive are quarantined in line with the guidelines of the Ministry of Health.

EVALUATION OF RISKS FOR OCCUPATIONAL HEALTH AND SAFETY

Santa Farma has formed a risk evaluation team which is in charge of defining the threats and evaluating the risks related to occupational health and safety matters arising from any and all activities (routine and non-routine activities including those performed by sub-contractors and visitors). The team defines the relevant areas and processes and evaluates them according to the Occupational Health and Safety Risk Evaluation Procedure in order to decide on the corrective and preventive actions to be taken in that regard. The Occupational Health and Safety Committee may review the findings of that evaluation to the extent necessary.

The Risk Evaluation Team is comprised of the individuals nominated by the relevant process owners. The team holds a meeting every 2 months along with the members of the Occupational Health and Safety Committee in order to perform an annual review about the risks arising from the activities, review and extend the experience derived from the implementation of procedures and guidelines in line with the requirements of the current regulations, promote efficiency of implementation, design and conduct activities for improvement areas. The team may hold extra meetings if necessary.

OCCUPATIONAL HEALTH AND SAFETY TRAINING

Employees and sub-contractors are provided with occupational health and safety orientation training before they are engaged on site. The training sessions to be organized for all employees are determined in the annual training plan pursuant to the "Regulation on the Principles and Procedures of Occupational Health and Safety Training for Employees". The Fundamental Occupational Health and Safety Training programme is provided to inform employees about the following matters.

1. General
 - a) Information about employment regulation,
 - b) Legal rights and responsibilities of employees,
 - c) Workplace hygiene and order,
 - ç) Legal consequences of occupational accidents and diseases
2. Health
 - a) Reasons of occupational diseases,
 - b) Principles for protection against diseases and implementation of protection methods,
 - c) Biological and psychosocial risk factors,
 - ç) First aid,
 - d) Harmful effects of tobacco products and passive smoking
3. Technical
 - a) Chemical, physical and ergonomic risk factors,
 - b) Handling and transportation,
 - c) Protecting against combustion, explosion and fire,
 - ç) Safe use of work equipment,
 - d) Working with digital equipment,
 - e) Electricity and threats, risks and measures,

- f) Reasons of occupational accidents and implementation of protection principles and methods,
 - g) Safety and health signs,
 - ğ) Use of personal protective equipment,
 - h) General rules about occupational health and safety in addition to safety culture,
 - i) Eviction and rescue
4. Other (specific training provided about the tasks of employees)

In addition to fundamental occupational health and safety training, work-related training and certified training programmes are offered to employees. Also, professional training/qualification certification programmes are conducted based on the amendments to the regulations. Refreshing training is provided to employees on Occupational Health and Safety either directly or through online platforms in line with the "Regulation on the Principles and Procedures of Occupational Health and Safety Training for Employees".

OCCUPATIONAL ACCIDENTS AND NEAR-MISSES

In case of occupational accidents, hazardous conditions and near-misses, OHS requirements are evaluated in cooperation with the relevant units in line with the Accident and Incident Procedure. The actions determined as a result of the evaluation are conducted with due regard for the Procedure on Corrective and Preventive Activities for Environmental and Occupational Health/Safety.

Following the investigation of the accidents or incidents through teamwork, OHS committee meets to discuss the findings of the investigation and determine the corrective actions required to be taken. Trend analyses of the accident and incident investigations are monitored and evaluated every 3 months.

The modifications required for the corrective and preventive actions are performed in line with OHS Change Control Procedure.

Employees who wish to report any hazardous condition and near-miss incident may use the Hazardous Condition/ Near-Miss Reporting Boxes available at the common spaces. The incidents reported by employees are evaluated before the necessary actions, responsible parties and deadlines are planned.

EVALUATION OF WORK HYGIENE

The company analyses the environment, personal exposure and thermal comfort levels in order to determine the threats arising from the working environment and take measures as necessary. Those analyses are performed periodically every year. The results are evaluated by the Occupational Health and Safety Committee so that corrective and preventive actions may be planned if necessary.

PERIODICAL CONTROLS

All periodical controls are performed under the Guideline on Monitoring, Measurement and Evaluation of Conformity Regarding Environment & OHS in line with the "Regulation on Health and Safety Conditions for the Use of Work Equipment".

