



SUSTAINABILITY REPORT-2014

Towards a Brighter Future

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ABOUT THE REPORT

In accordance with its principles of transparency and accountability, the Borusan Group offers direct, explicit and up-to-date information about its products, services and activities to all its stakeholders. These include employees, shareholders, investors, customers, suppliers, local communities in which they operate, nongovernmental organizations (NGOs), academicians, the public and the media.

In this year's study, as well as in our previous report published in 2013, we made use of the United Nations Global Compact Progress Report Principles and the Global Reporting Initiative (GRI) framework as our guideline. The most significant change adopted by Borusan with regard to its sustainability reporting in 2014 was to increase the application option to the GRI G4 reporting standard, the last version of the Guidelines published by the Global Reporting Initiative. Unless indicated otherwise, all the data included in the report has been prepared and explained in accordance option "core" requirements of the GRI G4 Reporting Guideline.

The Borusan Group operates in four core businesses and in six main sectors. While the priorities of these sectors differ, they were consolidated within the scope of the joint reporting study. The performance results regarding the economic, environmental and social activities pursued throughout the year by Borusan Mannesman, Borçelik, Borusan Otomotiv and Oto Group companies, Supsan, Borusan Lojistik, Borusan EnBW Enerji and Borusan Makina ve Güç Sistemleri from among Group companies, are presented within the scope of the report. The overall turnover of the given companies constitutes 95% of the total revenue of the Borusan Group and it involves all the sectors in which the Group operates. The performance regarding Kerim Çelik and Borusan Manheim is not included within the scope of this report.

The information disclosed in the Borusan Group 2014 Sustainability Report, our sixth sustainability report to date, reflects the performance realized in the period between January 1, 2014 and December 31, 2014. Beyond this, the data from previous reporting periods was also shared in order to present the reader with a performance comparison.

The Borusan Group aims to implement its sustainability reporting in compliance with the requirements of the GRI G4 standard "core" application level in the forthcoming periods, on an annual basis. The Borusan Sustainability Report publications concerning previous periods can be accessed via the corporate website at <http://www.borusan.com>.



AHMET KOCABIYIK
Chairman of the Board



AGAĞ UĞUR
Group CEO

MESSAGE FROM THE CHAIRMAN AND THE GROUP CEO

We will continue to fulfill our responsibilities in building a sustainable future and strengthening our sustainability performance. We express our appreciation to our employees who add value to Borusan on our sustainability journey, our dealers and suppliers who stand beside us, our shareholders, investors and customers for placing their trust in us, as well as all our other stakeholders.

Dear Stakeholders,

We continued to generate added value for our stakeholders in 2014, a year in which we celebrated the 70th anniversary of our establishment. We are constantly striving to act respectfully of both human beings and the environment in which we live and operate in all of our extensive activities, which we are able to conduct thanks to our more than 7,000 employees and the extensive value chain in our operational geography consisting of 11 countries. It is our pleasure to present to our esteemed stakeholders the works we perform with our transparent and accountable management understanding. In this regard, we are pleased to share with you our sustainability strategy and the current situation, as well as our projections for the future, in this sixth annual report on our sustainability performance.

The year 2014 was one characterized by geopolitical risks coming into prominence for the world economy and an increase in global uncertainties. This situation brought to the forefront problems rising from the geopolitical position of Turkey, which had a negative impact on the economy. In spite of this situation, we at Borusan managed to succeed in increasing our turnover by 9% over that of the previous year and kept our gross profitability at the same level, all while realizing our important strategic investments in 2014.

In 2014, we prepared our 5-year strategic plan in order for our Group companies to become leading and strong regional players in their markets of operation, as well as drawing up a roadmap for the purpose of ensuring a sustainable growth of Borusan. In this context, our companies also made significant investments in 2014. Borusan Mannesmann established the Baytown Houston plant to manufacture pipes used for rock gas drilling and energy lines in the United States, the world's largest rock gas market. The plant, which will eventually feature an annual production of 300,000 tons and the employment of nearly 300 persons, was completed and began

operation in 2014. Also in 2014, another significant investment was accomplished by Borusan EnBW Enerji. The Company initiated its investment that will ultimately bring in 207 MW of additional power to Turkey through the wind power plants established in the cities of Mersin, Izmir, Bursa and Çanakkale.

At Borusan, we are constantly taking important steps in the area of organizational development in order to create a simpler, more agile and customer-oriented corporate climate. In addition to this, we continually strive in our activities for the development of new products, services and business models, a focus which is the most important area of concern, and all at an increasing speed. In this context, we made use of 35 different business opportunities and conducted over 50 new product, service and business model development projects.

We always take into consideration the risks brought about by climate change, which is one of the most significant social and environmental issues of our day. As such, we continually work towards reducing the impact of our activities on climate change. In keeping with this vision, we are constantly striving to develop more energy efficient processes in all our operations, to save our natural resources and offer products which consume less energy. In 2014, we achieved significant gains in the use of resources through the efficiency projects implemented by our Group companies. During the year, we attained an energy savings of 3,303 GJ and an emissions reduction of 210,000 CO₂e tons, as well as realizing a total water recovery of 84,450 m³ throughout the Group companies.

Last year we continued our training activities in order to support the professional development of our personnel, providing a total of 48,959 man-hour of training to 2,873 of our employees during the reporting period. We continued to organize training activities aimed at supporting and improving employees at all levels of the organization through the various programs we organize under the auspices of our own Borusan Academy.

In keeping with our priority of creating safer and healthier workplaces for our employees, customers and suppliers and our zero work accident objective, we continue to constantly improve our Occupational Health and Safety performance. During the year 2014, we provided the employees of our Group companies with 22,199 man-hour and contractor employees with 10,367 man-hour of occupational health and safety training, respectfully.

Besides improving the sustainability performance of our operations, we also develop projects that will contribute to the fulfillment of social expectations and needs, as well as the attainment of sustainable development objectives, in the society in which we live. Through our works devoted to education, culture and the arts, the environment, human rights and the empowerment of women, which we conduct on the basis of our employee's volunteer service, we share back what we receive from society with the communities around us.

Towards this end, we continued the support provided by the Borusan Kocabiyık Foundation for educational institutions in 2014, providing educational support for over a hundred young people. We brought together thousands of music lovers with some of the world's best musicians at Borusan Sanat, while presenting art lovers with authentic works of contemporary art at Borusan Contemporary. We worked towards a more equal and fair society through our projects focusing on women's empowerment. In the reporting period, we conducted a total of 2,861 hours of volunteer projects with 630 volunteers, all as part of the Ocean Volunteers Platform formed by our employees. In addition to this, we gave a total of US\$ 15 million towards various social projects.

In the days to come, we will continue to fulfill our responsibilities for building a sustainable future and strengthening our sustainability performance. Finally, we want to give our heartfelt thanks to our employees, who add value to Borusan in our sustainability journey, our dealers and suppliers who stand beside us, our shareholders, investors and customers for placing their trust in us, as well as all our other stakeholders.


Ahmet Kocabiyık
Chairman of the Board

Agah Uğur
Group CEO



#MyDream is to leave for future generations an Istanbul as green as our elders have talked about. In order to do this we can plant trees in front of our houses with "a tree for every house" campaign. Plum, peach, apple, pear and quince trees . . . Hopefully, we will all have neighbors with so many trees that children could go in their yards and pluck fruit.

Çiğdem Telliöđlu
BESys



**ABOUT
BORUSAN**

BORUSAN'S WORLDWIDE APPEAL

Growing through its innovative and development oriented perspective, Borusan follows a path of profitability and openness to world markets. Through its steady growth, Borusan is active over a large geographical region, with operations in 11 countries.



The Borusan Group, which operates via more than 7,000 employees over a large geographic sphere covering 11 countries in North America, Asia and Europe, sustains its consistent growth in the sectors of steel, distributorship, logistics and energy. The Group continues to create added value for its stakeholders with more than 70 years of experience in both industry and service. It has earned a strong reputation as a successful institution focused on developing innovative products and services, with a strong vision that is open to world markets.

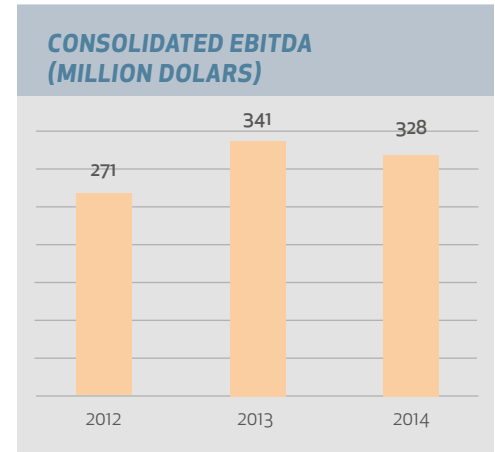
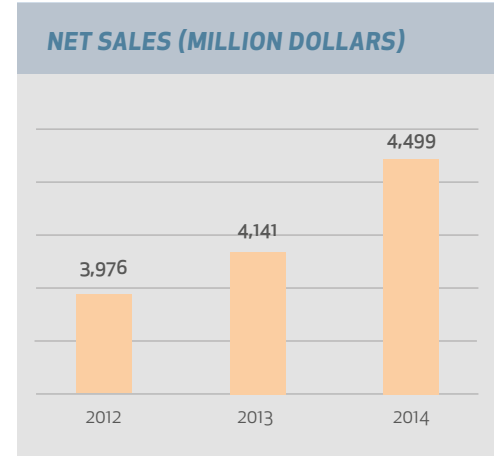
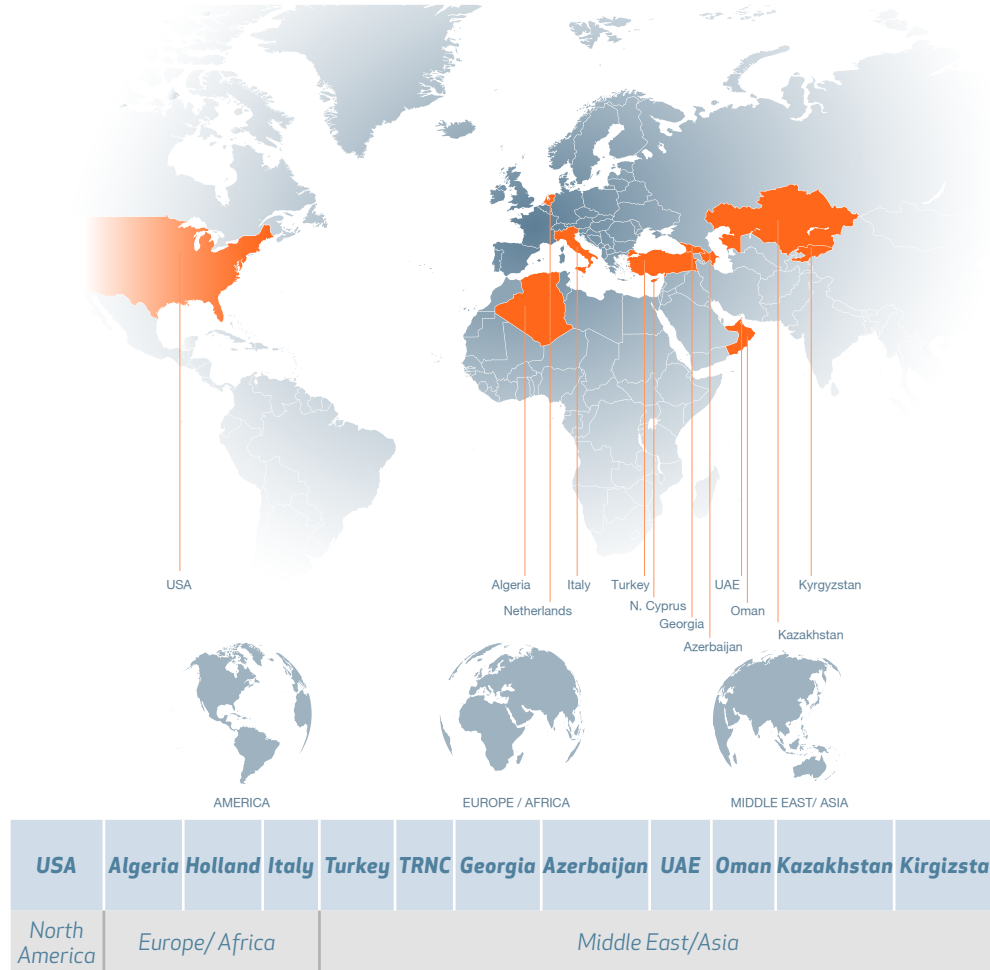


Borusan Holding and Borusan Danışmanlık ve Ortak Hizmetler A.Ş. carry out the central administration of the Borusan Group, which owes its sustainable growth to a strong corporate business culture. Furthermore, Borusan Holding assumes responsibility for enhancing the value secured for shareholders and stakeholders through the strategic leadership it provides its Group companies. The Holding, which plays a directive, supportive and controlling role, fulfills critical duties such as the efficient use of resources and the determination of its sustainability strategy.

Beyond this, all other complementary function and service areas of the corporate center come under the management of Borusan Danışmanlık ve Ortak Hizmetler A.Ş..

The Holding is responsible for providing the necessary expertise to support the Group's attainment of its strategic targets and business results, as well as managing processes in relation to optimum cost/maximum productivity. The Holding also manages its major initiatives such as Lean 6 Sigma, sustainability and corporate social responsibility projects across the Group companies.

BORUSAN GROUP	
STEEL	DISTRIBUTORSHIP
PIPE	HEAVY EQUIPMENT AND POWER SYSTEMS
Borusan Mannesmann Boru Yatırım Holding	Borusan Makina ve Güç Sistemleri
Borusan Mannesmann	Borusan Makina Kazakistan
BM Vobarno	AUTOMOTIVE
Borusan Mühendislik	Borusan Otomotiv
Borusan İstikbal Ticaret	Borusan Oto
FLAT STEEL	Borusan Otomotiv Premium Kiralama
Borçelik	Supsan
Kerim Çelik	Manheim Turkey
LOGISTICS	ENERGY
Borusan Lojistik	Borusan EnBW Enerji
Borusan Logistics International	



#MyDream is a country where my nine-month-old daughter will not encounter any prejudice because of her choices, where she can get the job she wants and where she is free to work under equal conditions as men.

Berat Korkaya

Borusan Lojistik





**GOVERNANCE
AND
SUSTAINABILITY**

THE POWER OF EFFECTIVE AND TRANSPARENT COMMUNICATION



Borusan Group aims to continuously provide added value for its stakeholders. Accordingly, it places special emphasis on risk management. Risk management models are formed through long-term strategic plans and risks are transformed into opportunities.

