

# SUSTAINABILITY REPORT

2017







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\* GRI (Global Reporting Initiative)  
 \*\* UNGC (United Nations Global Compact)

**ABOUT**

**THE REPORT**

The background is a dark blue gradient with a diagonal line running from the bottom left towards the top right. Three water droplets of varying sizes are scattered across the upper half of the image, reflecting light and creating highlights.

As **NUROL**  
**HOLDING,**

we are pleased to present our report  
in accordance with **GRI** and **UNGC**  
standards to our stakeholders.



**We want to shape  
the future  
together  
with our stakeholders.**

As NUROL Holding, one of the long-established companies in Turkey, we aim at achieving success and continue to embrace our principle for working hard to continuously carry forward the company's goals throughout our existence for more than 50-years. On one hand, we continue to implement contemporary methods on every sector that we serve, on the other, we are trying to provide sustainable conditions for the future. We are taking steps to always provide the best for our employees, our country, and the World. In order to support this approach internationally also, we undersigned the United Nations Global Compact (UNGC) in "Participant" status. We carry out more in-depth focus on governance, training, environment, energy, human capital, working conditions, social equality and innovation. **In order to reinforce to all our stakeholders the future by acting together with all of our stakeholders, we will continue our efforts in cooperation with our employees, clients and business partners.**

Consequently; we aim to explain our activities, performance and goals to all our stakeholders by means of our Sustainability Reports, prepared based on international standards. Thus, in line with our vision, **we present you our Sustainability Report; which meets the UNGC and the Global Reporting Initiatives (GRI) Standards' "Core" option.**

The actions taken towards the preparation of this report were coordinated by NUROL Holding Press and Public Relations Department and the supported by ESG Turkey Consultancy.





### Compliance with UNGC and GRI Standards

The scope and details of the topics included in our Report are a result of the materiality analysis conducted during the reporting process. We have developed the content of the report in line with the important and material sustainability topics for our stakeholders and NUROL Holding. The preparation process of the Report based on GRI's Sustainability Reporting Standards' "Core" option is explained at the "Our Sustainability Approach" section and the compliance to its requirements is provided at the last section of the Report, which is "GRI Content Index". In addition to GRI Standards, the Report is in accordance with the UNGC Communication on Progress and the UNGC Index is also shown in the last section of the Report.

### Scope of the Report

It is our first Sustainability Report (shortly; the Report or our Report); to be published **based on numerical data gathered on our governance, economy, environment, social and ethical activities**. Unless otherwise stated, the reporting period referred to within this Report covers between **January 1, 2017 - December 31, 2017** or the situation as of the date of December 31, 2017.

### Boundaries of the Report

The activities and data about governance, environment, occupational health and safety, ethics and social topics that are within the scope of our Report are gathered from **NUROL Holding** and its group companies with brand names of **NUROL Construction, TUMAD, FNSS, NUROL Technologies and NUROL Makina**.

NUROL Holding and the above mentioned five companies can be referred to as "companies covered by the Report", other companies under NUROL Holding can be referred to as "non-reporting companies", "other Holding companies", or shortly "other companies". Additionally, activities carried out by the **"NUROL Education, Culture and Sports Foundation"** and the **"NUROL Art Gallery"** are also included at the section of our Corporate Social Responsibility activities.

**Economic data and our financial indicators cover our companies that are in our consolidated tables.** The list of above mentioned companies can be found in **"Our Corporate Profile"** section and **the external audit statement** can be accessed through NUROL Holding's Annual Report 2017 on page 13. **ESG Turkey Consultancy** provided an external professional consultancy service; however, did not perform an auditing activity.

Names of all the NUROL Holding companies included and not included in the reporting are stated in "Our Corporate Profile" section. The expressions; "NUROL Holding Companies", "Holding Companies", "NUROL Group of Companies", "Group Companies", "NUROL Companies", "Us", "Group of Companies", "Group", "Our Companies" refer to these companies that will be mentioned.

### Feedback

We have also designed our sustainability report as a regular dialogue platform with our stakeholders. Therefore, we aim to publish our Sustainability Report annually and improve the content of the Report. For your contribution to the field and your suggestions, **comments and questions regarding sustainability** you can contact primarily via email and our other communication channels.