The work equipment at the plant undergoes periodical controls conducted by accredited institutions. Also, grounding works, lightning rods, racks, ventilation, electrical internal assemblies, elevators, and natural gas systems are also periodically controlled by technicians of the contracted organization.



EMERGENCIES

The Emergency Procedure defines the actions to be taken in emergencies in line with the applicable regulations. Emergency planning process is conducted by the Emergency Management Team. Following the drills, all participants are lectured on security issues related to the matter in the assembly area.

Emergency team staff is required to attend practical emergency training at regular intervals. In that respect, search and rescue, fire response, first aid and basic disaster awareness training programmes are conducted. Employees were informed about social distancing rules for **Covid-19 during the drills conducted in 2020.**

Emergency drills are planned and performed every year. The observations and consequences of emergency drills are reported to the Emergency Management Team so as to be evaluated by the Occupational Health and Safety Committee.

INTERNAL AUDITS

The company plans and implements annual internal audits on occupational health and safety for all units and processes in line with the Internal Audit Procedure. The incongruities detected at the internal audits are reviewed in order to plan the required Corrective and Preventive Actions. The results of the prior audit are taken into account in order to discover the significant OHS risks. Internal audit results are duly evaluated and reported to the senior management.

RULES FOR VISITORS AND SUB-CONTRACTORS

Visitors and sub-contractor employees are admitted to the plant by the security staff. Those people will be subject to visitor procedures. In that respect, they are informed of Santa Farma's occupational health and safety, environment and **Covid-19 rules** by means of leaflets summarizing those rules. Visitors and sub-contractor employees are not allowed to act independently inside the plant in that they are escorted by the relevant Santa Farma employees.

Sub-contractor companies are required to attend training programmes required for being allowed to work on site in line with the Procedure on Work Permission for Occupational Health and Safety Purposes.

ENVIRONMENTAL MANAGEMENT

In 2020, Santa Farma İlaç Gebkim OSB Plant underwent ISO 14001 Environmental Management System certification audits and was awarded certification upon satisfactory completion of the audits.

It is our duty to entrust nature to future generations in the same manner as we received it from prior generations at the very least. We prioritize environmental health as much as human health. In that respect, we undertake manufacturing processes with the use of eco-friendly technologies in our state-of-the-art manufacturing plant.

Santa Farma monitors exploitation of natural sources in line with the principle of sustainability under the environmental policy which is meant to protect environment during the business operations. The company undertakes to use suitable technologies in order to protect environment, raise awareness in employees regarding the protection of environment, conform to the applicable laws, prevent pollution with due regard for the needs and expectations of the stakeholders, and steadily improve its environmental performance.

To that end, the company:

- Offers training to its employees and sub-contractors in order to raise awareness about the protection of environment,
- Uses eco-friendly technologies in order to control and minimize its environmental impact, and
- Acts in full compliance with all legal regulations and ensures fulfilment of customer requirements.

Equipment lines with high production capacity are used for manufacturing higher volume of products in order to reduce the amount of wastewater and energy consumption arising from manufacturing processes. Solid manufacturing sites are equipped with special impermeable dust collection systems. Those systems are checked online through BMS (Building Management System).



ENVIRONMENTAL MANAGEMENT

ENVIRONMENTAL MANAGEMENT SYSTEM

Santa Farma aims to minimize or restrict the risks arising from its activities throughout all processes ranging from new product development to delivery to end-customers, improve the designated performance indicators steadily and meet requirements of cGMP and Environmental Management System.

Achieving a sustainable environment requires an effective management which is coordinated with all other processes. Environmental management issues are determined at the Management Review meetings. In addition, Risk and Environmental Impact Assessment Team assumes an active role in performance of the relevant activities on a wide scale basis. All employees are encouraged to actively participate and contribute to the management in order to ensure effective performance of the process in coordination with the other processes.

Under the Environmental Management System, Environmental Impact Assessment as well as risks and opportunities are determined regarding activities, products and services with due regard for the life cycle of any such activity, product or service.

Life cycle covers the consecutive phases related to a product or service beginning from raw material supply or production with natural resources to the disposal thereof. Life cycle actually spans the phases of raw material supply, design, production, shipment/delivery, consumption, end-of-life processes and final disposal of products.