The governance understanding of Borusan Holding is based on a structure consisting of an understanding of effective, transparent communication with internal and external stakeholders and efficient organization, in light of its 70-year experience. Borusan Group seeks to consistently generate more added value for its stakeholders through long-term strategic plans and its risk management model that aims at transforming social, environmental and economic risks into opportunities. Business ethics and legal compliance form the basis of Borusan Group's relations with all its stakeholders. The Holding endeavors for the dissemination of the corporate sustainability culture among stakeholders and on a social level, besides constantly improving the social, environmental and economic performance of Group companies with the sustainability understanding it has developed throughout the years.

RISK MANAGEMENT

While it is aimed for the proper identification, measurement and management of risks and opportunities in relevant fields of operation, business models and strategies are formed accordingly to provide the highest possible value for our stakeholders as well as sustainable growth.

As part of risk management practices that are considered a necessity in order to achieve our objectives, we look for ways to transform strategic, financial and operational risks into opportunities by drawing on effective organizational structure and various risk management tools.

We aim to reduce the total annual risk cost through multiple methods such as advanced risk modellings, volatility and technical risk analyses, extensive risk assessment studies for new investments and opportunity/loss scenario analyses.

INSTITUTIONALISM IN RISK MANAGEMENT

At Borusan, the Group senior management is integrally responsible for the proactive management of risks, alongside the responsible managers for relevant processes. The Board of Directors determines the acceptable risk tolerance limit that companies can endure for all probable risks. The Holding Corporate Risk Management Department, which was constituted in order to support the senior management in relation to risk management issues, ensures the formation of risk management processes and the identification and pursuance of standards, and informs the senior management through regular reporting practices.

Holding Financial Control, Internal Audit and Financing and Investor Relations departments help the Corporate Risk Management Department in relation to risk processes. The financial tables and identified critical performance indicators constituted by all Group companies on a monthly basis in accordance with the International Financial Reporting Standards (IFRS) are analyzed by the Financial Control Department in terms of consistency and compliance with standards; it is ensured that necessary actions are taken with regards to reporting, as well as operational and strategic issues. The Internal Audit Department audits the processes of Group companies, identifies risk areas and offers the companies improvement suggestions in these areas. The audits conducted by the Internal Audit department involve environmental and ethical issues alongside social issues such as employee rights, human rights, mobbing, occupational health and safety. The Financing and Investor Relations Department identifies and measures the financial risks facing the companies, and ensures that these risks are managed with a proactive perspective.

During the reporting period, 40% of Group company departments were audited on relevant issues by the Holding Internal Audit Department.

STRATEGIC PLANNING

At Borusan Holding, the long-term strategies of the Group are determined with a five-year perspective and Group companies are managed with the long-term objectives identified in these strategies. Group strategies are planned based on national and global variables, while long term trends such as developing technology, increasing volatility and regulations, changing customer expectations, diminishing natural resources and rapidly growing markets are also observed.

The long term plans and critical success factors of Group companies are determined within the framework of four main strategic themes: Profit Growth, Strategic Market Positioning, New Product and Service, Business Excellence. All long-term objectives aim for increasing the market share of Group companies in their line of business and for sustainable and smart profit growth. While aiming for establishing a simpler, more efficient, faster and more creative organization, the development of new products, services and business models is sought in order to fulfill rapidly changing customer expectations and to be a step ahead of competitors.

LEADER AND STRONG

Group companies determine their own objectives and critical success factors in accordance with these four main strategic themes. The strategic business units and other management units within the Group identify strategic initiatives and areas of development. The actions to be taken in these areas of strategic development are managed by business units on the basis of projects, through business development, investments, purchases, Lean 6 Sigma projects, necessary organizational changes and other relevant management techniques.

The main objective of the 5-year strategic plan prepared during the reporting period is to ensure that Group companies are leading and strong regional players in their markets. As part of this plan, it is aimed for Borusan to double in size within 10 years. The plan also has the characteristic of being a roadmap for third generation Borusan managers who will take over the flag from the current second generation managers of the 70-years old Borusan Group.

STAKEHOLDER ENGAGEMENT

All individuals, institutions and organizations that have a direct or indirect impact on the activities of Borusan Holding and Group companies and/or are directly or indirectly affected by these activities are regarded as stakeholders. Specific communication mechanisms are effectively employed for all stakeholder groups and practices that will increase the participation of stakeholders in decision-making mechanisms and voluntary social responsibility activities are implemented in accordance with the principles of transparency and accountability.

In accordance with the approach of Strategic Communication that was developed in order to establish lasting and healthy balances with stakeholders, special communication channels are designed for primarily employees, customers, business world, press and other identified target groups; communication and participation practices whose frequencies alternate according to the characteristics of the stakeholder group are carried out. It is aimed to become a preferred stakeholder through practices that emphasize the differences and values of Borusan Group.

Stakeholder Group	Communication Method / Frequency
Group A	
Borusan Members	CEO and General Manager Memorandums (frequency depending on communicated issues); Borusan Day (yearly); Annual Report (yearly); Sustainability Report (yearly); Employee Engagement Survey (yearly); Internal Communication Meetings (at least once a year in Group companies); Performance assessment meetings (yearly); Internal Information Notices (instant); Ocean Volunteers Platform (all year long); Social Activity Clubs; Ethical Principles; Employee Trainings and Borusan Academy Faculty Programs (all year long); The Borusans and Yammer Intranet Platforms; BiAlem Human Resources Portal and Practices
Customers	Annual Report (yearly); Sustainability Report (yearly); Employee Engagement Survey (once a year in Group companies); Meetings and Interviews; Web-based Practices; Ethical Principles; Corporate Website
Business Partners	Annual Report (yearly); Sustainability Report (yearly); Corporate Website; Meetings and Interviews
Public Institutions	Annual Report (yearly); Sustainability Report (yearly); Audits (instant / periodical); Joint Projects; Corporate Website; Meetings and Interviews
Press	Annual Report (yearly); Sustainability Report (yearly); Annual Public Disclosure Meeting; Project Specific Press Meetings; Interviews; Press Tours (instant); Corporate Website
Banks	Annual Report (yearly); Sustainability Report (yearly); Meetings and Interviews
Group B	
Suppliers	Annual Report (yearly); Sustainability Report (yearly); Corporate Website; Meetings and Interviews; Supplier Evaluation Surveys
Local Administrations	Annual Report (yearly); Sustainability Report (yearly); Corporate Website; Meetings and Interviews; Joint Projects
Business World	Annual Report (yearly); Sustainability Report (yearly); Corporate Website; Meetings and Interviews
NGOs	Annual Report (yearly); Sustainability Report (yearly); Corporate Website; Meetings and Interviews; Joint Projects; Donations and Sponsorships; Memberships (permanent)
Social Media Users	Instant Agenda Messages Shared on Corporate and Brand Accounts
Capital Markets	Annual Report (yearly); Sustainability Report (yearly); Periodic reports (on Borusan Yatirim's website)
Group C	
Universities and Academicians	Human Resources, Career Days Participations; Sabancı University and Borusan Academy Program Collaboration; Joint Program with Boğaziçi University and Borusan Internal Financial Affairs
All Other Segments of the Society Interested in Borusan	Annual Report (yearly); Sustainability Report (yearly); Corporate Website; News and Information Flow through Media Tools; Communication through Corporate Social Media Accounts

Union and Association Memberships	
<i>Anadolu Education and Social Support Association</i>	<i>Association for the Integration of Common Generations</i>
Science Heroes Association	Private Sector Volunteers' Association
<i>Modern Independent Cooperation Association</i>	<i>SAHA Association</i>
Association for Supporting Contemporary Life	Society for the Support of Contemporary Art
<i>Clean Sea Association</i>	<i>TEMA Foundation</i>
Foreign Economic Relations Board	TMMOB Chamber of Mechanical Engineers
<i>Lovers of Emirgan Social Solidarity Association</i>	<i>Turkish Education Foundation</i>
Endeavor Active Entrepreneur Promotion Association	Turkish Psychologists Association
<i>Young Foresight Association</i>	<i>Turkish Industrialists and Businessmen's Association</i>
Global Relations Forum Association	Turkish Ethics and Reputation Society
<i>Economic Development Foundation</i>	<i>Turkish Internal Auditing Institute Association</i>
Istanbul Chamber of Industry	Turkish Personnel Management Association
<i>KalDer Quality Association</i>	<i>Turkish Women Entrepreneurs Association</i>
Corporate Communication Association	Turkish Corporate Governance Association
<i>Corporate Risk Management Association</i>	<i>English Chamber of Commerce in Turkey Association</i>
METU Development Foundation	Turkish Sustainable Development Association
<i>Common Purpose Association</i>	<i>TÜSİAD Global Compact</i>
Common Purpose Association Commercial Enterprise	UNICEF Turkey National Committee Association

CORPORATE GOVERNANCE

The strong corporate governance structure of Borusan Holding, which does not directly participate in the management of Group companies, is built on effective communication and auditing mechanisms that ensure its control over the entire Group. The Holding that plays a central role, comprises Borusan Yatirim, which participates in principal companies with minority shares and functions as a portfolio company, and the Corporate Parent. Corporate Parent is used as a collective denomination for all administrative platforms that may directly or indirectly influence the management of the subsidiaries of Borusan Group and have visitorial power over the companies.

EFFECTIVE USE OF INFORMATION

The Corporate Parent, which strategically leads Group companies, ensures the compliance of company performances with strategic targets through control mechanisms. While ensuring that information and human resources are used most effectively across the Group, the Parent also secures the generation of financial resources necessary for the

strength and success of the Group and their proper utilization in the long term. The parent, which manages relations with Group stakeholders on a strategic level, also assumes the task of directing corporate and volunteering resources with a sense of social responsibility.

Borusan Holding Board of Directors, which is the senior decision making body of the Group, assumes general responsibility for Group activities before shareholders and stakeholders. The Board, which identifies the objectives of the Group and develops strategies to achieve these objectives, works towards the sustainable growth of Group companies. Borusan Holding Board of Directors has a balanced structure where executive and nonexecutive members come together; it consists of 7 members, of which two have independent statuses. The Holding Executive Committee, which is below the board of directors within the corporate structure, operates as an administrative platform supervising the realization of the strategic targets of the Group. Members of the Executive Committee take on presidency or membership assignments in the Boards of Directors of Group companies and they lead works focused on certain sectors and lines of work.

SUSTAINABILITY MANAGEMENT

Borusan Group operates in accordance with the basic principles of sustainable development; it defines its social and environmental spheres of influence, alongside the economic impact it generates, as its primary responsibility. It identifies stakeholder expectations and sustainability policies as the principal reference points for developing business strategies, and acts with the awareness that the decisions taken and actions implemented today will shape the future.

It carries out all its activities aiming for excellence, in accordance with the principles of corporate management, developing eco-friendly innovative solutions for customers, supervising economic impacts, protecting the environment and using natural resources efficiently with a sense of responsibility.

Activities are carried out respecting human rights, equality of opportunity is encouraged and all kinds of discrimination opposed in all operations. The Group aims to attract the best talents in accordance with its strategic targets and to keep these talents within its body by providing the necessary environment for their professional and personal development. It aims to provide a healthy and safe workplace for its employees, implementing active occupational health and safety practices in this regard.

Borusan Group executes operations based on productive activities and efficient resource use. It strives to disseminate environmental awareness across the organization and the value chain; it supports activities and formations that will increase the environmental awareness of employees and the society. With the awareness of its responsibilities in relation to climate change, it aims at constantly improving its environmental footprint; it seeks to develop environmentally friendly and efficient products and services that provide the best benefit for users.

SUSTAINABILITY IN ALL AREAS

In line with its understanding of social responsibility, it supports the development of the level of education, art and culture of the society in which it exists. It supports its employees and stakeholders in assuming an active role in the solution of social and environmental issues, it designs and implements social responsibility projects on the basis of volunteerism. It aims at generating a positive indirect economic sphere of influence through local supply and local employment practices; it accompanies the sustainable development of the society of which it is a part.

The sustainability performance of Borusan Group in social, environmental and economic areas is primarily the responsibility of the Group CEO. Economic sustainability performance is ensured through practices led by the Group CEO and company General Managers, social sustainability performance through practices led by Holding Human Resources and Corporate Communication departments, and environmental sustainability performance through practices led by company environment and energy representatives as well as the Environmental Sustainability Committee.

The Sustainability Committee, which was established in order to support the CEO regarding sustainability management practices, comprises a responsible top executive and senior manager as well as the representatives of Group companies. The committee, which undertakes the tracking and coordination of sustainability objectives across the Group, plays an active role in coordination, good practices and the analysis of sustainability risks.

Sustainability Management at Borusan

Economic	Social	Environmental
Group CEO	Holding Human Resources	Company Environment and Energy Representatives
Company General Managers	Holding Corporate Communications	Environmental Sustainability Committee

Sustainability in all Companies

Sustainability management practices draw on the effective operational structure as other commercial activities do; a sustainability division of labor is realized among departments based on their areas of specialization. The practices, which are supported by the bidirectional information flow between Group company departments and levels as well as the Holding and companies, as well as audits and reporting practices, strive for the implementation of the Group sustainability strategy in all of the companies.¹

As part of works conducted jointly by Holding Purchasing and Internal Audit departments, it is planned for suppliers to be subjected to audits involving social and environmental topics, in the forthcoming period.

¹ Due to the structure of the Group, the most significant part of social, environmental and economic impacts arising from the operations of Borusan Holding occurs as a result of the activities of subsidiaries located outside of the organization. Therefore, practices, projects and performance results of Borusan Mannesman, Borçelik, Borusan Otomotiv, Süpsan, Borusan Lojistik, Borusan EnBW Enerji and Borusan Makina ve Güç Sistemleri are included within the scope of the report.

The management of social, environmental and economic sustainability topics, which are defined as one of the main strategies of the Group, draw on risk and opportunity assessment mechanisms. Sustainability risks are first revised in the 5-year Strategic Plan and annual business plan periods. In addition to these plans, economic issues are assessed and managed within the body of the Holding through a comprehensive financial risk systematic and strategic planning tools. Social issues are managed under the leadership of Borusan Kocabiyik Foundation in cooperation with the Holding, while environmental topics are managed through processes realized by Group companies in view of sector dynamics.

Identification of Material Aspects

Material Aspects that generate an impact on the business successes of Group companies and the value chain were identified through the “Borusan Group Identification of Material Aspects” study conducted during the reporting period. As part of the study, a material issue universe was constituted. The universe, which comprised general and sector-specific sustainability issues arising from the engagements and legal obligations of the Holding and Group companies, including practices from competitor companies in the sectors of operation and reflecting stakeholder expectations, was offered to the views of Group company representatives and Holding employees.

Topics included in the material issue universe were weighted through the survey practice. The stakeholder expectation levels of the issues, which were analyzed with a risk and opportunity oriented perspective and in accordance with the GRI G4 standard, were assessed at the Sustainability Workshop realized with the participation of the Sustainability Committee.