**Email:** [info@nurol.com.tr](mailto:info@nurol.com.tr)

# MESSAGE FROM THE CHAIRPERSON

Dear Stakeholders,

With over half a century of presence, as NUROL Group of Companies, gathering around 40 companies active in a wide range of sectors from the construction to the defense industry, from energy to mining, tourism, finance, trade and service sectors and employing over ten thousand employees, is being referred to with success not only in Turkey, but also in a wide geography encompassing Asia, Europe, Africa and the Middle East.

Our investments, both in Turkey and abroad, have always been human oriented since the day we were established. **We believe that quality and trust are not exclusive to buildings or structures; and that they become permanent with human oriented investments, eco-friendly living styles and by preserving historical values.**

We combined our principles, shaped with lessons-learned from our experiences, with contemporary perspectives. We have produced modern projects that meet modern technological requirements. **In view of our awareness that our greatest wealth is our homeland, we have not neglected to contribute, during our intensive activity, to the local people and the ecosystem in regions where we do business.**

**When I was asked how I had become a successful businessperson years ago, I had mentioned how being fair, honest, hardworking, exemplary, combining traditions with innovations, and giving back to the state what you had received were important.** These characteristics are indeed the virtues every individual must have in order to continuously progress. It is with this awareness, and as a requirement of our social responsibility understanding, that we have carried out important projects in many fields essential to our country. These projects cover a wide framework including education, culture and arts, and environment.

**We have signed the United Nations Global Compact (UNGC) in order to create sustainable conditions for the future and to carry out our activities in a common ground for the benefit of our employees, our nation, and the world we share with billions of people.** We would like to share with you the activities of our Holding and affiliated companies and our Sustainability Report, which we prepared based on the international standards of the UNGC with joined as of 2018 and the Global Reporting Initiative. Our support to these initiatives will continue in the coming years.

It is our profound pleasure to see that along with the added value we have created for our country in economic terms

with our accomplished projects for the last 55 years, we have provided many social and environmental values to the lands where we live in.

We believe the sustainability of our business depends on the sustainability of the environment and the society we live in. It is with this belief that we aim to create and ensure the sustainability of social responsibility awareness and business culture, which is the common language the Global Compact promotes, within our groups as well as our stakeholders and our entourage.

In this sense, the fact that in a globalizing world companies, customers, suppliers, individuals and non-governmental organizations are inseparable and form an association from a social perspective cannot be ignored. In the process of globalization where we foresee that even a step taken by an individual can affect the people miles



away, I am proud to be collaborating with especially our valued employees and our valued stakeholders in the implementation of the Sustainable Development Goals in the geography where we work.

What matters most is not to live long, but to live by leaving a beautifully remembered name behind you with valuable works, lasting marks, respect and love. As much as for people, this is also valid for companies. Today, we have to understand the needs of our customers all over the world, provide products that exceed their expectations and achieve the highest customer satisfaction. We should continuously improve the quality of our products and services and continuously pursue innovations. Therefore, we need to give high importance to R&D activities. We must never make concessions from our occupational health and safety regulations and our environmental policy, which aims to preserve the nature entrusted to us to leave our children. We should create the safest working environment by minimizing the risk in workplace the

environments. For this, we need to provide our employees the necessary trainings and equipment. We should always consider the well-being of employees as our own. If we are to succeed, we must be successful by doing all this.

Within this context, **while sharing our first sustainability report with you;**

**I am convinced that those after us will bring our Company, respecting our values and principles, to its 100 years with much greater success,**

**I would like to thank firstly our employees and all our stakeholders who have added value to us by witnessing our over half a century past.**

**Nurettin ÇARMIKLI**  
NUROL Holding  
Chairperson of the Board

The background of the entire page is a dense, overlapping pattern of large, tropical-style leaves, possibly banana leaves, in various shades of teal and dark green. The leaves are oriented in different directions, creating a complex, layered texture.

# OUR CORPORATE PROFILE



**NUROL** grows **sustainably**

and continues its **domestic**  
and **foreign investments**  
while preserving its existence  
based on solid foundation.

# OUR CORPORATE PROFILE



Erol ÇARMIKLI

Nurettin ÇARMIKLI

M. Oğuz ÇARMIKLI

In line with its ethical values;  
**NUROL** develops strategies and participates in projects to solve social problems and to support modern life standards, as well as its commercial activities.