It should be noted that the risks and opportunities are determined for each process. Also, Risk and Opportunities are also considered under the Environmental Management System. Determination of Risks and Opportunities makes it possible to guarantee the outcome/outcomes expected from the Management System, develop the intended effects, prevent or reduce undesired effects and ensure continuous improvement of the system.



ENVIRONMENTAL MANAGEMENT

WASTE MANAGEMENT

Under the "Waste Management Procedure", wastes are segregated as hazardous waste, industrial waste, recyclable and recoverable waste after which they are disposed in cooperation with the companies accredited by Turkish Ministry of Environment and Urbanization without damaging environment provided that recoverable wastes will be given priority for that purpose. The wastes are continually recorded according to their classification and monitored in terms of monthly trends. Significant indicators such as amount of hazardous waste per box should be monitored as an indicator of the waste management performance. We provide up-to-date information to our employees, suppliers, business partners and visitors in order to increase efficiency of waste management system.

Below is a breakdown of the waste materials disposed by Santa Farma plants in the last 3 years according to the waste type and disposal method.



ZERO WASTE SYSTEM AND CERTIFICATE

Santa Farma became the first company to be awarded a 'Zero Waste Certificate' by the Ministry of Environment and Urbanization in pharmaceutical industry thanks to effective implementation of the Zero Waste Regulation which was published in the Official Gazette no. 30829 on July 12, 2019.



Santa Farma started by creating a 'Zero Waste Action Plan' and its coordination committee developed a roadmap by evaluating the current situation in line with this plan. Also, the necessary supply process was completed and necessary training was offered under the plan.

Santa Farma replaced all desk dustbins with shared collection zones at the administrative offices under the 'Zero Waste Project'. Following the outbreak of Covid-19, suitable waste containers were placed for masks and gloves.

Santa Farma's Zero Waste project aims to recycle wastes through a more effectively manageable process, minimize the wastes, and raise awareness about waste management in all walks of life rather than being solely upheld at work.

VARIETIES OF WASTE MATERIALS AND DISPOSAL METHODS

Waste	Disposal Method	2017	2018	2019	2020
Pharmaceutical Waste	Incineration	37.094 kg	62.357 kg	45.920 kg	44.829 kg
Contaminated Waste	Incineration	33.940 kg	39.549 kg	28.520 kg	19.780 kg
Fluorescent Lamp Waste	Special Treatment	126	162	109	54
Waste Oil	Incineration	-	50 kg	20 kg	20 kg
Lab. Chemical Waste	Incineration	32.582 kg	42.309 kg	58.067 kg	75.332 kg
Contaminated Package	Recovery	38.687 kg	32.153 kg	34.954 kg	15.111 kg
Electronic Waste	Recovery and Disposal	-	-	-	-

WASTE RECOVERY

The company recollects a certain amount of the packaging wastes released to the market in order to recover those wastes in line with the Regulation on Packaging Wastes enacted under the Environment Act. The company collaborates with accredited institutions such as ÇEVKO for recovery purposes. The recoverable wastes resulting from manufacturing operations are segregated in line with the Waste Management Procedure before they are recovered in collaboration with institutions licensed by Turkish Ministry of Environment and Urbanization.