The results acquired on the basis of Group companies were consolidated throughout the Group on the basis of sectoral characteristics. The matrix obtained as a result of the practice was finally submitted for the approval of the Holding Board of Directors and the materiality study was thereby completed.

Employee Rights	Customer Satisfaction
Legal Compliance	Product and Service Quality
Business Ethics Fight Against Corruption	Competitive Strategic Planning
Dealer and Supplier Business Success and Engagement	Product Strategy in Emerging Markets
Product and Service Security (and safety)	Occupational Health and Safety
Customer Data Security	Brand Reputation
	Innovation Management and Collaborations
	Business Continuity, Operational Excellence and Process Optimization
	Eco-innovative, Value-Added Products
	Risk Management
	Product Accessibility and Diversity
	The Future of Energy

G4-18, G4-19, G4-20, G4-21, G4-23, G4-27, G4-34

BUSINESS ETHICS AND FIGHT AGAINST CORRUPTION

Borusan Group conducts its relations with its stakeholders on the basis of transparency, continuity, mutual trust and honesty; it regards the consistency of its statements, actions, demeanors and decisions as its sine qua non.

ZERO-TOLERANCE POLICY FOR DISCRIMINATION AT BORUSAN

Borusan Holding promotes individual rights and liberties and conducts a proactive fight against any probable discrimination against its employees and other stakeholders with regards to ethnic origin, gender, color, race, nationality, economic status, religion and other beliefs in all of its operations. This approach, which applies to the recruitment, promotion and working conditions of employees, also constitutes one of the primary elements of relations with customers, suppliers and business partners.

Borusan acts on the basis of fairness and mutual benefit in its relations, which it conducts within the framework of its ethical values and the laws; it relies on effective communication mechanisms for the dissemination of its values and corporate culture throughout its value chain. It carries out leading practices in its sectors of operation in the areas of business ethics, fair competition and fight against corruption, it shows a maximum effort to establish a social awareness in these issues.

The business ethics rules, which Borusan Group employees are obligated to comply with, were composed by Borusan Group Ethics Board and offered to the access of employees and stakeholders online. Employees are responsible with complying with the rules, as well as encouraging compliance with the rules in their relations with other employees and stakeholders. Employees may use the "Borusan Group Ethical Rules Consultation and Information Line", which was established in accordance with this responsibility, to consult or inform regarding their own behaviors or the behaviors of Borusan employees around them.

During the reporting period, there was no legal action taken against any Group company in issues related to unfair competition, monopolization and similar topics.

RAISING AWARENESS AMONG EMPLOYEES

The responsibilities of investigating notices received through the line, where complaints regarding violations of ethical rules are also conveyed, and developing solutions in relation to these notices belong to the Ethics Board that works under Borusan Holding Inc. Chairman of the Board of Directors. The processes of investigating the notices received from Group companies are conducted by Borusan Holding Audit Director and Borusan Holding Legal Director; notices conveyed to the Ethics Board by Borusan Group employees or third parties are undisclosed, examination and investigation works are conducted by independent experts in secrecy. The Ethics Board may be reached 24/7 by phone or e-mail.

The booklet "Handbook for Borusan Residents: Business Principles, Business Ethics and Human Resources Practices", which defines in detail the business principles concerning topics such as human rights, environment and public activities, the outline for the implementation of ethical rules and the rules of conduct regarding stakeholder relations, can be reached on the web at http://www.borusan.com.tr/_Media/Pdf/IsIlkeleriveIsEtigi.pdf.



Borusan Holding is among the founding members of the Ethics and Reputation Society (TEİD), which was established with the aim of enhancing business ethics awareness in Turkey and raising awareness about this issue in the business world, as well as the society. Besides the Holding, which takes office in the Board of Directors as part of the voluntary support it provides, Borusan Yatırım and Borusan Sigorta companies also provide support for the voluntary activities of the society.

Every year, all the white-collar employees working at Group companies are provided with trainings regarding ethics and risks associated with corruption, which is a subtopic. In the reporting period, 3,205 man-hour of training was provided in this regard. In 2014, there was no corruption case identified throughout the Group or in business partners and suppliers.

Borusan Group has declared that it will practice the 10 basic principles regarding human rights, working standards, environment and fight against corruption in accordance with the United Nations Global Compact, of which it became a signatory in 2006.

The Group, who acts in line with the principles of transparency and accountability, offers the progress it has achieved on the basis of these principles to the views of its stakeholders and the general public through sustainability reports.

LEGAL COMPLIANCE

All Borusan Group companies are obliged to fully harmonize with the laws of the countries where they operate and with international legal rules. At Borusan, no Group employee is allowed to oppose the law with the intention of serving the interest of companies or individuals.


Borusan does not work with customers and suppliers who violate the laws or fail to comply with business ethics. Operations are conducted in accordance with the principle of legal compliance, within the framework of exemplary corporate standards that are ever higher.



Legal compliance is essential with regards to the financial and commercial records of Group companies, as well as the environmental and social dimensions of our operations. The Holding Internal Audit Department subjects all operations to regular audits with regards to legal compliance; in case a legal suspicion

arises about a doing, the issue is consulted with the Ethics Board, company General Manager and Holding Legal Department.

During the reporting period, there was no penalty suffered due to a failure to comply with laws and regulations.



#MyDream is my the happiness of my mother. I am trying to make her dreams come true. I would do anything to be able to tell people about the importance of a mother's love and to demonstrate this to a wider audience.

Gülsüm Özkoca

Borusan Makina ve Güç Sistemleri



**BUSINESS
EXCELLENCE**

CORPORATE CULTURE AIMING FOR EXCELLENCE

Borusan Group, which constantly strives for the better, aims for the continuity of profitability and excellence through effective and simple processes. 6 Sigma Management Method is practiced in all Group companies since 2002, in order to achieve excellence in process management.

NATURE-FRIENDLY APPROACH

Certified Green Product from Borusan EnBW Enerji

Borusan EnBW Enerji offers certificated green products for its customers who would like to supply their consumption from renewable energy plants and prefer certificated products in this scope.

Borusan Group considers the efficiency and simplicity of its processes to be of key importance for the continuity of profitability. It strives to be able to view business ways from different perspectives with an integral approach and to make a habit of constantly examining them through the methods it adopts. In accordance, 6 Sigma Management Method is practiced in all Group companies since 2002, in order to ensure constant improvement in product, service and management quality, satisfaction of changing customer expectations and the preparation of Borusan for the future.

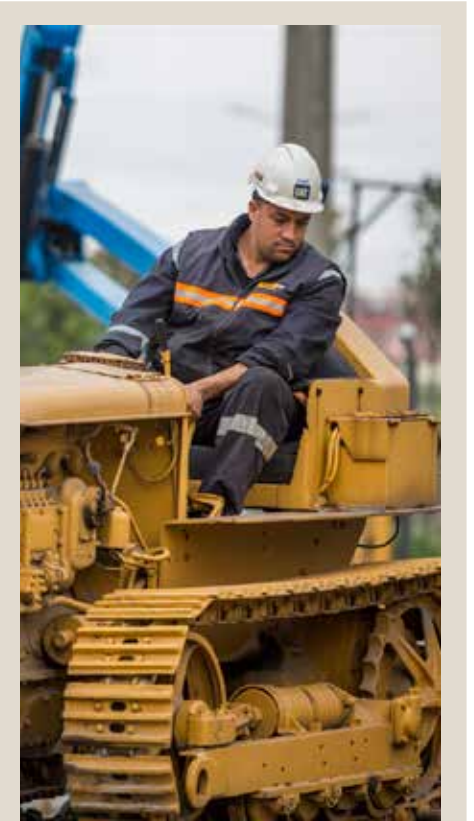
6 SIGMA AT BORUSAN

6 Sigma Management Method is preferred by companies that aim to grow by creating value and can transform the inputs they have into outputs with the understanding of "zero defect". Borusan Group created an innovative, agile, efficient corporate culture that aims to achieve the best through its practices throughout the institution by adopting 6 Sigma as part of the corporate structure. Borusan Group aims at canceling out the error rate, reducing costs, enhancing quality, productivity, profitability, market share and customer satisfaction through 6 Sigma Method.

6 Sigma, which is a practice method that leads to the objective step by step, is based on the restructuring of the quality understanding and statistical information as well as the business processes of Borusan Group by avoiding any possible mistakes.

Improvements in parallel with customer expectations are implemented in hundreds of processes every year through projects conducted within the scope of 6 Sigma, every process is measured also based on customers' criteria of evaluation. 6 Sigma also contributes to the sustainability works of Borusan Group. As part of this method, many projects aimed at reducing energy consumption and emission, the efficient use of water and other resources, as well as rendering environmental functions more efficient and effective were conducted to this day.

Borusan, which acts with the understanding of decisive leadership, has parted 6 Sigma into the roles of Deployment Champion, Master Black Belt, Black Belt, Expert Green Belt, Green Belt, Project Sponsor, Process Owner, and Financial Representative in order to make the most efficient use of the human resource in the implementation of the methodology.



Golden Award for Borusan Makina ve Güç Sistemleri from Customer Service Excellence

Borusan Makina ve Güç Sistemleri was considered worthy of the Golden Prize for the third time at Customer Service Excellence Awards for the evaluation of service quality, organized in 2014.



**THREE SEPARATE AWARDS FOR
BORUSAN OTOMOTIV**

Borusan Otomotiv was deemed worthy of three awards at once at Top Gear awards competition organized in 2014. BMW i8 was elected the Automobile of the Year in England and Turkey, BMW 220d the Coupe Automobile of the Year, and BMW 218i Active Tourer the Family Car of the Year.

In 2014, 66 black belt and 222 expert green belt process improvement projects were completed as part of 6 Sigma. 12 black belts were provided with a total of 2,160 man-hour, and 119 expert green belts with 4,165 man-hour of training.



**PRODUCT AND SERVICE
QUALITY**

The issue of quality management is emphasized in all processes prior to production, during production and postproduction. The process, which starts with the compliance of the raw materials used in production with the necessary standards, continues with product labeling processes and safe and secure products as well as high added value services offered to customers.



Excellence in products and services is aimed for through the detailed analyses performed. Customers are offered the best quality products and services in each business line, while products and services are designed in accordance with critical customer demands and expectations.

Compliance with standards and management systems in quality understanding is of great importance for Borusan. In general, ISO 9001 Quality Management System and ISO-TS 16949 Automotive Industry Quality Management System are followed in business processes. At the facilities, Occupational Health and Safety practices are realized in compliance with OHSAS 180001 Occupational Health and Safety Management System, while the management of environmental resources is conducted according to ISO 14001 Environmental Management System standards. Quality and management standard certificates are periodically renewed in order to ensure product quality and safety, environmental resource management, as well as human health and safety.

PRODUCT AND SERVICE SAFETY AND SECURITY

Borusan commits to supply its products and services to consumers in the safest way. In accordance, safety practices surpassing legal requirements are conducted in all product segments.



OPERATOR PROTECTION SYSTEM AT BORUSAN MAKINA VE GÜÇ SİSTEMLERİ

At Borusan Makina ve Güç Sistemleri, cabins are equipped with Roll-Over Protected System and Fall-Over Protected System in order to ensure operator safety in construction equipment. In this way, in case the equipment rolls over and

in dangerous situations caused by environmental factors, the movement, maneuver and working functions of the machine operator are deactivated thanks to the sensitive operator seat.

SAFE DRIVE TRAINING FROM BOM ACADEMY

BOM Academy, which was actualized as a social responsibility project within the body of Borusan Otomotiv Motorsports, aims to offer the most effective trainings for automobile users in a wide array, through its team consisting of experienced trainers. Drivers learn from BOM Academy

trainers how to safely and properly control a fast vehicle by using basic driving techniques, enabling them to have a highly enjoyable driving experience as more experienced and self-confident drivers. In this regard, 149 people benefited from the safe driving trainings organized by BOM Academy in 2014.

All responsibilities regarding products are managed through quality management systems in all of the stages, starting with production processes until the product reaches the customer. Product and service safety criteria differ in each market. For this reason, works are conducted in order to ensure the compliance of all products and services with legal regulations and other requirements of the markets. Besides, development works are constantly conducted in order to improve existing systems and generate new systems.

Besides minimizing the health, safety and environmental impacts of the products, conveying information regarding these impacts to customers and end users also constitutes part of the sustainability approach of Borusan. In accordance, there was no incident related to noncompliance with legal regulations regarding product and service safety and security in the reporting period.



LAND ROVER 4X4 SAFE DRIVE

Land Rover provides trainings regarding off-road basic driving techniques, thereby enabling participators to enjoy safe driving experiences in the nature. As part of the specially prepared programs, driving exercises are provided in secured tracks following in

class training. Experienced trainers, who are present in the vehicles, constantly provide information and directions; ensuring that participators drive the vehicles that they use alternately more consciously and safely, while also receiving basic training information.



BORUSAN MACHINE OPERATOR SCHOOL

Borusan Makina ve Güç Sistemleri initiated Borusan Machine Operator School, which was actualized in 2008 in order to minimize working accidents that might occur due to the use of construction equipment, to prolong the lifetime of the equipment and to bring in trained and conscious operators to the

sector thereby ensuring customers' works are more effectively conducted, once more for customer operators. At the end of the training participated by 14 operators, successful operators were awarded with the Construction Equipment Operating Certificate approved by the Ministry of National Education.

CUSTOMER DATA SECURITY

Borusan Group guarantees customer data security through confidentiality agreements. Access to customer information is limited through authorizations determined within customer relations management systems; this information is not shared with third parties. Information received from customers is only used in case communication permission is obtained; it is not shared with another company under any circumstance. Thank to these precautions, there was no customer confidentiality infringement or any case of customer data loss in the reporting period.

Borusan Holding Legal Department is conducting a harmonization project involving all Group companies devoted to customer data security. As part of the project, meetings were held with Group companies and process mappings were realized. It is planned for the processes of Group companies to be analyzed in accordance with trainings organized and presentations given throughout the year, thereby concluding the harmonization program.

BUSINESS CONTINUITY

Sustainable production and continuity of production is ensured through operational targets set in accordance with the strategy of business excellence. Customers are provided with uninterrupted product and service by working for ensuring the smooth continuity of production and commercial activities even in the most urgent situations, maintaining brand reputation and complying with legal requirements.



Projects and practices are actualized in order to identify and assess situations that endanger production in terms of quality and efficiency, and to prevent their occurrence. Besides, effective precautions, systems and competences aimed at protecting assets within the business system are developed.

IT Business Continuity Plan devoted to the security of Information Systems that are of critical value for Borusan Group was developed, while there is a Disaster

Recovery Center for maintaining business continuity in case of disasters and emergency situations. Besides, autonomous maintenances are realized at Borusan Mannesmann, Borçelik and Supsan, while TPM (Total Product Maintenance) practices stand out at Borçelik. Besides, necessary periodical and planned maintenance and repair works are conducted in all Group companies for the smooth continuation of production.