Established with a view of operating in the fields of construction and contracting as its core areas of business, NUROL continues to grow and develop through the companies established in various sectors. Exceeding its half a century of business experience, **ÇARMIKLI Family** today heads one of Turkey's leading business groups. A group that continues to advance in line with the requirements of the era while preserving its commitment to tradition and finding a balance between its company values and its family values.

Having achieved sustainable growth by renewing its short and medium-term plans in line with its strategic targets, **NUROL continues to invest both in the domestic and international markets, while preserving its well-founded presence.**

Taking a look at the history of NUROL Holding, we can briefly summarize it as follows: ÇARMIKLI Family, of Artvin Arhavi origin, has been engaging with the trade for nearly a century and starts to concentrate on construction and contractual works. Father of the family, Eyüp Sabri ÇARMIKLI, has been a merchant tailor in Ardahan and continued his business life with working in woollen hosiery and contracting business. After he passed away, his children continued working on his business and expanded it.

**Established in 1966** to oversee the coordination of the Group of Companies according to the principles of corporate governance, NUROL Holding today continues its activities with **approximately 40 subsidiaries**, affiliates and project partnerships, **both at home and abroad.**

With well-established companies operating in many important sectors such as construction, machinery, defense and manufacturing, finance, mining, energy, tourism and service. The Holding continues its investments through its activities, creating value added to the economy by prioritizing efficiency and quality.

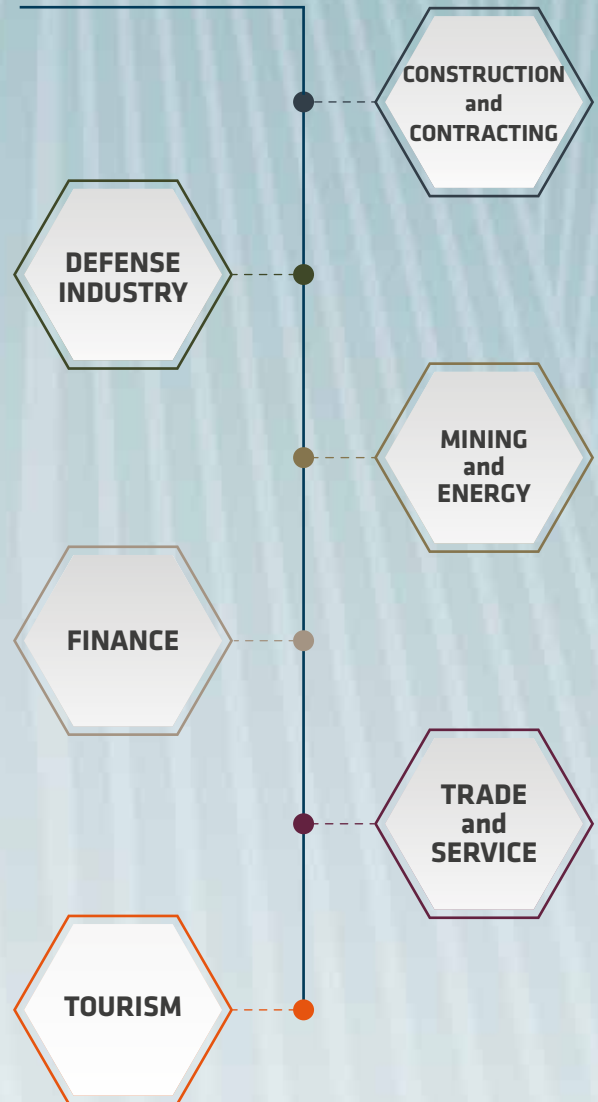
# WE ARE A FAMILY

As of today, NUROL Group of Companies with over a half-century experience made a name for its success not just in Turkey, but in many countries of the world.