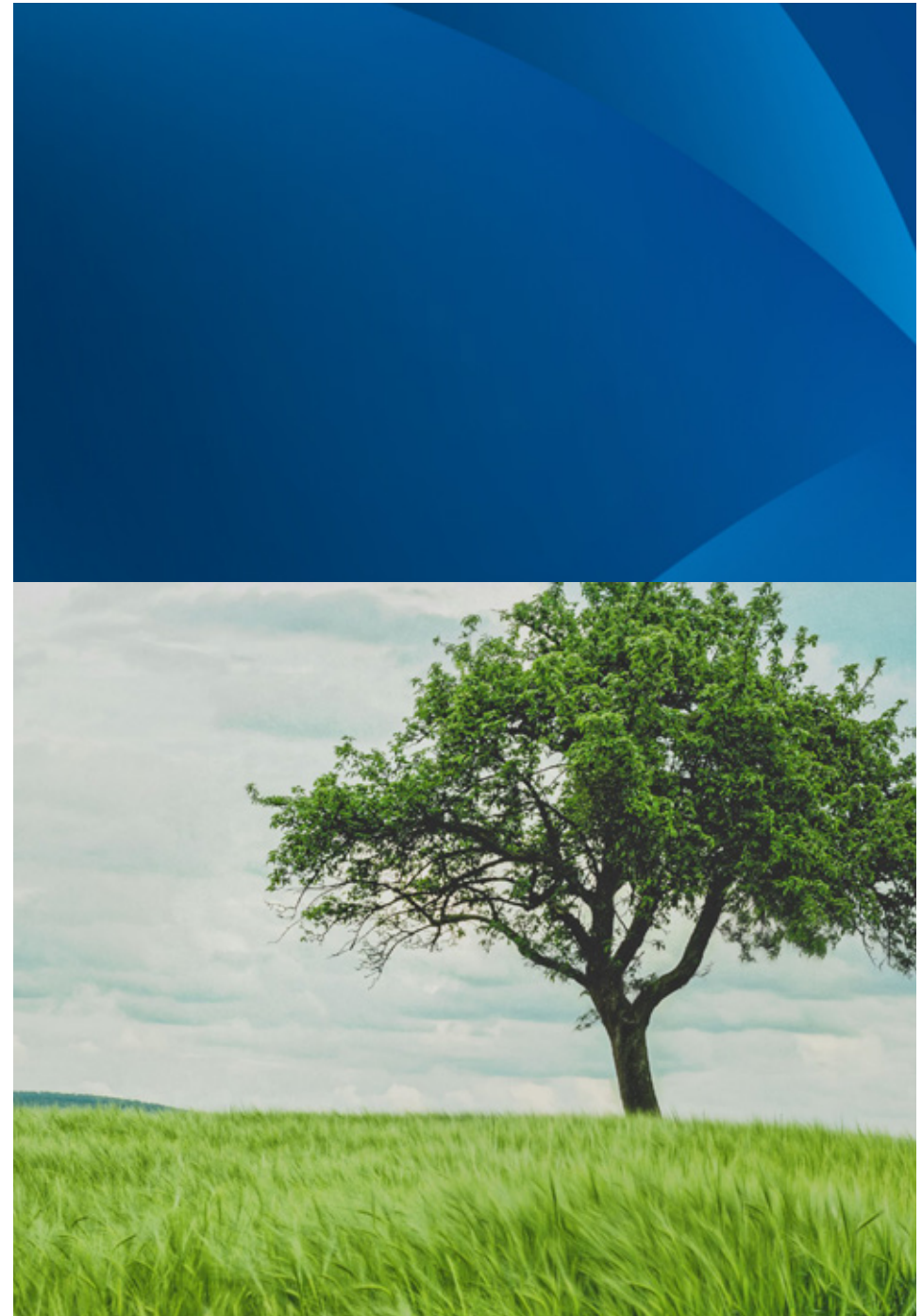
ÇEVKO endeavours to collect and recover the packaging wastes by means of a sustainable system in collaboration with local governments, enterprises and consumers. Santa Farma has legally authorized ÇEVKO, an accredited institution, to recollect and recover the packages released to the market.

Below is a breakdown of the packaging wastes released by Santa Farma in the last 3 years according to the waste type, amount and recovery percentage:

PACKAGING WASTES

Waste	Volume Released to the Market (kg)			Recovery Percentage			Recovery (kg)		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Plastics	25.641	28.000	24.580	%54	%55	%55	13.847	15.401	13.519
Paper - Cardboard	850.355	823.083	625.940	%54	%60	%60	459.192	493.850	375.564

The Ministry introduced the Regulation on Recovery Participation Share in order to set forth the descriptive and explanatory matters in relation to all packages including plastic bags, rubber, accumulators, batteries, mineral oil, vegetable oil, drugs, electrical and electronic items and beverage packages. In that respect, Santa Farma submits GEKAP declarations to the system of Turkish Ministry of Treasury and Finance in a timely manner.



ENVIRONMENTAL AND OHS INVESTMENTS

Santa Farma made the following investments for the environment and OHS activities in 2020 reporting period.