CUSTOMER SATISFACTION

Borusan works for adding value to its business and customer in all its decision and actions. It follows a proactive approach determined with regards to the changing expectations, needs and priorities of customers; it ensures customer loyalty through long-term relations generating mutual value.

At Borusan, a customer-oriented approach is adopted that considers solving all customer dissatisfactions based on transparency in customer relations to be its fundamental principle. There are channels through which customers can easily communicate their demands and dissatisfactions; these are approached and assessed objectively, in fairness and secrecy, and the necessary improvements and controls are realized.

At Borusan Group, customer satisfaction is ensured in accordance with ISO 10002 Customer Satisfaction and Complaints Handling System. In this way, customer complaints are managed consistently, systematically and in a responsible way. Besides, Customer Experience projects conducted by different business units at group companies help ensure customer satisfaction.

Group companies where ISO 10002 Customer Satisfaction and Complaints Handling System is implemented: Borusan Mannesmann, Borçelik, Borusan Makina ve Güç Sistemleri, Borusan Lojistik, Supsan.

For Borusan, 'customer satisfaction' means producing and developing together with customers. "Voice of Customer" works, started 9 years ago by Borusan Group in consideration of the impact of product and service quality on customer satisfaction and regularity, were put into practice in most Group companies in this process. Borusan companies, which have actualized "Voice of the Customer" works, redesign and consolidate business processes in accordance with the expectations and suggestions of customers. Thanks to the business processes and structural solutions developed in order to listen to the voice of the customer, Group companies can achieve satisfaction indexes above country and industry averages. The quality of the service provided by Borusan dealers is regularly measured each month and assessed through



the Customer Satisfaction Net Loyalty Score tracking system. Besides, the Customer Satisfaction and Engagement Survey is regularly conducted every year. As a result of the survey conducted in 2014, customer satisfaction level was determined to rise to the level of 75.2%, and customer engagement level to 80%.

CUSTOMER SATISFACTION AND ENGAGEMENT SURVEY (%)



At **Borusan Otomotiv**, feedbacks were collected from employees regarding impressive practices that they experienced as customers in other sectors, as part of the internal communication work "My Happy Customer Experience" that was started to raise awareness, and the personnel who provided feedbacks were rewarded for the purpose of encouragement.

The Lean 6 Sigma Project started under the name "Enhancement of Aftersales Service Loyalty and Turnover of Fleet Customers" at **Borusan Otomotiv** aims for the realization of practices that will enhance the satisfaction of fleet customers primarily in the area of Aftersales Services. As part of the project, meetings were organized with a total of 21 senior executives from 9 fleet customers who preferred to receive service from unauthorized services for reasons such as cost orientation and different expectations. It is aimed through customer visits for customer expectations to be better defined and for solutions to be created together.



Borusan Mannesmann evaluates suggestions through Regulatory and Preventive Activities Forms devoted to customer complaints. In the reporting period, these suggestions were closely followed up at Factory Cockpit Meetings held monthly.

CUSTOMER COMPLAINT MANAGEMENT

At Borusan Mannesmann, customer feedbacks and complaints are effectively tracked through the Customer Complaint Management (CCM) system involving IT based technological solutions. All the data is recorded on the system and transmitted complaints are solved in order to ensure customer satisfaction flawlessly.

Following the New Machine Sales 6 Sigma Black Belt Project completed in 2011 by **Borusan Makina ve Güç Sistemleri**, the Rental CEM Project, where the process of machine rental will be approached integrally, was started in the reporting period. As part of the project, 20 customers in Turkey are scheduled for visits in order to collect the voice of the customer. The project bears great significance with regards to customer perception management and increasing loyalty.

Real success stories believed to have created a difference in the area of customer satisfaction competed at Nuri Baba Customer Satisfaction Awards, organized for the fifth time in 2014 at **Borusan Makina ve Güç Sistemleri**. The importance that customer satisfaction bears for the institution was emphasized through the recounted experiences.

A "Customer Relations Management Committee" was established in Bor Customs and Turkey Logistics business units at **Borusan Lojistik**, in order to enhance the efficiency of Customer Relations Management works; and the committee started its works during the year.

Supsan started working on turbo production and sale as part of the innovation project realized on the basis of "Voice of the Customer" works, at 2013 yearend. The engine trials for the first turbo produced in 2014 lasted for 2 months and upon their completion the produced turbo were offered to customers.

Borusan Otomotiv was deemed worthy of the "Automobile Main Category" award with its BMW brand at the A.L.F.A. Awards where the most successful brands in the area of complaint management are identified.

DEALER BUSINESS SUCCESS AND SATISFACTION

At Borusan Group, where product quality is considered both in terms of the superior qualities of the product and the provided support, aftersales services are given great importance.

SUPSAN

100
dealers

A strong and powerful dealer network plays a significant role in the success of Supsan, Borusan Mannesmann and Borusan Otomotiv in the industry. Authorized dealers and service points, where products and services meet with customers, are our business partners who play the most important role in ensuring customer satisfaction.

BORUSAN
MANNESMANN

100
dealers

For this reason, dealers are constantly supported in order to increase their business success, improve their competences and meet their business related needs. Group companies, which establish sustainable long-term relations with dealers and share their experience and knowledge with them, conduct several dealer improvement projects in order for dealers to rise up to Borusan standards.

BORUSAN
OTOMOTIV

10
dealers

**(21 authorized dealers
and
29 authorized services)**



DEALER NETWORK IMPROVEMENT WORKS FROM SUPSAN

Supsan aims to strengthen its dealer network by increasing demand for products at the base. In this regard, 45 meetings were organized in 2014 with the participation of boring operators, repairmen and retailers.

Besides, 18 Apprenticeship Training Center Meetings were organized in order to inform target apprentices about the Supsan brand. A total of 2,501 people were reached through the meetings and trainings organized in 2014.



DEALER BUSINESS SUCCESS WORKS AT BORUSAN MANNESMANN

Borusan Mannesmann sales teams regularly visit dealers throughout the year. During these visits, solutions are brought to the problems of dealers and potential business opportunities are evaluated. Besides, dealer meetings are organized with the participation

of the senior management in order for dealer and Borusan Mannesmann employees to exchange ideas with one another. 56 dealers have participated in the dealer meeting organized in 2014.

#MyDream is to contribute to the development of young people through music education.

Özgür Arslan
Borusan EnBW Enerji





**ENVIRONMENTAL
APPROACH**

ENVIRONMENTALLY RESPONSIBLE STANCE

Borusan Group companies aim to develop environmentally conscious and efficient products and services that provide the best benefit for users, while adopting environmental practices that minimize natural resource use, waste generation, energy consumption and carbon footprint.

Borusan Group companies act with the awareness of their duty towards the future of the world in all of their operations; decisions at all stages of the value chain are taken in consideration of the environmental impacts of their results. In accordance with the environmental sustainability strategy determined at the Holding level, practices that will transform risks brought about by climate change into opportunities are implemented throughout the Group, the environmental impacts of the operations are constantly reduced and a proactive approach is adopted in order to protect biodiversity within the operational geography.

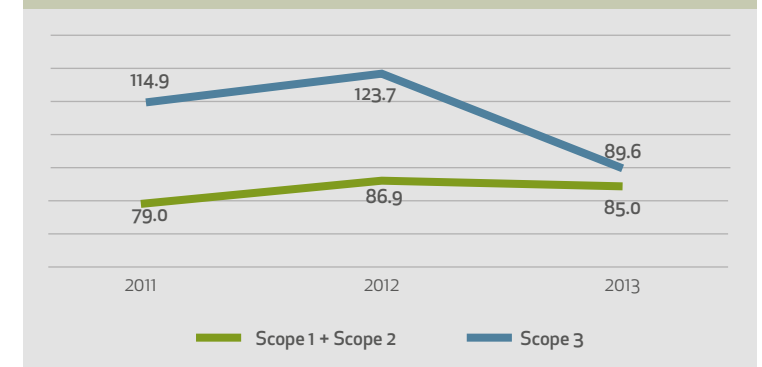
Borusan Group companies, which are in leading position in several sectors, aim to develop environmentally conscious and efficient products and services that provide the best benefit for users, while adopting environmental practices that minimize natural resource use, waste generation, energy consumption and carbon footprint. A maximum effort is shown for raising environmental awareness among employees, customers, suppliers and the general public, while activities and entities centered on environmental responsibilities are supported.



ENERGY AND CLIMATE

Borusan Group companies endeavor to generate innovative and pioneering solutions regarding the combat against climate change, while the carbon footprint of the Group is consistently reduced through effective energy and emission management practices that are actualized. In all Group companies, strategies that will transform environmental risks into opportunities are pursued, and concrete gains are achieved with regards to energy savings, material and natural resource efficiency through practices performed.

GREENHOUSE GAS EMISSIONS DENSITY RATE (CO₂e ton/m\$)*



*Greenhouse Gas Emissions Density Rate was calculated based on the total annual turnover of the companies included within the scope of emission calculations.

Bandırma WPP, Yedigöl Aksu HPP and Balabanlı HPP facilities of Borusan EnBW Enerji are renewable energy plants, which meet their own consumption through this production.



BALABANLI WIND POWER PLANT PROJECT

The second and last phases of Balabanlı Wind Power Plant that was actualized in 2011 by Borusan EnBW Enerji, which advances with the objective of becoming one of the leading renewable energy investors in the Turkish electricity sector, were completed in 2014 and the plant was put into use in full

capacity. Balabanlı Wind Power Plant, where wind power, which is a renewable energy source and one of the cleanest energy types, is generated, consists of 22 wind turbines and it is characterized as an environment-friendly power plant with a total installed power of 50 MW.

Some of the energy and emission management practices actualized during the reporting period are as follows:

Steam gain was ensured by directing the hot exhaust gases coming out of the waste heat boiler in the stove area at **Borçelik** Plants CGL3. As a result of the natural gas savings achieved through the practice, an annual energy consumption of 2,558 GJ was prevented.

As part of the practice implemented at **Borçelik** treatment facility, areas where electricity consumption is concentrated were identified and analyzed. Following the investigation of suggestions for improvement, the heaters in the facility were replaced with new and efficient models, while the insulation of the facility was renewed. As a result of the practice, around 180 GJ of energy saving was achieved annually.

As part of the renewable energy practice put into practice at **Borçelik** Headquarters, PV (photovoltaic) panels were installed on the building's roof and electricity production from solar energy was begun. Around 94 GJ of electricity is annually obtained through the practice.



A range of improvements were made regarding the use of cutting oil, which prolongs the lifetime of cutting edges and stones located in production lines by preventing their overheating, through the Cutting Oil Recycling System Optimization project implemented at **Supsan** Production Facilities. There used to be a separate hydraulic pump and oil reservoir at each bench on the lines before the project; the number of pumps across the production line was reduced, thereby minimizing maintenance costs as well as oil and electric consumptions. An improvement of 11% was achieved in the annual pump engine electrical energy consumption and an annual savings of about 33 GJ was ensured through the project.

ENVIRONMENTAL IMPACTS OF OPERATIONS

Borusan Group, which incorporates the leading companies of the steel, distributorship, logistics and energy sectors, acts with the responsibility of protecting and keeping the environment where we live and work clean.

In accordance, all Group companies aim to minimize the negative environmental impacts of all operational processes starting with the design and production stages of products and services, until their transportation and marketing. Practices going beyond legal compliance are realized through high standards adopted in accordance with the requirements of the relevant line of work.

The environmental impacts of operations are constantly reduced through practices involving the processes of reducing natural resource use, minimizing water consumption and preventing waste generation at its source. A maximum effort is shown in order to protect biodiversity within the operational geography. In regard of the relation between employee behavior and operational efficiency, regular environmental training practices aimed at employees and contractor employees are implemented throughout the Group.

During the reporting period, 442 Borusan Group employees were provided with 1,063 man-hour, and 40 contractor employees with 60 man-hour environmental training. In the same period, resources worth 2,085,983 TL were allocated for environmental management expenditures throughout the Group, and 103,828 TL for environmental investment expenditures. There was no penalty received due to noncompliance with environmental law and regulations in 2014.

Some of the water and waste management practices realized during the reporting period are as follows:

As part of the project implemented at **Borçelik**, turf irrigation systems were rendered fully automatic thereby achieving water savings. Turf irrigation processes, which were previously performed manually and during daytime, were changed to nighttime and optimized. Through the project, a reduction of 72% in water consumption was achieved, while 58,000 m³ of annual water savings was ensured.

Through the waste recovery practice implemented at **Borçelik** galvanizing plant, it was ensured that the zinc ash generated as a result of the process in CGL lines was recovered through the equipment and reused in the process lines. The cycling of 2,000 tons of zinc ash annually can be ensured by means of the practice.

During the reporting period, a ventilation system was established in order to prevent sludge accumulation in the chemical treatment facility reaction basin at **Borusan Mannesmann** Halkalı Plant, thereby increasing the efficiency of the treatment process. 77 tons of water was recovered annually thanks to the practice of treating the treatment bottom mud that subside in the treatment balancing pool through filter presses, while the hazardous sludge was dewatered thereby achieving reduction in the waste amount. In the same period, the amount of the treatment chemical (Barium) used in order for the discharged water values to remain within legal limits was optimized, ensuring an improvement by 25%.

The amount of packaging material used for packing was optimized at **Borusan Mannesmann** Halkalı Plant, preventing unnecessary consumption. Also at Halkalı Plant, the draining angles of the lubrication draining pans were increased, allowing for efficient draining and reducing oil consumption.

As part of the practice implemented at **Borusan Mannesmann** Gemlik Plant, detergents present in galvanization waste waters that cause high COD parameters in the waste water were replaced with detergents that will create less pollution, facilitating the treatment of waste waters in the chemical treatment unit. Through the revision, less polluted wastewater input to the chemical treatment facility was realized in terms of COD parameters. In consequence of the practice, the wastewater being discharged is 66.7% cleaner.



BIODIVERSITY

Borusan Group strives to protect biodiversity in its operational geography, it carries out leading practices in line with the academic collaborations it forms. There is no water source affected by the operations of Group companies in terms of amount and biodiversity. **Borusan EnBW Enerji**

Yedigöl Aksu and Harmanlık facilities are situated in a Wildlife Protection Area. The environmental impact assessment processes of the relevant facilities were offered to the consideration of universities; operations are conducted with precautions taken in accordance with these considerations.

The necessary lifeline water amount in order for the natural life to remain unaffected by **Borusan EnBW Enerji** Yedigöl Aksu Facility, established on Aksu, a tributary of Çoruh River, was determined with academic collaboration. In this direction, the lifeline water released on the stream is constantly tracked. No deterioration was determined

in the quality of water as a result of the process. A fish passage was built over the regulator structure in order for the regulator that is located in the Hydroelectric Power Plant not to impact the passage of the fish and biodiversity, thereby ensuring the continuity of the fish types living in the stream.