NUROL Group of Companies' abroad operations are spread across a wide geography that includes Morocco, Algeria, Tunisia, Congo, the Czech Republic, Poland, Romania, Libya, Georgia, Saudi Arabia, Iraq, the United Arab Emirates, Qatar, Turkmenistan, Kazakhstan, Uzbekistan, Afghanistan, Russia, Philippines and Malaysia. Since its establishment, NUROL Construction has undersigned many major infrastructure projects in Turkey and has become **one of the world's largest international contracting firms, with many completed mega projects** under its belt and many others underway in several different countries. These operations mark NUROL Construction as the flagship of the group. Consequently, operations of Our Group continue mainly in construction and contraction along with, manufacturing, industry, energy, mining, tourism, finance, trade and service.

In addition to its business operations, and in line with its ethical values, NUROL has also set out various strategies and takes part in projects with **a view to resolving social problems and improving contemporary life standards**. With their sense of corporate social responsibility, the Group of Companies, together with their employees, have assumed the task of serving society by putting and the environment first. Founded by the ÇARMIKLI Family, the **NUROL Education, Culture and Sports Foundation is committed to contributing to the development of education**, as well as culture and arts, given the key role they play in the development of a country.

## SECTORS



# Our Vision

As NUROL Family, we are conscious of our responsibilities.

Our main aim is to be the best, by featuring the quality of our work in the sectors we participate in, and to create the highest social and economic values for our country.

# Our Mission

To carry this strong structure, which is created by the principles verified by local or abroad experiences, to the next generations with a sense of conventionality together with an innovative approach and to produce the best goods and services with the strength we take from the society and our employees.





# OUR CORPORATE VALUES

## Quality, Reliability, Dignity

Dating back to a renowned history of half a century our dignity has been based on quality and reliability. **Our commitment** is, to submit all of our projects flawlessly and on time; to create durable and qualified workers and to produce **the most reliable goods and services**. While realizing these, we never compromise on honesty, accuracy and stability. Our most essential principle is to work continuously as much as we can, to aim the highest accomplishments and **to progress further and further**.

## Conventionality and Innovation

Under this solid roof, aged half a century, **tradition and innovation have been combined**. We create our future by carefully placing contemporary and progressive approaches on the basis of our deep-rooted and lasting values. With our continuously learning and progressing structure we work hard for providing visible contributions to our workers, business partners and clients.

## Equity, Fairness, Fidelity

**Even the smallest of our accomplishments is big enough not to be just a single person's work**. Considering the fact that people can only accomplish great things by trusting and relying on each other, our managers and all the workers within Our Group have been interlocked as a family. All the members of NUROL Family have a strong team spirit based on a constituent comprised of affection-respect-devotion.

## Social Benefit

**With the awareness of us being a part of the society**, we give **the utmost care** to our corporate targets to be in tune with the interests of the country and society. To create a sustainable future, we search for our share of obligations and fulfil them **in the most beneficial way**.

## Environmental Consciousness

One of the basic principles of our corporate culture is to remember that the awareness of giving the priority **to increase the life quality of the next generations** can only be managed **by preserving the nature and helping the ecological system in all our business processes**.



# SECTORS

SECTORS

*Construction  
and Contracting*

*Mining and  
Energy*

*Finance*

*Defense  
Industry*

*Tourism*

*Trade and  
Service*



# CONSTRUCTION AND CONTRACTING

**N**UROL  
**CONSTRUCTION**  
**has applied appropriate  
architectural and  
engineering solutions  
to its projects in every era  
according to the needs of  
modern life.**

In the global sense, NUROL Construction has proud references as a result of its considerable contributions to the construction and contracting sector. With its well-established corporate culture and experiences, NUROL Construction has successfully completed many major infrastructure projects such as the construction of roads, bridges, viaducts, tunnels and dams along with its superstructure projects regarding the construction of industrial plants, hotels, shopping malls and residences. During its establishment years, it has contributed to agriculture through irrigation projects and heavy industry with turn-key industrial facility constructions. As always being the most effective and innovative in its projects, in 1976, NUROL Construction has been the first company in Turkey to use the “New Austrian Tunnel Opening” technology during the construction of the Ayaş Tunnel.

NUROL Construction has completed the satellite cities with their marvelous design, luxury housing projects and has implemented necessary contemporary technical and architectural engineering solutions in each period.

Ilisu Dam and Hydroelectric Power Plant (HPP) Project to be completed will be Turkey’s second biggest dam in terms of reservoir storage with 11 billion m<sup>3</sup>, 1.200 MW of installed capacity and 4.1 billion kWh of annual energy generation capacity a will contribute to Turkey for closing its energy deficit.