Santa Farma allocated **TRY 2,121,750.00** in its budget for **Environment and Occupational Health & Safety in 2020**.

Santa Farma made a profit of TRY 123,897.51 as a result of the recovery of the wastes at the plant.

ENVIRONMENTAL IMPACT AND RISK ASSESSMENT

The Risk and Environmental Impact Assessment Team consists of the managers and qualified employees designated by the relevant process owners in line with the Environment and OHS Management systems.

The team meets once a week or more, if necessary, in order to perform an annual review about the risks arising from the activities, review and extend the experience derived from the implementation of procedures and guidelines in line with the requirements of the current regulations, promote efficiency of implementation, promote waste management practices, consider environmental reports, design and conduct activities for improvement areas.

As a team conducting activities for protecting environment and reducing the use of natural resources, it aims to increase energy efficiency in addition to promoting the use of renewable energy sources.

MONTHLY ACTIVITY REPORT and INTERNAL AUDITS

The company issues Monthly Activity Reports which include assessments about the Environmental Management actions taken throughout the plant.

In that respect, internal environmental audits are planned and implemented in line with the Internal Audit Procedure every year. The incongruities detected at the internal audits are reviewed in order to plan the required Corrective Actions. The results of the prior audit are taken into account in order to discover the significant environmental risks.

ENVIRONMENTAL TRAINING

Employees and sub-contractors are provided with general environmental awareness orientation training before they are engaged on site. Based on the annual training plan, all employees are trained about Environmental Awareness, Life Cycle, Waste Management, and Actions Required for Chemical Spillage in addition to the matters required under the Regulation on Transportation of Hazardous Chemicals on Road and ISO 14001 Environmental Management Standard.

BIODIVERSITY

The enterprise is located in the Organized Industrial Zone (OSB). The enterprise underwent an environmental impact assessment (EIA) before commencing its operations so that potential negative impacts of the operations could be duly ascertained. The reports held that the enterprise would not inflict any negative impact on flora and fauna.

Emissions and discharges are constantly monitored by professional institutions accredited by the Turkish Ministry of Environment and Urbanization in order to make sure that the emission and discharge levels are kept below the legal limitations.

UTILITY CONSUMPTION

The following chart indicates the consumption levels of electricity, water and natural gas in 2020.

Electricity	16.297.054 kW
Water	107.800 m ³
Natural Gas	2.090.525 m ³

GREENHOUSE GAS EMISSION-CARBON FOOTPRINT

According to the calculations, operations conducted by Santa Farma resulted in the following greenhouse gas emission values in 2020.

Total carbon footprint of Santa Farma equalled to **16,138,19 tons** of **CO2** in 2020.

Scope 1 Direct Emissions: consumption of natural gas used in heating and production line, consumption of LPG, inner burning sources, generator fuel, forklift fuel and cooling gas leakage.

Scope 2 Indirect Emissions: consumption of electricity and heat or steam purchased by the company.

Scope 3 Other Indirect Emissions: business travels (land-air), commuting, car leases, shipment and waste transportation.

ANTI-CORRUPTION

COMPLIANCE, ETHICAL PROMOTION AND MARKETING

Santa Farma has been dedicated to performing its operations objectively in line with the ethical principles since it was incorporated.

We aim to remain a transparent company which is accountable to all.

As a pharmaceutical company working for offering drugs to patients, Santa Farma is aware of the negative consequences which might arise from corruption and bribery involved in commercial activities. Therefore, it does its best to fight corruption and bribery.