#MyDream is to help people who are deprived of food and water, thereby eliminating the despair of desolation by creating circles of goodness.

Hüseyin Şen
Borusan Mannesmann



A solid blue rounded rectangle with a white background. The text is centered within the rectangle.

**NEW PRODUCTS
AND SERVICES**

KEEPING UP WITH THE WORLD THROUGH CREATIVITY

Borusan Group attaches great importance to works for the creation of the technologies of the future and their adaptation to the Holding structure. Intellectual and industrial rights that are acquired are being protected with the aim of benefiting from the accumulation of knowledge to the maximum; works in this direction are accelerated.

Creativity and different business manners are emphasized in order to preserve competitive power in a differentiating world, under rapidly changing conditions of competition. In this regard, developing new products, services and business models is one of Borusan Group's most important areas of focus. Borusan Group constitutes extensive processes and systems ranging from establishing the necessary organizational structures for realizing its new product and service objectives to identifying new product objectives, to constituting a more creative and tolerant culture to collaborations with universities. All executives appropriate this process and provide support for projects, make suggestions for new products and business models and follow market dynamics with this awareness. In this way, while different approaches are adopted for different markets, new product and business model development works are conducted in compliance with Group strategy and in a target-based manner.

In 2014, 35 different business opportunities were utilized and most of them were transformed into business models, while 7 projects were taken into the incubation stage thanks to innovation-oriented works. As of yearend, over 50 new product, service and business model development projects were being conducted in 7 different Group companies.

The creation of the technologies of the future, planning and execution of R&D activities in order to be adapted to the Holding structure, protection of products and services acquired as a result of the activities through intellectual and industrial rights policies and always ensuring optimum benefit from the accumulation of knowledge are sought after. In accordance, it is planned for a Group-wide R&D Center to be established that will accelerate works and through which R&D strategies will be executed. The necessary infrastructural works for Borusan R&D, planned for implementation in 2015, were completed in the reporting period.

Borusan Group companies, which always prioritize customer demands, aim to continue developing new products and services based on innovation in order to meet the different expectations and needs of customers, in the forthcoming period. The Holding takes concrete steps towards transforming creativity into a business culture across the Group.

Borçelik focused more on developing new products, services and business models, in 2014. 25 separate projects were actualized as part innovation works. While the works for the project that was accepted within the scope of TÜBİTAK 15501 Industrial R&D Projects Support Program are continuing, other projects, whose applications were made, were received for evaluation.

Borusan Lojistik included a new business model, which will create a difference for customers operating in the field of e-commerce, with an innovative perspective among the services it offers. The launching of the new business model is scheduled for 2015.

Supsan released the turbo product it started producing as part of an innovation project and started sales. Also, the eccentric national production bench investment, projected for implementation in 2015, was realized.

Borusan Makina ve Güç Sistemleri continued offering alternative and extended package solutions aimed at customer needs with EMD and CAT Propulsion that it included within its product range.

INNOVATION MANAGEMENT AND COLLABORATIONS

The accumulation of knowledge that will arise in the wake of joint studies conducted by universities, research centers and the industry within the framework of the new product, service and business development strategy is of great significance for the sustainable success and future of Borusan Holding. In accordance, national and international collaborations and projects are developed and participation to R&D platforms is ensured.



BORUSAN AT İTÜ ARI TECHNOCITY

Borusan Group continued taking concrete steps towards increasing university collaborations in the reporting period. In this regard, it took its place at Istanbul Technical University ARI Technocity in order to be in proximity to university resources, data repositories and academicians.

Thanks to collaborations with universities, both universities and the industry gain high quality, innovative and creative projects. Borusan Group conducted many R&D project with ITU Metallurgical and Materials, Industrial and Mechanical Engineering departments in the reporting period. As part R&D activities, over 5 million TL was received in support from TÜBİTAK.

COLLABORATIONS WITH UNIVERSITIES FROM BORÇELİK

Borçelik continued the joint works it has been conducting with the Department Metallurgical and Materials Engineering at Bursa Technical University since its establishment, in areas such as laboratory facilities, test and analysis competency, experience sharing in technical issues, within the scope of university-industry collaboration works, in 2014. Also, technical consultancy support was received from Mustafa Kemal University Faculty of Engineering Department of Civil Engineering as part of a new product innovation project, while joint projects were conducted with Istanbul Technical University Faculty of Chemical and Metallurgical Engineering Metallurgical and Materials Engineering and Dumlupınar University Faculty of Engineering Industrial Engineering during this term.

ECO-INNOVATIVE, VALUE ADDED PRODUCTS

While devising projects within the framework of topics identified in our technological roadmap, each project aims at contributing both to the country and sector of operation. Projects, which comply with identified objectives, measurement and information infrastructures and allow its personnel to specialize, are produced. In 2014, Group companies continued working on business models that ensure added value and efficiency in their sectors and lines of business.



ETA ELECTRONIC TRANSPORTATION NETWORK PROJECT

ETA, which was established as an electronic transportation network project under the roof of Borusan Lojistik, provides significant benefits for SMEs over the internet and for transporters by making use of mobile technologies. Thanks to this eco-innovative business model, while SMEs are provided with reliable, insured, cost effective transportation service that is traceable 24 hours for carrying their cargo, transport companies achieve business continuity, cost advantage and efficiency.

ETA system, which transforms the fleet of individual entrepreneurs into an efficient, centrally commanded corporate service provider, has the characteristic of being a technological fleet management system whereby thousands of vehicles are efficiently managed and all parties are provided with value. By means of ETA, which provides a significant support for public administration in terms of fighting against oil no 10, counterfeit and smuggled fuel through the standards it introduces to the industry, the share of unloaded vehicles in vehicle-km is improved among member vehicles. 20% increase in efficiency is ensured and around 10,000 less heavy vehicles are employed, by performing more transportation with the same number of vehicles. The system ensures significant savings and gains for the national economy, independent transporters and SMEs.

PRODUCT STRATEGY IN GROWING MARKETS

Borusan Group, which develops its own technology and comes to the forefront in its sector with regards to international competition, aims to create a difference against its competitors while pursuing its works in the global competition environment and to raise its production and product quality to the level of global technologies, in all the works it has pursued to this day and will pursue in the future.





Borusan Group, which works for offering solutions that best answer customer expectations and needs, also takes into consideration the changing conditions of different markets.

Borusan Makina ve Güç Sistemleri maintained its market leadership in the Turkish machine market core segment, while making new investments in its power systems operations for the “Energy & Industrial Solutions” market, in 2014. In international operations, it has created growth oriented new opportunities with the products and services it offered in the area of mining. In parallel with its strategy of expansion, it has extended its service geography with a new purchase in Far East Russia.

Borçelik aimed at utilizing business opportunities with added value by tracking emerging economies in the automotive, white goods, panel radiator and construction group, which are its

strategic sectors; in this regard it had the opportunity to make sales in countries such as China, Egypt and Indonesia, in 2014.

Borusan EnBW Enerji aimed for growth directed at portfolio profitability, besides maintaining its existing investments. In this regard, it started investment works in the areas of geothermal and solar power generation, besides wind and hydroelectric power plants.

Borusan Lojistik continued its market researches aiming to engage its investments in Kazakhstan and the Middle East and to grow in these regions in the forthcoming periods.

Borusan Otomotiv gained new customers in the shrinking Turkish automobile market and completed 2014 as the year with the highest number of new and used vehicle sales.

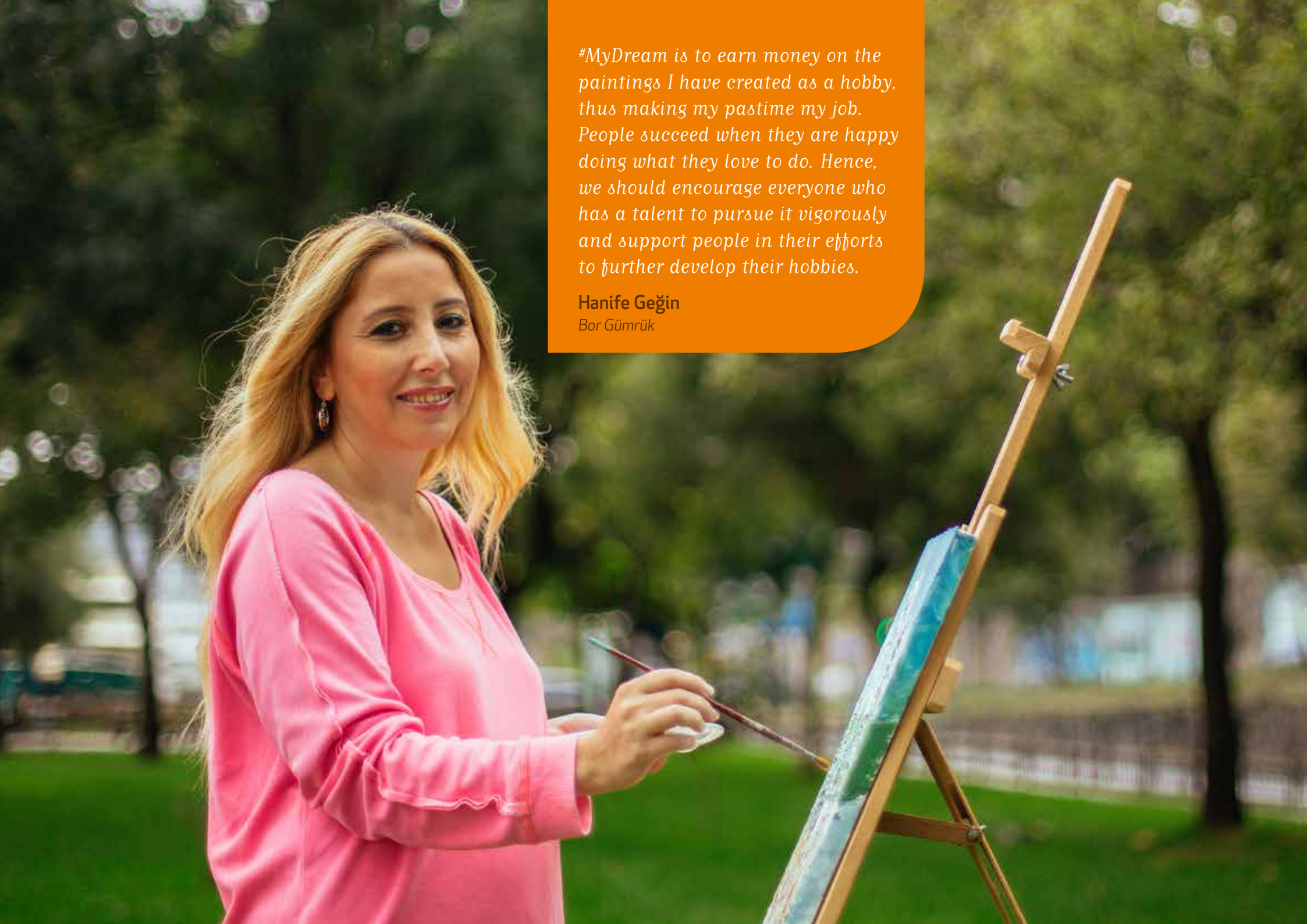
PRODUCT ACCESSIBILITY AND DIVERSITY

Borusan Group companies, which operate in four basic areas, namely steel, logistics, distributorship and energy, offer a large product range to their customers.

Supsan, Borusan Mannesmann and Borusan Otomotiv provide ease of accessibility to their products with the nationwide broad dealer network they have, while Borusan EnBW Enerji transmits the produced energy to the grid, facilitating access to renewable energy.

DISABLED FRIENDLY AUTOMOBILES

In order to ensure easier access to vehicles for disabled users, Borusan Otomotiv makes alterations to the design of automobiles depending on the disability. In this regard, 281 automobiles providing ease of access for the disabled were sold during the reporting period.

A woman with long blonde hair, wearing a pink long-sleeved top, is standing outdoors in a park-like setting. She is smiling and looking towards the camera while holding a paintbrush and a palette. To her right is a wooden easel with a canvas on it. The background is a lush green park with trees and a fence.

#MyDream is to earn money on the paintings I have created as a hobby, thus making my pastime my job. People succeed when they are happy doing what they love to do. Hence, we should encourage everyone who has a talent to pursue it vigorously and support people in their efforts to further develop their hobbies.

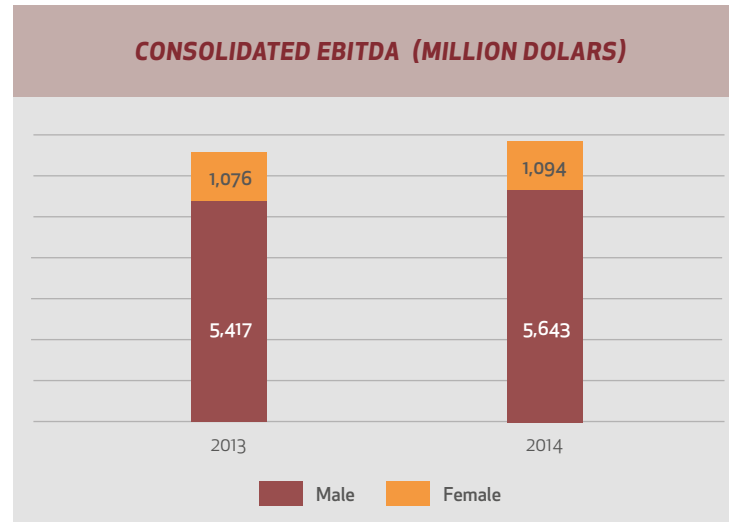
Hanife Geđin
Bor Gümruk



**WORKING
LIFE**

CENTER OF ATTRACTION FOR TALENTS

Borusan Group pays particular importance to the professional and personal development of its employees. It actualizes unique talent practices in order to accompany the development of its employees. Creating a healthy and safe working environment is also among the priorities of Borusan.



Maximizing the competence, motivation and performance of its employees and thereby creating a difference in its sectors of operation constitutes the basis for the human resources practices of Borusan Group companies. At Borusan, workplace peace is established through fair practices opposing discrimination; practices that set a good example for the sectors and geographies of operation are realized through pioneering projects aimed at women employment. The personal and professional developments of employees are accompanied by talent management practices, where Borusan Academy plays a central role, aiming at transforming Borusan into a center of attraction for talents. Effective practices are executed in order to create a healthy and safe working environment, the Group's performance in this area is continuously improved.



OCCUPATIONAL HEALTH AND SAFETY

Creating a safer and healthier working environment for employees, customers and suppliers is regarded as a business priority and it is aimed to achieve the "zero working accident" ideal in all Borusan Group companies. Active Occupational Health and Safety practices such as performance measurement, training, drill and infrastructural improvements are used in this regard, and occupational health and safety performance is continuously improved.