MARMARAY the Bosphorus Rail Tube Crossing Project connected the two coasts of Istanbul with a 60 meters under-the-sea railway line by using advanced technology.



Projects of proud for Turkey were conducted by use of up to date technology, engineering solutions on design and totally local workforce.

“Gebze-Orhangazi-İzmir Highway” project was the biggest Build-Operate-Transfer project in the history of Turkish Republic at its launch date, with project value of USD 7.5 billion. It will reduce the travel time from 9 hours to 3.5 hours between İstanbul-Izmir. During the construction of the “South Approach Viaduct” with 33.000 tons of overall steel construction; **new world record** is broken by pushing and dragging a steel structure of 22.500 tons in weight for 1.123 meters in distance. Additionally, **new record for Turkey** is broken by lifting the last apron with 2.600 tons in weight. The Osmangazi Bridge, the most important part of the project, became **the world’s fourth and Europe’s second longest bridge** with its central span of 1.550 meters and its length of 2.907 meters including its apron connections.

Gulf countries play **an important role in NUROL Group of Companies’ overseas construction operations.**

Within the scope of ongoing projects in the United Arab Emirates, under the sponsorship of the leading investors of the region, the total area of residences built within the framework of **satellite cities in Dubai** exceeded 500.000 m<sup>2</sup>, besides urban infrastructure and technological steel manufacturing projects were included among the references.

On the other hand, among our projects in **Abu Dhabi** are **cross-sea bridges** and canals; infrastructure constructions including various bridges and tunnels; **luxury hotels and residences.**

Our construction works in North Africa, started in **Algeria** and expanded into **Morocco**. Infrastructure projects such as **dams, bridges, highways and institutional buildings** are of our North Africa projects.

NUROL Construction has been listed in the **“ENR Top 250 Global Contractors List”** for the last thirteen years, with great proud.

**NUROL Real Estate Investment Trust**, which stands out for its significant investment expenditures among our other companies serving in the construction and contracting sector under our Group of Companies, continues to provide services regarding housing and office projects in İstanbul (**NUROL Park, NUROL Tower, NUROL Life**) and shares its experience in land development, project design, construction and marketing to the sector in general.

The public offering of NUROL Real Estate Investment Trust was realized in 1999 and listed on Borsa İstanbul.

# DEFENSE INDUSTRY

**N**UROL Makina, FNSS, NUROL Technology and BNA companies, our companies in defense industry, serve in NATO Quality Standards.

**NUROL Makina**, among Turkey's and the world's leading companies, continues to exhibit its success in this field with its investments in technology growth, **R&D studies** and continuously improving unique designs in defense industry. Ejder YALÇIN, Ejder TOMA and Yörük vehicles are highly appreciated and in demand both in Turkey and abroad; their production process has the maximum domestic contribution margin, as they are produced fully by Turkish engineering solutions and brought into use for Turkish Armed Forces and security forces.

In addition to its contributions to the service of the Turkish Defense Industry, **NUROL Makina** provides products to the defense industry inventory of many countries from Africa to Europe and from the Middle East to the Far East.

**FNSS**, has been manufacturing primarily armored combat vehicles, and then various kinds of vehicles and weapon systems. FNSS is a globally trusted and respected **Turkish Defense company with its genuine Turkish designed tracked armored fighting vehicle Kaplan**, 4X4, 6X6 and 8X8 wheeled armored combat vehicles named **PARS** and armored military engineer vehicles **Samur** and **Kunduz** which are rare vehicles around the world. FNSS is one of the most important suppliers of the Turkish Armed Forces.



FNSS continues to be the leader in its sector with its export volume over USD 2.5 billion since the day it was established. Besides, it keeps adding value to all its stakeholders with its 30 years of expertise and innovative solutions.

**NUROL Technologies Inc.** has been established in modern production facilities, structured according to lean settlement and production methodology, within the vision of NUROL Holding for creative ideas and innovate approach. It has the capability to customly design and produce **high-tech nanomaterials and ballistic ceramics that could be manufactured only in 4 countries in the world.**

Ballistics products, which are extremely critical for our country and very few countries have the technology in the world, are prescribed according to customer requirements. They primarily meet inland demand and then are exported through all over the world.