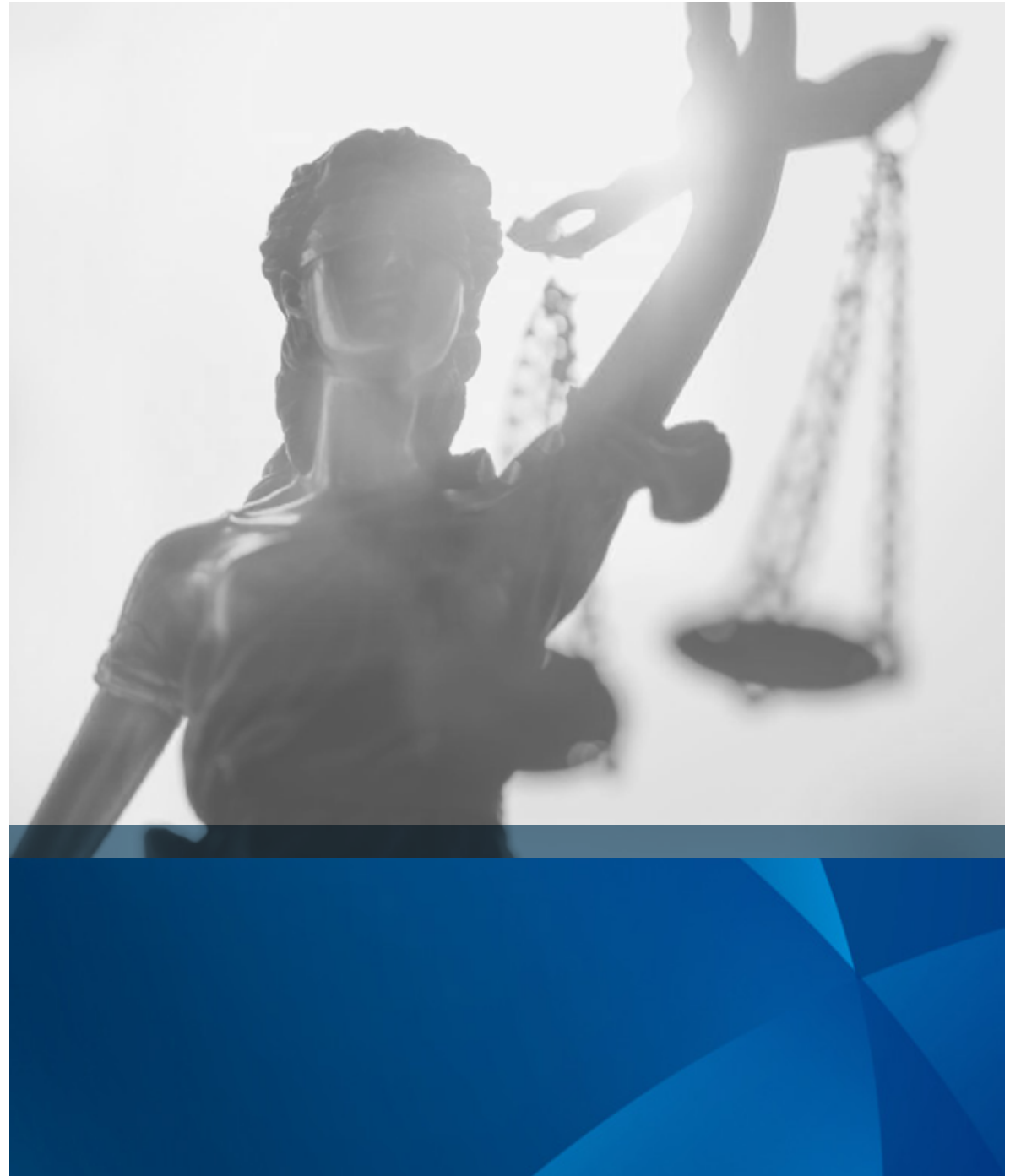
The Legal and Compliance Department which directly reports to the President of the Board of Directors takes a leading role in implementation of ethical rules.

The Legal and Compliance Department creates internal procedures and guidelines in line with the applicable regulations and updates them to the extent necessary. As a short-term goal, the company aims to publish those procedures and guidelines in order to form the cornerstone of ethical rules and make them part of the corporate culture.

We comply with all anti-bribery and anti-corruption rules in our relationships with our domestic and international customers and business partners in addition to our internal stakeholders. We undertake to observe the anti-bribery and anti-corruption rules as well as codes of ethics in our agreements with customers and require our employees and suppliers to act accordingly.

We undertake marketing activities in the same manner in line with the rules introduced by the Ministry of Health in addition to the principles of Anti-Corruption Regulation, UN Global Compact, Association of Research Based Pharmaceutical Companies (AİFD), Pharmaceutical Manufacturers Association of Turkey (İEİS) and Pharmaceutical Industry Association of Turkey (TİSD). Both the Legal and Compliance Department and Marketing and Promotion Department take diligent actions in order to comply with the regulatory requirements.