Works are conducted in compliance with the relevant occupational health and safety laws and regulations; risk analyses, emergency situation books, relevant trainings, field trips, annual work and training plans are systematically maintained in this context.

Borçelik, Borusan Mannesmann, Borusan Makina ve Güç Sistemleri, Borusan Oto / Otomotiv, Borusan Lojistik, Kerim Çelik, Supsan, Borusan EnBw Enerji Bandırma WPP Facility and Holding Headquarters have OHSAS 18001 Occupational Health and Safety Management System certification and the requirements of the system are fulfilled.

The articles regarding occupational health and safety and the improvement of environmental performance and human rights practices are defined in the main agreements made by Borusan Group companies with suppliers. Occupational health and safety requirements are controlled during supplier audits; the support of third parties may be sought in relevant audits.

The collective agreements made by Group companies with unions involve Occupational Health and Safety issues and it is indicated that legislation provisions are implemented. Periodical inspections and intervention processes in case of work accidents, as well as information regarding protective equipment and wearing apparel are detailed in the agreements.

There are Occupational Health and Safety Committees representing all Group employees in all Borusan Group companies. OHS Committees operate as an internal communication mechanism through which Group employees can communicate their suggestions, complaints and expectations in the issues of health and safety, while the proposals brought forward by the committees constitute one the most important elements of the continuous improvement of Group's OHS performance.



In 2015, "Borusan OHS Group" is to be established with the purpose of developing Occupational Health and Safety culture among Group companies and enabling companies to share their experiences and learn from each other.

During the reporting period, Group company employees were provided with 22,199 man-hour and contracting company employees with 10,367 man-hour of occupational health and safety training.

TALENT MANAGEMENT

The organizational structure of Borusan Group, which has attained the effectiveness and simplicity it possesses in the light of its 70-year business experience, offers employees a working environment where they can realize their potential. For employees to assume the tasks and responsibilities through which they can generate maximum value is regarded as one of the primary determinants for achieving the Group's main targets.

It is ensured that employees are informed about the targets of the units where they work and the expectations of the Group from themselves through effective employee communication, while their participation in decision-making processes is encouraged.

In this direction, objective performance assessment processes taking into account the characteristics required by the positions, personal skills and individual performances are conducted in Human Resources processes that are managed by means of professional systems. The necessary training and development facilities for employees to improve themselves in the best way and to get better at their jobs are provided; career planning practices led by employees taking initiative are carried out.

The competence and performance of employees are assessed through the "Performance Management System: 360° Competence Assessment System", which is carried out by taking the opinions of the "subordinate", "superior", "horizontal stakeholders" and "themselves". While the difference between the positional requirements of employees and their competences is measured via the system, personal development areas are identified in accordance. The system results also constitute the basis for remuneration processes.

During the reporting period, 85% of white-collar employees and 13% of blue-collar employees at Borusan Group received performance feedbacks.

At Borusan Group, the concept of "business leader" carries a meaning beyond the hierarchical structure. Employees at all levels of the organization are considered the leader of the jobs they are responsible for; in accordance, training and development programs that will accompany their personal and professional developments are designed and implemented. Borusan Academy, which was constituted in this direction, allows for the management of the training and development practices of all Group companies from a single center.

BORUSAN ACADEMY

Borusan Academy, which allows for training and development practices aimed at the employees and executives of Group companies to be managed from a single center, ensures the development of the Group's human resource in line with Holding strategies. It is aimed to raise business leaders who have a culture of high performance through strategy-oriented programs that comply with values, aim for high quality and the continuity of development.

Educational programs for employees, such as Borusan Citizenship Training Program that ensures collective vision and corporate adaptation, which every employee can participate within 6 months after their recruitment, Joint Training Programs and Lean 6 Sigma Dissemination Trainings, which employees request to join in accordance with their personal and professional requirements, accompany several proficiency programs.

At the Academy, programs devoted to Borusan Group executives and executive candidates are designed and

trainings are organized for business leaders at all levels of the organization. Among these programs are Executive Orientation Practice, which was designed to facilitate the adaptation of those who became an executive for the first time to their new roles, Lean 6 Sigma Faculty, which is joined by those perceived to have a high potential within the organization and assigned as Project Manager (Black Belt), and the Leadership Faculty that continues for 2 years (25 days) in total, for which executives with high potential are chosen.

During the reporting period, a total of 48,959 man-hour of training was provided to 2,582 employees and 291 executives as part of Borusan Academy programs.



During the reporting period, blue-collar employees were offered 13,620 man-hour, and white-collar employees 35,339 man-hour of training. In the same period, blue-collar contractor personnel were provided with 11,238 man-hour of training, whereas the trainings provided for white-collar contractor personnel amounted to 4,638 man-hour.

Employees at all levels, who achieve their targets, prepare themselves for great responsibilities and create a visible difference through their behaviors, are effectively evaluated at Career Management Meetings organized regularly every year. New career plans are generated for employees who create a difference with their performance and potential, by taking into account the current and probable future structure of the organization.

Borusan Day, organized once a year with the participation of about 2,800 employees, where the corporate strategy and vision, as well as a summary of activities is shared with internal stakeholders, is the most

important internal communication activity. On special occasions, CEO and Senior Management announcements are made regarding developments in investments and new businesses, and all corporate activities are constantly communicated to employees through the intranet system. The satisfaction, loyalty and eagerness of employees are measured through annual employee engagement surveys and the results are considered as a significant input for all human resources processes. All Group companies use the Suggestion System, whereby suggestions provided by employees and deemed appropriate are carried into practice, thereby improving the performance of companies in the areas of operational efficiency, occupational health and safety, environment and employee engagement.

Borusan Group companies come together with university students every year as part of the "New Generation of Talents" practice and they have the chance to meet future Borusan residents.

White Collar Employee Engagement Index	2012	2013	2014
Satisfaction	54.7	62.2	67
Loyalty	58.6	63.6	73
Eagerness	61.0	65.4	74



EMPLOYEE RIGHTS

At Borusan Group, employees are provided with a fair working environment and human resources policies based on employee rights and human rights are pursued. Practices based on merit and social gender equality are conducted in the issues of remuneration and benefits; employees' freedom to unionize and collective agreement rights are protected. A preventive approach is adopted throughout the organization regarding the issues of child labor, forced labor and discrimination; steps are taken in order to generalize this understanding in the supply chain.

A fair policy centered on social gender equality and opposing discrimination is carried out in all human resources practices including remuneration, promotion processes and career management programs, in Group companies. At Borusan Group, the CEO himself appropriates social gender equality policies and programs, while Borusan Holding Human Resources Director and Corporate Communication Director conduct the follow-up of processes.

As of the reporting period, the ratio of women employees to all white-collar employees was realized as 16%, whereas the ratio of women executives to all executives was realized as 15%, across Borusan Group.

At Borusan Group, a business understanding that does not discriminate based on gender, practices equal wage for equal work policy and provides equal opportunities to men and women employees for their self improvement is adopted, while protecting and consolidating this environment is among major business priorities. Human resources policies based on opportunity and social gender equality constitute the basis for all human resources practices, while works aiming at raising awareness among stakeholders and the society are conducted.

Acquiring the "Equality of Opportunity Model Certificate" in cooperation with "Women Entrepreneurs' Association" (KAGIDER), in 2015, in order to certify the social gender equality policies it practices within the corporation, is also among the objectives of Borusan Group. The institutions, which receive the certificate after undergoing an independent evaluation process, register their sensitivity for social gender equality and the empowerment of women in employment through their structures, actions and employment facts before the national and international public.

There are nursing/lactation rooms, from which working mothers can benefit, at all Borusan Group locations. All employees, men and women, who have a child aged 0-6, can benefit from special discounts when their children are educated or attend developmental programs at certain kindergartens or nursery and day care centers. Flexible working practices are used at Group companies according to the feasibilities of the relevant line of work. At Borusan Otomotiv, a work from home practice is carried out, while at other companies role-based flexible working hours are applied.

UNITED NATIONS WOMEN'S EMPOWERMENT PRINCIPLES LEADERSHIP GROUP

Borusan Group, who ranges among 800 companies worldwide, and 20 in Turkey, that have signed the United Nations Women's Empowerment Principles (WEPs), became the first Turkish company to be elected for the United Nations Women's Empowerment Leadership Group upon the invitation received in 2014. Borusan Group plans to conduct works in order to increase the dissemination of the principles, whose number of signatories is aimed to be raised, at the level of SMEs, to provide mentorship for companies intending to sign, thereby sharing its knowledge and experience regarding the empowerment of women.

HAY Job Evaluation System constitutes the basis for remuneration processes in Group companies. Lines of work, which are grouped in accordance with the system, are evaluated with regard to market data taking their size into consideration; it is aimed to pay wages above the determined median. Wages are determined in the light of objective criteria such as assumed responsibility, performance results and seniority; employees of the same level are compared in order to guarantee that there is no gender-based discrimination in remuneration processes.

In the reporting period, there was no incident of discrimination within the operations of Borusan Group.

As of the reporting period, the ratio of Level 1 wages, which is the beginner level at Borusan Group companies, to the minimum wage was realized as 172%.

In 2015, a training practice involving issues related to gender equality is planned to be carried out in all Group companies.

Executives between the ages of 35 and 55 with at least 3 years of seniority are offered a retirement plan that will help them manage their career ending through the Employee Individual Retirement Plan aimed at executive level employees of Borusan Group companies.



As part of the plan, the company makes a contribution to the wage cut applied to relevant employees, all employees within the scope of the plan who have completed 5 years at Borusan Group can assume their savings. Also, all Group employees are offered with the opportunity of health insurance covering inpatient treatment and ambulatory emergency interventions, annual check-up to a varying extent, according to level, and life insurance.

INTERNATIONAL ETHICAL VALUES

According to the human rights policies of the corporation and the 4th and 5th principles of the Global Compact, of which it is a party, there is no child labor or forced labor in any operation conducted by Borusan Group companies, operations that carry these risks are not realized. Works for the formation of an ethical rules text to be signed by contractors and suppliers with whom we work were begun in accordance with the objective determined by Holding Audit and Purchasing departments. The concerned document will involve conditions related to child labor and forced labor.

In the reporting period, there were no incidents indicating that the freedom of association and union rights are at risk in the operations of Group companies.

During the reporting period, all Group operations except Borusan Lojistik operations were audited and evaluated in terms of human rights impacts; no infringements were determined in these areas.

Borusan Social Clubs, established in order to contribute to the social lives of Borusan residents, organize activities such as bowling, trekking, wood painting, dance, diving courses, photography courses and excursions. Group employees are provided with sports opportunities through sports centers at various locations; musical, exhibition and conference activities and art publications within the body of Borusan Culture & Arts Center aim at raising the level of culture of employees and preserving the cultural heritage.

#MyDream is having book cafés where we can gather to read books besides just going to the libraries in our cities. I dream of having the reading groups practice (of which we see many examples abroad) becoming widespread in Turkey, thereby increasing the sharing of ideas among people.

Duygu Horoz
Borçelik



An orange rounded rectangle with a white border, containing the text 'CORPORATE RESPONSIBILITY' in white, bold, uppercase letters.

**CORPORATE
RESPONSIBILITY**

"I have a great debt of gratitude to my country. And I have worked hard all my life to repay it."

The late **Asım Kocabıyık**

THE IMPORTANCE OF BEING PRINCIPLED AND BENEFICIAL

Since its inception, Borusan has been growing by embracing responsibilities for both its nation and the society therein. Accordingly, it continues its development and expansion by creating value for the country, while simultaneously carrying out a wide variety of social responsibility projects.



Borusan Holding conducts its social responsibility activities in line with the guiding principle of "giving back to the community what we get from society". The Company takes it upon itself to both continue its growth by generating value for its country and at the same time to contribute to society. Borusan Holding's primary social responsibility projects focus on the areas of education, culture and the arts and women's empowerment. In order to manage these responsibilities in a manner that is effective and sustainable, the Company has structured all its social activities under the roof of the Borusan Kocabıyık Foundation. In 2014, a total of US\$ 15 million worth of resources was transferred to the Borusan Kocabıyık Foundation for its social responsibility projects.

In order to ensure the permanent success of its social responsibility endeavors, Borusan Holding utilizes the needed know-how and voluntarism energy of its employees, as well as all other necessary resources and equipment. In 2008, Borusan Holding established the Ocean Volunteers Borusan Platform. Platform in order to put the knowledge and skills of Borusan employees to good use in social responsibility projects in the areas of education, culture and the arts, the environment and human rights. Some of the key operating principles throughout this entire endeavor include volunteerism by its employees, thereby ensuring maximum benefit, as well as the systematic and sustainable deployment of all the social responsibility practices realized via the Group companies.

BORUSAN SOMADA SOMA DAYANIŞMA AĞI

BORUSAN SOMA SOLIDARITY FUND

In order to support the families of the coal miners who suffered as victims in the mine disaster that took place in Soma, a donation campaign was started at the initiative of Borusan employees. The "Borusan Soma Solidarity Fund", which was collected via the participation and efforts of Borusan Holding and the Group's companies, was used to support the SOMADA (Soma Solidarity Network) project conducted by the Union of Disaster Psychosocial Services (UDPS). The aim of this project is to provide social and psychological support for families and children who lived through the mine disaster to help them to overcome and hold on to life. As part of the project, the Borusan Soma Solidarity Fund was used to cover the costs of the establishment and management of the first psychosocial support center that was founded in the center of Soma, plus vehicles for two mobile units.

In 2014, 630 volunteer Borusan employees served via the Borusan Ocean Volunteers Platform and worked a total of 2,861 hours in 52 service activities, organized in cooperation with 26 non-governmental organizations.

EDUCATION

Borusan Holding is fully committed to maintain the vision of its founder Asım Kocabıyık to support the cause of education in Turkey. The Borusan Kocabıyık Foundation was established with the donations of the Kocabıyık family and the Borusan Group companies, and continues to add value to society in the area of education since its inception in 1992. To date, Borusan Holding has constructed 9 schools and transferred them over to the national education system.



In the reporting period, Borusan Holding continued its support for the educational institutions it has constructed, primarily the Borusan Otomotiv Zehra Nurhan Kocabıyık Primary School, the Gemlik Borusan Primary School, the Borusan Asım Kocabıyık Technical and Industrial Vocational High School and the Kocaeli University Asım Kocabıyık Vocational School of Higher Education, by helping to provide for their needs.

Values Education for Preschoolers

In an effort to inculcate ethical values in children, the book entitled "Values Education in Preschool", which was prepared by Professor Dr. Gülçin Alpöge with the support of the Borusan Kocabıyık Foundation, was placed in the hands of 5,240 preschool teachers in Istanbul during the reporting period. The book was written



with the objective of guiding teachers and parents in teaching basic ethical values to children during their preschool years. The lessons, which are supported with games, various activities, tales, stories, poems, songs and drama scenarios in each unit, aim for children to adopt these values at an early age instead of learning them by trial and error.