By using composite layers on Defense Industry's land, air and sea platforms; NUROL Technologies Inc. presents its products, which have proven themselves in real life use,

to use of domestic and international security forces in the most effective and fastest way.

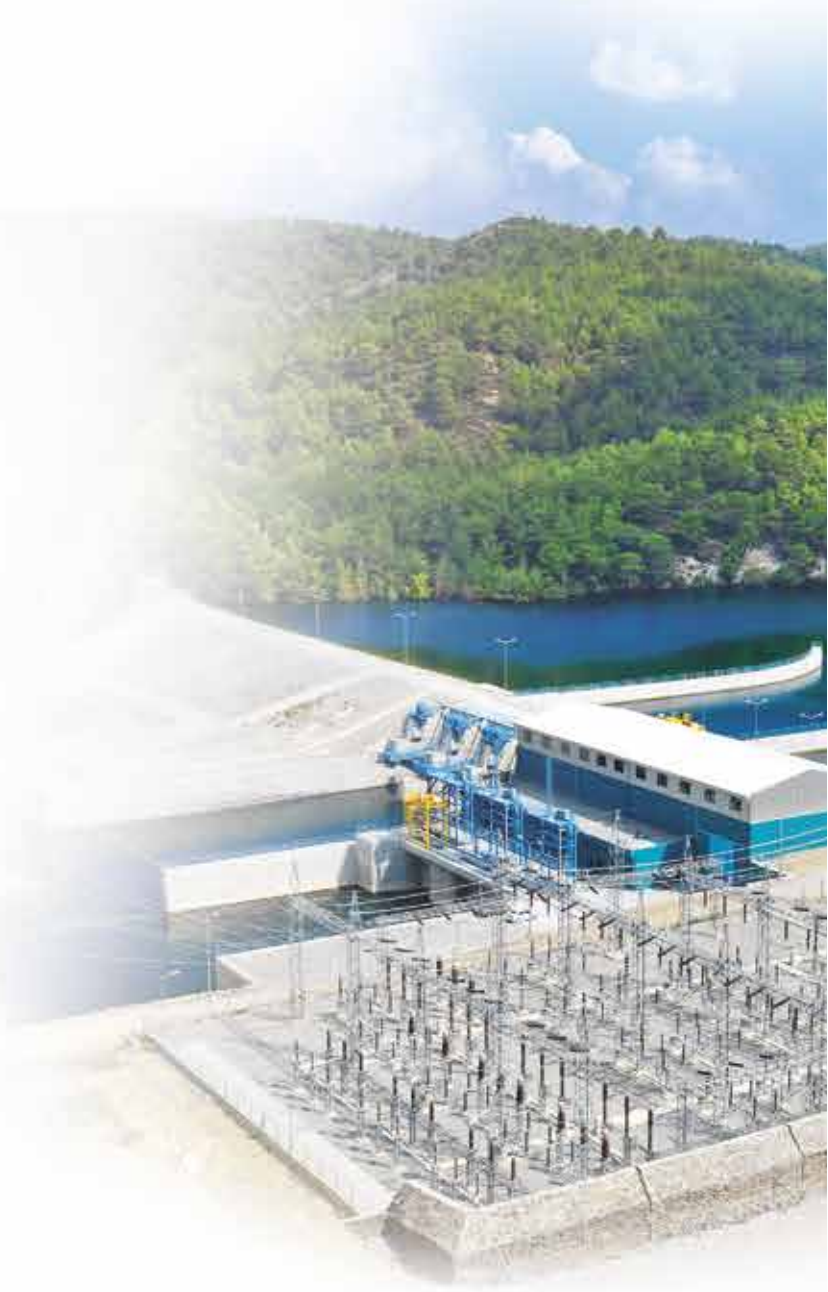
**BNA** has been established by partnership with NUROL Holding and BAE Systems within the vision of creating a unique capability for the aviation and defence industry.

**BNA** reinforces its presence with NUROL Holding's existing local position and strong infrastructure, and BAE Systems' in-depth knowledge and technological experience. BNA aims to become the Primary Level Supplier of aviation products, within the scope of its vision and activity span.