Santa Farma remains dedicated to observing ethical principles and anti-bribery and anti-corruption rules in an uncompromising manner.



SANTA FARMA'S PROGRESS TARGETS

Employees' Rights

Revision of Career Management System as necessary
Revision of Leadership Development Programme as necessary
Revision of Ekol internal communication platform as necessary

Environment

Ensure 100% recycle of wastes under zero waste practices
Increase the number of Environmental projects conducted under Kaizen-5S efforts by 20% on annual basis
Organize social responsibility projects on environment in order to contribute to environmental awareness of the community
Create plans for reducing carbon footprints

Occupational Health and Safety

Reduce gravity and frequency rates of occupational accidents by 5% on annual basis
Increase near-miss reporting rates by 20% on annual basis
Ensure renewal of TSE Covid-19 Safe Production certificate
Increase the number of OHS projects conducted under Kaizen-5S efforts by 20% on annual basis

Anti-Corruption

Enforce Compliance Standard Operating Procedure and ensure its performance by all departments of the company



UNITED NATIONS GLOBAL COMPACT

(UNGC) 11th Progress Report

Having undersigned the United Nations Global Compact (UNGC) in 2010, Santa Farma confirms its commitment to the principles hereunder. This Communication on Progress Report 2020 is the 11th progress report issued by Santa Farma under the United Nations Global Compact. The company's performance for each of the 10 principles is summarized in the following chart which includes references to the relevant sections.

GLOBAL COMPACT

HUMAN RIGHTS

Principle 1 : Businesses should support and respect the declared human rights.

RELATED PAGES

Corporate Culture

Human Rights Management

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

About Santa Farma

Human Rights Management

LABOUR

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

About Santa Farma

Human Rights Management

Principle 4: Businesses should eliminate all forms of forced and compulsory labour.

Human Rights Management

Principle 5: Businesses should ensure effective abolition of child labour.

Human Rights Management

Principle 6: Businesses should eliminate discrimination in respect of employment and hiring processes.

Human Rights Management

ENVIRONMENT

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

Environmental Management

Social Responsibility

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

Environmental Management

Social Responsibility

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

Environmental Management

Working Environment at
Santa Farma

ANTI - CORRUPTION

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

Anti - Corruption

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



No Poverty
>> Corporate Governance



Zero Hunger
>> Corporate Governance



Good Health and Well-Being
>> Human Rights Management
>> Social Responsibility



Quality Education
>> Human Rights Management



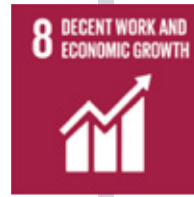
Gender Equality
>> Human Rights Management



Clean Water and Sanitation
>> Environmental Management



Affordable and Clean Energy
>> Environmental Management



Decent Work and Economic Growth
>> About Santa Farma



Industry, Innovation and Infrastructure
>> About Santa Farma



Reduced Inequalities
>> Human Rights Management
>> Social Responsibility



Sustainable Cities and Communities
>> About Santa Farma
>> Social Responsibility



Responsible Consumption and Production
>> Environmental Management
>> Social Responsibility



Climate Action
>> Environmental Management



Life Below Water
>> Environmental Management



Life on Land
>> Environmental Management



Peace, Justice and Strong Institutions
>> Corporate Governance
>> Human Rights Management
>> Social Responsibility



Partnerships for the Goals
>> Santa Farma ve Paydaşları
>> Social Responsibility
>> Overseas Markets and Partnerships



CONTACT US

Should you have any questions, opinions or suggestions about Santa Farma Communication on Progress Report for 2020, please feel free to contact Sema Yetkiner, Human Resources Director in charge of preparation of this report via [syetkiner@santafarma.com.tr].

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Legal Disclaimer

This Communication on Progress Report for 2020 is issued in line with the United Nations Global Compact adopted by Santa Farma İla Sanayi A.. on 26.5.2010. This report is solely meant to inform our stakeholders in that it does not constitute basis for any investment decision.

The information contained herein is, to the best of our knowledge, accurate and reliable and all the data are disclosed in good faith. However, Santa Farma İla Sanayi A.. does not make any commitment regarding the relevant data.

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