"ROOKIE INSPIRATION" AWARD FOR BORUSAN ASIM KOCABIYIK TECHNICAL AND INDUSTRIAL VOCATIONAL HIGH SCHOOL

Students from the Borusan Asım Kocabıyık Technical and Industrial Vocational High School participated in the "First Robotics Competition Midwest Competition" contest that was organized in Chicago under the sponsorship of NASA, and returned with the "Rookie Inspiration" Award. The performance of the robot built by students of the Asım Kocabıyık TIVH won the hearts of the competition committee at the First competition that has been organized for 20 years for the purpose of increasing the interest of students in science and art of invention, as well as to help them focus on technology development.

Scholarship Support for Youth

Borusan Holding also provides scholarships to support the education of university students both at home and abroad. In this scheme, a total of 131 scholars benefited from the scholarship support provided by the Borusan Kocabıyık Foundation in 2014.



“100 Basic Works” for Primary Schools

Also in 2014, Borusan Holding continued its support of meeting the book needs of primary schools in Anatolia with the “100 Basic Works” prepared by the Ministry of National Education.

Support for the IMAGINE Initiative from Borusan Ocean Volunteers

The Borusan Ocean Volunteers Platform supported the IMAGINE Initiative started by UNICEF as a part of the 25th anniversary of the Convention on the Rights of Children. Volunteers worked towards the collective aim of helping children live in a better world, all in collaboration with UNICEF, which continues its work for the education and protection of children.



ARTS & CULTURE

Borusan Holding believes that raising the level of education and culture of the society in which it operates is one of its top objectives. Acting with the awareness of the responsibility it bears as an institution in the construction of a society that protects its culture and values, the Company sets an example for society with its sensitivity in the area of arts and culture.

Borusan Sanat is the vehicle for furthering this mission as an institution that supports and exhibits art, as well as offering new opportunities on a daily basis for talented youth.



Borusan Sanat is the governing body of the Borusan Istanbul Philharmonic Orchestra (BIPO) which was founded in 1999 and with its dynamic ensemble comprising some of the best classical musicians in Turkey is working to become one of the leading symphonic ensembles in Europe, as well as the Borusan Quartet, the Borusan Children's Chorus, and Borusan Klasik, which is the first classical radio in Turkey that broadcasts over the Internet.

Music for Peace with BIPO

The Borusan Istanbul Philharmonic Orchestra (BIPO), which reaches about 25 thousand music lovers each year through its monthly concerts, offered classical music lovers a special event of four concerts named “Music for Peace with BIPO”. The revenue from this event, organized as a joint venture between Borusan Sanat and the Music for Peace Foundation, was donated to the Music for Peace Foundation, whose purpose is to provide children with the opportunity of classical music education, as well as making the voice of peace heard through music.



Moreover thanks to the special concerts organized, 19 young musicians to date have been given the opportunity of receiving higher education abroad.

Istanbul Music Festival

With the aim of promoting the popularization of classical music among the masses, Borusan continued in 2014 with its tradition of being the main sponsor of the Istanbul Music Festival, an endeavor Borusan has supported from the Festival's inception.

Borusan Music House

The Borusan Music House, home to classical music, world music, jazz, new music and dance since 2010, also hosts contemporary art exhibitions. In 2014, it continued hosting unique projects that contributed to the musical life of Istanbul.



Six Different Exhibitions from Borusan Contemporary

Borusan Contemporary's 2014 program included bringing art lovers together with exhibitions of varied media and conceptual content, alongside selections from established collections. In all, Borusan Contemporary hosted six different exhibitions last year, plus the practice of conducting workshops in parallel with the exhibitions was continued. The workshops, organized throughout the year, brought together both children and adults with art.

"Ancient Theaters of Anatolia"

Ertuğ & Kocabıyık Publications, an important part of Borusan Holding that serves under Borusan Sanat, was established with the mission of acquainting the world with the historic, cultural and artistic heritage of Turkey and Europe. Last year it published its new book, entitled "Ancient Theaters of Anatolia". The large volume, which is composed of the photographs of architect-photographer Ahmet Ertuğ and a vivid text written by R. R. R. Smith, presents extremely well preserved theaters in all their unparalleled detail and glory.

Support for the Excavation Works in the Ancient City of Ephesus

The Ephesus Foundation was established under the leadership of Borusan Holding with the aim of contributing to the development of the ancient city of Ephesus and its international promotion. The Foundation strives to raise funds for the protection and preservation of ancient Ephesus and bring awareness of this marvel around the world. In 2014, the Ephesus Foundation continued to support the excavation works in the city.



WOMEN'S EMPOWERMENT



As a part of helping increase a society's overall quality of life, Borusan Holding believes in the importance of empowering women in both the social and economic spheres of life. This will not only enable the building of a stronger economy and create a more equal society, but it will also help achieve progress in the areas of sustainability and human rights.

Towards this end, the Company initiates projects that facilitate bringing more women into the business world and strengthening the family and national economy. In addition, Borusan Holding is among the signatories of many international protocols and covenants regarding this key issue, particularly the United Nations Women's Empowerment Principles.

"My Mum's Job is My Future"

In cooperation with the Ministry of Family and Social Policies and the Ministry of Science, Industry and Technology, Borusan Holding conducts the project entitled "My Mum's Job is My Future" in order to specifically promote the increase of women's employment in the industry and the empowerment of women in society in general. The goal of this project is to build nurseries and day care centers, individually called "Borusan Joy Factory", where children between birth and six year old will receive care and preschool education services. The scope of this venture is to construct these centers in 10 organized industrial zones in 10 provinces across Turkey. In this manner, women who could not otherwise hold jobs because of the lack of childcare, will now be able to find employment in these industrial centers while their children simultaneously benefit from excellent preschool care in an educational environment that will ensure their mental and physical development.

As a part of this project, in 2014 "Borusan Joy Factory" nursery and day care centers were opened for services in Afyon and Adıyaman. These two centers are now enabling 150 children to receive the benefit of preschool education while their mothers return to their jobs at organized industrial zones. In 2014, the "My Mum's Job is My Future" project was deemed worthy of the Inclusiveness Award at the Corporate Social Responsibility Awards Competition, organized by the Turkish Confederation of Employer Associations (TISK).

Microcredits for Supporting Women Entrepreneurship

Besides supporting the employment of women in the industry, Borusan Holding also offers women who want to start their own business, thereby achieving their economic freedom through entrepreneurship, the opportunity of benefiting from its Microcredit practice. In 2014, credit support was provided to 603 women entrepreneurs who wanted to start or improve their own businesses via Microcredit branches in Afyon and Gemlik. To date, the number of women entrepreneurs who have received microcredit support in various business lines has reached 1,300, while the total credit loan amounts to 3 million Turkish Liras. The areas of work for these women entrepreneurs range from operating bakeries and hairdressing salons to the manufacturing of handwork products.

Support for Women's Studies

Borusan Holding attaches great importance to closing the social gender gap as a sociological issue. The Company believes in the magnitude of contributing to the development of the theoretical background of the issue while conducting tangible, solution-oriented projects. As a consequence, Borusan provides support for universities conducting women's studies both in Turkey and abroad. In this regard, in 2014 Borusan sponsored numerous academic studies and research projects conducted at Koç University, Sabancı University and Columbia University.

Ocean Passengers Young Women Mentorship Project

Borusan employees with different specialties and employed in different Group companies conduct mentorship work in order to ensure that young women who do not have equal opportunities may start their business life better equipped. In 2014, around 100 volunteers from Borusan, working in six different cities, provided support for the Ocean Passengers Young Women Mentorship Project started by Borusan Holding in cooperation with the Women Entrepreneurs Association (KAGIDER).



**PERFORMANCE
DATA**

SOCIAL PERFORMANCE DATA

	2012	2013	2014
Total Workforce	-	7,184	8,012
Direct Employment	-	6,224	6,504
Female	-	1,017	1,043
Male	-	5,207	5,461
Contractor Company	-	960	1,508
Female	-	128	208
Male	-	832	1,300
Total Workforce by Contract Type¹	-	6,224	6,504
Permanent	-	5,843	6,181
Female	-	931	983
Male	-	4,912	5,198
Temporary	-	381	323
Female	-	86	60
Male	-	295	263
Total Workforce by Category	-	6,224	6,504
Blue Collar	-	2,158	2,378
Female	-	12	16
Male	-	2,146	2,362
White Collar	-	4,066	4,126
Female	-	1,005	1,027
Male	-	3,061	3,099

¹ Part-time employment does not occur within the scope of Borusan Group operations.

	2012	2013	2014
Total Workforce by Level of Education	-	6,224	6,504
Elementary Education	-	1,282	813
High School	-	2,078	2,742
University and Above	-	2,864	2,949
Employee Breakdown by Age	-	6,224	6,504
18-30	-	1,864	2,196
31-40	-	2,725	2,759
41-50	-	1,391	1,352
51-60	-	209	174
60+	-	35	23

Senior Management			
By Gender	-	54	58
Female	-	12	11
Male	-	42	47
By Age Group	-	54	58
18-30	-	1	0
31-40	-	4	5
41-50	-	25	30
51-60	-	24	23

Mid-Level Management	2012	2013	2014
By Gender	-	244	269
Female	-	57	66
Male	-	187	203
By Age Group	-	244	269
18-30	-	0	1
31-40	-	79	108
41-50	-	127	128
51-60	-	38	32

Leaving Employees	2012	2013	2014
By Gender	-	1,554	1,710
Female	-	341	348
Male	-	1,213	1,362
By Age Group	-	1,554	1,710
18-30	-	995	1,026
31-40	-	329	415
41-50	-	170	208
51-60	-	60	61

Hired Employees	2012	2013	2014
By Gender	-	1,798	1,796
Female	-	365	361
Male	-	1,433	1,435
By Age Group	-	1,798	1,796
18-30	-	1,365	1,280
31-40	-	330	366
41-50	-	86	129
51-60	-	17	21

Employee Trainings (number of participants)	2012	2013	2014
Blue Collar	-	1,479	1,880
White Collar	-	1,038	850
Employee Trainings (person*hour)			
Blue Collar	-	24,935	13,620
White Collar	-	39,980	33,508
Contractor Employee Trainings (number of participants)			
Blue Collar	-	934	1,561
White Collar	-	741	1,919
Contractor Employee Trainings (person*hour)			
Blue Collar	-	1,131	11,238
White Collar	-	1,562	4,638

Employees Receiving Performance Feedback	2012	2013	2014
Blue Collar	-	-	324
White Collar	-	-	3,502

Employee Satisfaction Indexes	2012	2013	2014
Satisfaction	54.7	62.2	67
Loyalty	58.6	63.6	73
Willingness	61	65.4	74

OHS Trainings (number of participants)	2012	2013	2014
Direct Employment	-	78	21
Contractor Company	-	2	18

OHS Trainings (person*hour)	2012	2013	2014
Direct Employment	-	624	168
Contractor Company	-	16	144

Number of OHS Committees	-	1	1
Number of Members in OHS Committees	-	7	7
Number of Employee Representatives in OHS Committees	-	2	2

Number of Employees Covered by Collective Bargaining Agreements	-	1,624	1,717
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ENVIRONMENTAL PERFORMANCE DATA

Energy Consumption (GJ) ²	2012	2013	2014
Energy Consumption from Non-Renewable Resources	2,908,038	2,910,399	3,108,481
Energy Consumption from Renewable Resources	-	-	10,240

	2012	2013	2014
Total Energy Savings (GJ)	32,080	7,696	3,103

Greenhouse Gas Emissions (CO ₂ e ton) ³	2012	2013	2014
Scope 1 + Scope 2	255,984	273,826	283,708
Scope 3	90,810	103,083	112,282
TOTAL	348,807	378,923	398,004

GHG Emissions Intensity Ratio (CO ₂ e ton/m ²) ⁴	2012	2013	2014
Scope 1 + Scope 2	114.87	123.68	89.62
Scope 3	78.99	86.90	84.96

	2012	2013	2014
Total Amount of Emissions Reductions (ton CO ₂ e)	23,381	37,141	210,000

² Energy data of Borusan Otomotiv ve Borusan Makine ve Güç Sistemleri began to be consolidated as of 2014,

³ The data belonging to Borusan Otomotiv is not included in the consolidated emissions figures, The data belonging to Borusan Otomotiv, Borusan Makine ve Güç Sistemleri and Borçelik are not included in Scope 3 values,

⁴ GHG Emissions Intensity Ratio was calculated with regards to the total annual revenues of companies that are included in emission calculation,

Water Withdrawal by Source (m3) ⁵	2012	2013	2014
Well Water	1,213,649	1,216,190	1,169,966
Municipal Water	71,687	65,524	82,326
TOTAL	1,285,336	1,281,714	1,252,292

Total Water Discharge by Destination (m3) ⁶	2012	2013	2014
Receiving Environment	241,610	246,743	221,717
Sewer	8,400	9,200	36,600
TOTAL	250,010	255,943	258,317

Total Weight of Non-Hazardous Waste by Disposal Method (ton) ⁷	2012	2013	2014
Energy Recovery	33,267	12,942	10,109
Recovery	1,790,186	2,128,461	2,808,113
Dump Site	523,440	18	1,992
Incineration	618	0	368
Other	65,973	112,880	28,680
TOTAL	2,413,484	2,254,302	2,849,262

⁵ Water withdrawal data of Borusan Lojistik, Borusan EnBW Enerji, Borusan Makine ve Güç Sistemleri and Borusan Otomotiv began to be consolidated as of 2014.

⁶ Waste water figures of Borusan Lojistik and Borusan EnBW Enerji are not included in the consolidated data, Figures belonging to Borusan Makine ve Güç Sistemleri and Borusan Otomotiv began to be consolidated as of 2014.

⁷ Waste data of Borusan EnBW Enerji, Borusan Otomotiv and Borusan Makine ve Güç Sistemleri began to be consolidated as of 2014.

Total Weight of Hazardous Waste by Disposal Method (ton) ⁸	2012	2013	2014
Energy Recovery	0	0	24,336
Recovery	1,281,892	1,482,168	631,032
Dump Site	0	881,977	1,042,730
Incineration	0	0	7,780
Other	589	571	20,054
TOTAL	1,282,481	2,364,716	1,608,387

⁸ Waste data of Borusan EnBW, Borusan Otomotiv and Borusan Makine ve Güç Sistemleri began to be consolidated as of 2014.

A teal-colored rounded rectangle with a white border, containing the text 'GRI CONTENT INDEX' in white, bold, uppercase letters.