Accordingly, **BNA** is advancing with firm steps towards becoming an international brand in its field of activity by creating R&D programs, undertaking the responsibility of both design and production, developing supplementary capabilities to existing local products and capabilities.

Our companies in defence industry; NUROL Makina, NUROL Technologies Inc. FNSS, and BNA serve in NATO Quality Standards.

# MINING AND ENERGY



**W**e apply modern technologies to bring our domestic resources into the economy in the field of energy and mining.

TÜMAD operates in the gold mining sector and provides economic and social development in its areas of operation by caring for the environment, respecting for the values, creating fiduciary relationships, developing open and transparent communication. **TÜMAD** started to operate **the Çanakkale Lapseki mine with 100% domestic capital, where the national and international standards** of occupational health and safety, environment and social relations, quality, supply chain, workforce, and integrated management systems are **best applied**.





The first gold casting of Balıkesir İvrindi Project, which is in the construction phase, was planned for 2019. In 10 years time; TÜMAD targets to provide 1 million ounces of gold production, TL 6 billion of direct economic impact and TL 24 billion of added value from its 2 projects in gold mining, effectuated with an investment of over USD 300 Million.

TÜMAD carries out every stage of its projects with sustainable mining approach. In addition to its mining activities puts great importance on the rehabilitation processes, and carries out afforestation activities together with its stakeholders.

NUROL Holding continues to operate in the energy sector with its **Ceyhan and Göksu Power Plants** to support the energy need of our country. Established as a result of the efforts driven **with the aim of developing renewable energy resources and increasing its use in our country, NUROL Solar is a company that provides project-based turnkey solar energy systems to its end users.**

# TOURISM

**N**UROL Tourism Group provides travel, hospitality, accommodation, entertainment, organization and relaxation experiences with the best service.

As for tourism, NUROL is the owner of **Sheraton Hotel Ankara** with its congress, meeting and exhibition hall of 4.800 m<sup>2</sup> in total, along with the **Lugal a Luxury Collection Hotel Ankara** for high segmented guests. NUROL service mentality is based on customer satisfaction oriented, beyond 5-star facility and service quality, up to date technology and continuous improvement in accordance with changing customer demands.

In addition, NUROL is also the owner of 5-star resort hotel named **Club Salima** located at Kemer- Antalya, with a capacity of 411 guest rooms and 84.000 m<sup>2</sup> usage area in total out of 60.000 m<sup>2</sup> is green field.



It presents warm and peaceful ambiance to its guest from all around the world. **Bosfor Tourism and Trading Inc.** provides services on domestic and international flight tickets, hotel reservations together with airport/hotel transfers and guiding. It focuses on VIP hosting, transportation, accommodation and guiding services with its **Group "A" Travel Agency Certificate.**

In Georgia, another country where NUROL operates, **Batumi's first five-star hotel, Sheraton Batumi Hotel**, with its 220 rooms and its social complex, has joined our Group.



# FINANCE

**W**ith its strong rating, NUROLBank supports our country's development with its corporate and investment banking activities.

**NUROLBank** has been offering wide range of services in investment banking and corporate banking to its customers.

NUROL Investment Bank was the **eighteenth investment bank** in the Turkish Banking sector to be **graded by Moody's and announced to the public**. Besides, it became the **second investment bank to receive a Moody's rating** after Türkiye Sınai Kalkınma Bankası - TSKB (Industrial Development Bank of Turkey). NUROLBank; has settled at the same risk level with the top three banks of our country at the time grade is announced and gained a significant place in the sector map.



**NUROL Insurance and Brokerage Services Inc.**, since its establishment in **1994**, has been making a name for itself in the field of corporate insurance by its practices prioritizing its customer demands and interests, by its services developed by following the recent developments in insurance sector, and by projects in its portfolio. Thanks to its CRM, NUROL Insurance provides high quality service by meeting the changing needs of both NUROL Group employees and non-group customers with the right products.