GRI CONTENT INDEX

GENERAL STANDARD DISCLOSURES

Profile Disclosure	Reported in	Reference Pages	Explanations	External Audit
Strategy and Analysis				
G4-1	Message from the Chairman and the CEO	4-5		-
Organizational Profile				
G4-3	Contact	Inside Back Cover		-
G4-4	About Borusan	9		-
G4-5	Contact	Inside Back Cover		-
G4-6	About Borusan	9		-
	About the Report	3		
G4-7	Borusan Holding Annual Report	133	http://borusanyatirim.com/_file/tr/FaaliyetRaporlari/BorusanYatirim/2014BORUSANFAALIYETENG.pdf	-
G4-8	About Borusan	9		-
G4-9	About Borusan	9		-
	Social Performance Data	60		
	Borusan Holding Annual Report	82-87	http://borusanyatirim.com/_file/tr/FaaliyetRaporlari/BorusanYatirim/2014BORUSANFAALIYETENG.pdf	
G4-10	Working Life	45		-
	Social Performance Data	60		
	GRI Content Index	65	There are no seasonal employment changes in Borusan Group operations.	
G4-11	International Ethical Values	50		-
G4-12	About Borusan	8		-
	Corporate Website	-	http://www.borusan.com.tr/EN/GroupBorusanDetail.aspx	
G4-13	Borusan Holding Annual Report	114	http://borusanyatirim.com/_file/tr/FaaliyetRaporlari/BorusanYatirim/2014BORUSANFAALIYETENG.pdf	-

GENERAL STANDARD DISCLOSURES

Profile Disclosure	Reported in	Reference Pages	Explanations	External Audit
G4-14	Risk Management	12-13		-
G4-15	About the Report	3		-
	Business Ethics And Fight Against Corruption	18-19		-
	Employee Rights	49		-
	Women's Empowerment	58		-
G4-16	Union and Association Memberships	15		-
Identified Material Aspects and Boundaries				
G4-17	About the Report	3		-
	About Borusan	8		
	Sustainability in All Areas	16		
	Social Performance Data	60		
	Environmental Performance Data	62		
G4-18	About the Report	3		-
	Identification of Material Aspects	17		
G4-19	Identification of Material Aspects	17		-
G4-20	About the Report	3		-
	Identification of Material Aspects	17		
G4-21	About the Report	3		-
	Identification of Material Aspects	17		
G4-22	GRI Content Index	66	There are no restatements of information provided in previous reports.	-
G4-23	About the Report	3		-
	Identification of Material Aspects	17		

GENERAL STANDARD DISCLOSURES

Profile Disclosure	Reported in	Reference Pages	Explanations	External Audit
Stakeholder Engagement				
G4-24	Stakeholder Engagement	14		-
G4-25	Stakeholder Engagement	14		-
G4-26	Stakeholder Engagement	14		-
G4-27	Stakeholder Engagement	14		-
	Sustainability Management	16		
	Identification of Material Aspects	17		
	Customer Satisfaction	27		
	GRI Content Index	67	While we have used stakeholder feedbacks in determining the content of the report, we plan to reflect stakeholder expectations to the report more effectively in the upcoming periods.	
Report Profile				
G4-28	About the Report	3		-
G4-29	Corporate Website	-	http://www.borusan.com.tr/_Media/PDF/SurdurulebilirlikRaporuNG2013.PDF	-
G4-30	About the Report	3		-
G4-31	Contact	Inside Back Cover		-
G4-32	About the Report	3		-
	GRI Content Index	65		
G4-33	GRI Content Index	67	Borusan Group Sustainability Report 2014 was not subjected to any external audit.	-
Governance				
G4-34	Corporate Governance	15		-
	Sustainability Management	16-17		
Ethics and Integrity				
G4-56	Business Ethics and Fight Against Corruption	18-19		-

SPECIFIC STANDARD DISCLOSURES

Profile Disclosure	Reported in	Reference Pages	Explanations	External Audit
Category: Economic				
Aspect: Economic Performance	Message from the Chairman and the CEO; Sustainability Management	4-5, 16-17		
G4-EC1	Borusan Holding Annual Report	82-87	http://borusanyatirim.com/_file/tr/FaaliyetRaporlari/BorusanYatirim/2014BORUSANFAALIYETENG.pdf	-
G4-EC2	Message from the Chairman and the CEO	4-5		-
	Sustainability Management	16-17		
	Energy and Climate	33-34		
G4-EC3	Employee Rights	49		-
Aspect: Market Presence	Employee Rights	49		
G4-EC5	Employee Rights	49		-
Aspect: Indirect Economic Impacts	Sustainability Management; Corporate Responsibility	16-17, 53-58		
G4-EC7	Corporate Responsibility	53-58		-
G4-EC8	Corporate Responsibility	53-58		-
Category: Environmental				
Aspect: Energy	Energy and Climate	33-34		
G4-EN3	Environmental Performance Data	62		-
G4-EN6	Energy and Climate	3		-
	Environmental Performance Data	62		
G4-EN7	Product and Service Quality	23		-
	New Products and Services	39		

SPECIFIC STANDARD DISCLOSURES

Profile Disclosure	Reported in	Reference Pages	Explanations	External Audit
<i>Aspect: Water</i>	<i>Environmental Impacts Of Operations</i>	35		-
G4-EN8	<i>Environmental Performance Data</i>	63		-
G4-EN9	<i>Biodiversity</i>	36		-
<i>Aspect: Biodiversity</i>	<i>Biodiversity</i>	36		
G4-EN11	<i>Biodiversity</i>	36		-
G4-EN12	<i>Biodiversity</i>	36		-
G4-EN13	<i>GRI Content Index</i>	69	<i>Borusan Group operations has no significant impact on protected or restored habitats.</i>	-
<i>Aspect: Emissions</i>	<i>Energy and Climate</i>	33-34		
G4-EN15	<i>Environmental Performance Data</i>	62		-
G4-EN16	<i>Environmental Performance Data</i>	62		-
G4-EN17	<i>Environmental Performance Data</i>	62		-
G4-EN18	<i>Energy and Climate</i>	33		-
	<i>Environmental Performance Data</i>	62		
G4-EN19	<i>Energy and Climate</i>	34		-
	<i>Environmental Performance Data</i>	62		
<i>Aspect: Effluents and Waste</i>	<i>Environmental Impacts Of Operations</i>	35		
G4-EN22	<i>Environmental Performance Data</i>	63		-
G4-EN23	<i>Environmental Performance Data</i>	63		-
G4-EN26	<i>Biodiversity</i>	36		
G4-EN26	<i>GRI Content Index</i>	69	<i>There is no body of water significantly affected by Borusan Group's water use.</i>	-

SPECIFIC STANDARD DISCLOSURES

Profile Disclosure	Reported in	Reference Pages	Explanations	External Audit
<i>Aspect: Compliance</i>	<i>Environmental Impacts Of Operations</i>	35		
G4-EN29	<i>Environmental Impacts Of Operations</i>	35		-
<i>Aspect: Overall</i>	<i>Environmental Impacts Of Operations</i>	35		
G4-EN31	<i>Environmental Impacts Of Operations</i>	35		-
<i>Aspect: Environmental Grievance Mechanisms</i>	<i>Sustainability Management</i>	16-17		
G4-EN34	GRI Content Index	70	Borusan Group did not receive any complaints through the official grievance mechanisms regarding the environmental impact of its operations during the reporting period.	-
Category: Social				
Sub-Category: Labor Practices and Decent Work				
<i>Aspect: Employment</i>	<i>Working Life</i>	45-50		
G4-LA1	<i>Social Performance Data</i>	61		-
G4-LA2	<i>Employee Rights</i>	48-49		-
	<i>Corporate Website</i>	-	http://www.borusan.com.tr/EN/UcretYonetimiVeYanHaklar.aspx	
<i>Aspect: Labor/Employment Relations</i>	<i>Risk Management and Internal Auditing</i>	12-13		
G4-LA4	GRI Content Index	70	In case of operational changes, Borusan Group companies comply with the minimum period of notice defined by the laws and regulations.	-
<i>Aspect: Occupational Health and Safety</i>	<i>Occupational Health and Safety</i>	46		
G4-LA5	<i>Occupational Health and Safety</i>	46		-
	<i>Social Performance Data</i>	62		

SPECIFIC STANDARD DISCLOSURES

Profile Disclosure	Reported in	Reference Pages	Explanations	External Audit
G4-LA6	Occupational Health and Safety	46	During the reporting period, no incidents of occupational disease or work-related fatalities occurred within the scope of Borusan Group operations. Consolidated figures for injury rate, lost day rate and absentee rate cannot be provided. Related data will be disclosed as of 31.12.2015.	-
	GRI Content Index	71		
G4-LA7	GRI Content Index	71	No operations carried out by Borusan Group companies bear risks of specific occupational diseases.	-
G4-LA8	Occupational Health and Safety	46		-
Aspect: Training and Education	Talent Management	48		
G4-LA9	Talent Management	48	Training data cannot be provided with gender breakdown. Related data will be disclosed as of 31.12.2015	-
	Social Performance Data	61		
	GRI Content Index	71		
G4-LA11	Talent Management	47		-
	Social Performance Data	62		
Aspect: Diversity and Equal Opportunity	Employee Rights	48-49		
G4-LA12	Employee Rights	48-49		-
	Social Performance Data	61		
Aspect: Equal Remuneration for Women and Men	Employee Rights	49		
G4-LA13	Employee Rights	49		
Aspect: Labor Practices Grievance Mechanisms	Sustainability Management	16-17		
G4-LA16	GRI Content Index	71	No Borusan Group company received complaints through the official grievance mechanisms regarding their labor practices during the reporting period.	-

SPECIFIC STANDARD DISCLOSURES

Profile Disclosure	Reported in	Reference Pages	Explanations	External Audit
<i>Sub-Category: Human Rights</i>				
<i>Aspect: Non-discrimination</i>	<i>Sustainability Management; Employee Rights</i>	16		
<i>G4-HR3</i>	<i>Employee Rights</i>	48-49		-
<i>Aspect: Freedom of Association and Collective Bargaining</i>	<i>International Ethical Values</i>	50		
<i>G4-HR4</i>	<i>International Ethical Values</i>	50		-
<i>Aspect: Child Labor</i>	<i>International Ethical Values</i>	50		
<i>G4-HR5</i>	<i>International Ethical Values</i>	50		-
<i>Aspect: Forced and Compulsory Labor</i>	<i>International Ethical Values</i>	50		
<i>G4-HR6</i>	<i>International Ethical Values</i>	50		-
<i>Aspect: Security Practices</i>	<i>International Ethical Values</i>	50		
<i>G4-HR7</i>	<i>GRI Content Index</i>	72	<i>Security personnel employed by Group companies undergo training concerning the policy, procedure and legal obligations regarding human rights.</i>	-
<i>Aspect: Indigenous Rights</i>	<i>International Ethical Values</i>	50		
<i>G4-HR8</i>	<i>GRI Content Index</i>	72	<i>No incidents of violations involving rights of indigenous people occurred during the reporting period.</i>	-
<i>Aspect: Human Rights Grievance Mechanisms</i>	<i>International Ethical Values</i>	50		
<i>G4-HR12</i>	<i>GRI Content Index</i>	72	<i>No Borusan Group company received complaints through the official grievance mechanisms regarding their compliance with human rights during the reporting period.</i>	-

SPECIFIC STANDARD DISCLOSURES

Profile Disclosure	Reported in	Reference Pages	Explanations	External Audit
<i>Sub-Category: Society</i>				
<i>Aspect: Local Communities</i>	<i>Sustainability Management</i>	<i>16-17</i>		
<i>G4-S02</i>	<i>GRI Content Index</i>	<i>73</i>	<i>No Borusan Group company conduct operations with significant actual and potential negative impacts on local communities.</i>	<i>-</i>
<i>Aspect: Anti-corruption</i>	<i>Business Ethics and Fight Against Corruption</i>	<i>18-19</i>		
<i>G4-S04</i>	<i>Business Ethics and Fight Against Corruption</i>	<i>18-19</i>		<i>-</i>
<i>G4-S05</i>	<i>Business Ethics and Fight Against Corruption</i>	<i>18-19</i>		<i>-</i>
<i>Aspect: Public Policy</i>	<i>Business Ethics and Fight Against Corruption</i>	<i>18-19</i>		
<i>G4-S06</i>	<i>GRI Content Index</i>	<i>73</i>	<i>Borusan Group does not make directly or indirectly any financial and in-kind political contributions.</i>	<i>-</i>
<i>Aspect: Anti-competitive Behavior</i>	<i>Business Ethics and Fight Against Corruption</i>	<i>18-19</i>		
<i>G4-S07</i>	<i>Business Ethics and Fight Against Corruption</i>	<i>18-19</i>		<i>-</i>
<i>Aspect: Compliance</i>	<i>Business Ethics and Fight Against Corruption</i>	<i>18-19</i>		
<i>G4-S08</i>	<i>Business Ethics and Fight Against Corruption</i>	<i>18-19</i>		<i>-</i>
<i>Aspect: Grievance Mechanisms for Impacts on Society</i>	<i>Risk Management</i>	<i>12</i>		
<i>G4-S011</i>	<i>GRI Content Index</i>	<i>73</i>	<i>No Borusan Group company received complaints through the official grievance mechanisms regarding their impact on society during the reporting period.</i>	<i>-</i>

SPECIFIC STANDARD DISCLOSURES

Profile Disclosure	Reported in	Reference Pages	Explanations	External Audit
<i>Sub-Category: Product Responsibility</i>				
<i>Aspect: Customer Health and Safety</i>	<i>Product and Service Safety and Security</i>	24		
<i>G4-PR1</i>	<i>Product and Service Safety and Security</i>	24		-
<i>G4-PR2</i>	<i>Product and Service Safety and Security</i>	24		-
<i>Aspect: Product and Service Labeling</i>	<i>Customer Satisfaction</i>	27		
<i>G4-PR5</i>	<i>Customer Satisfaction</i>	27		-
<i>Aspect: Marketing Communications</i>	<i>Strategic Planning</i>	13		
<i>G4-PR6</i>	<i>GRI Content Index</i>	74	<i>Borusan Group companies do not sell products that are banned in certain markets and/or subject of stakeholder questions or public debate</i>	-
<i>G4-PR7</i>	<i>GRI Content Index</i>	74	<i>No incidents of non-compliance with regulations and voluntary codes concerning marketing communications occurred during the reporting period..</i>	-
<i>Aspect: Customer Privacy</i>	<i>Customer Data Security</i>	26		
<i>G4-PR8</i>	<i>Customer Data Security</i>	26		-
<i>Aspect: Compliance</i>	<i>Business Ethics and Fight Against Corruption</i>	18-19		
<i>G4-PR9</i>	<i>GRI Content Index</i>	74	<i>During the reporting period, no significant fines were paid for non-compliance with laws and regulations concerning the provision and use of products and services.</i>	-

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