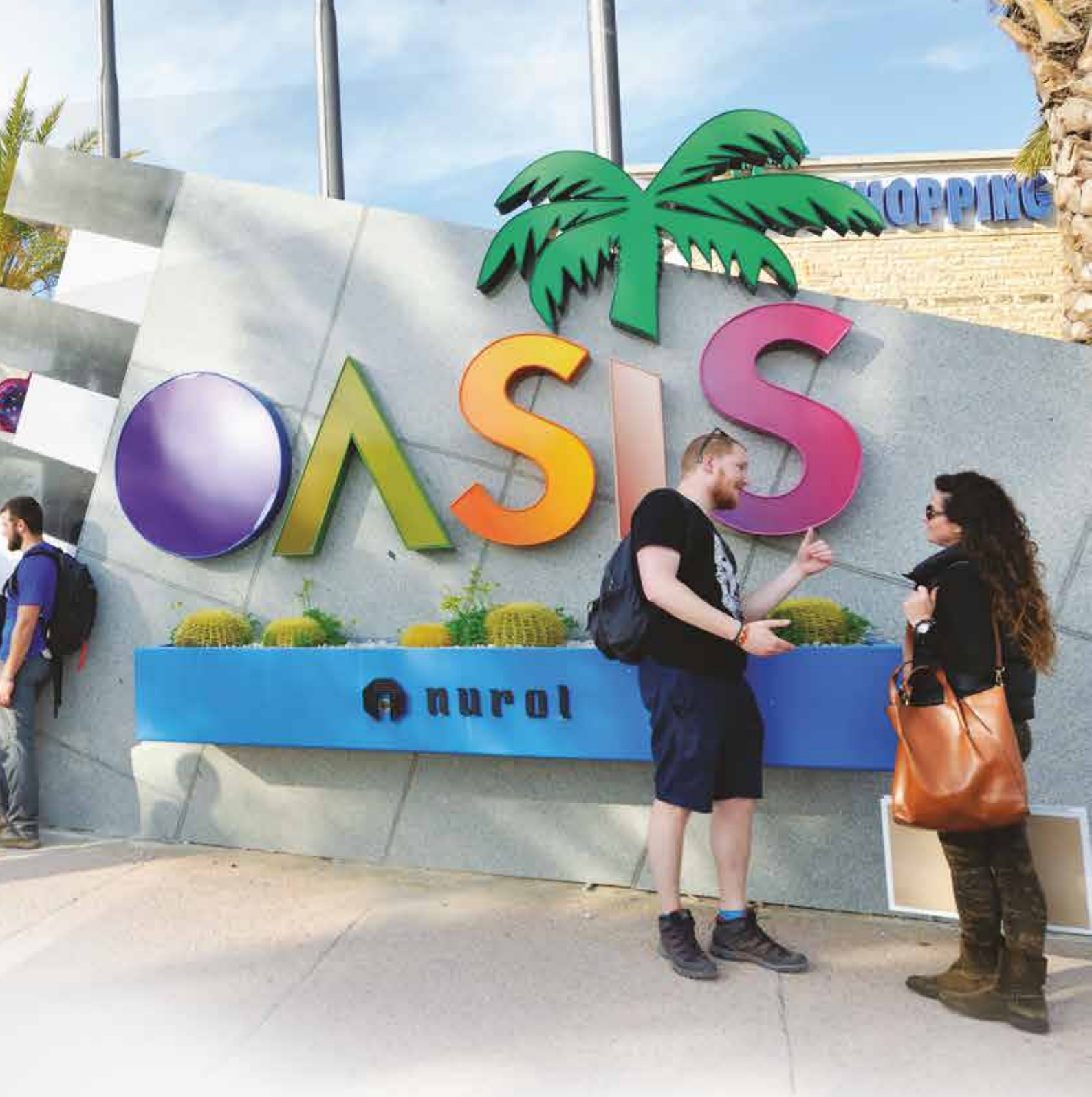
# TRADE AND SERVICE



**N**UROL reflects its quality service concept in its facility, real estate, shopping, culture and entertainment center management activities.

NUROL Group of Companies presents high quality service in every field it exists. **NUROL Facility and Real Estate Management** that operates in Ankara and İstanbul; Botim which successfully operates the facility management of **Bodrum Oasis Shopping, Culture and Entertainment Center and İstanbul Oasis** and **NUROL Aviation** that offers domestic and international air taxi service in VIP standards are of NUROL Group Companies.

Located in the new attraction center of İstanbul, Basın Ekspres Highway, **NUROL Park** hosts Turkey's first "designer outlet". To the citizens of İstanbul, the Oasis brand brings their dream wellness centre after



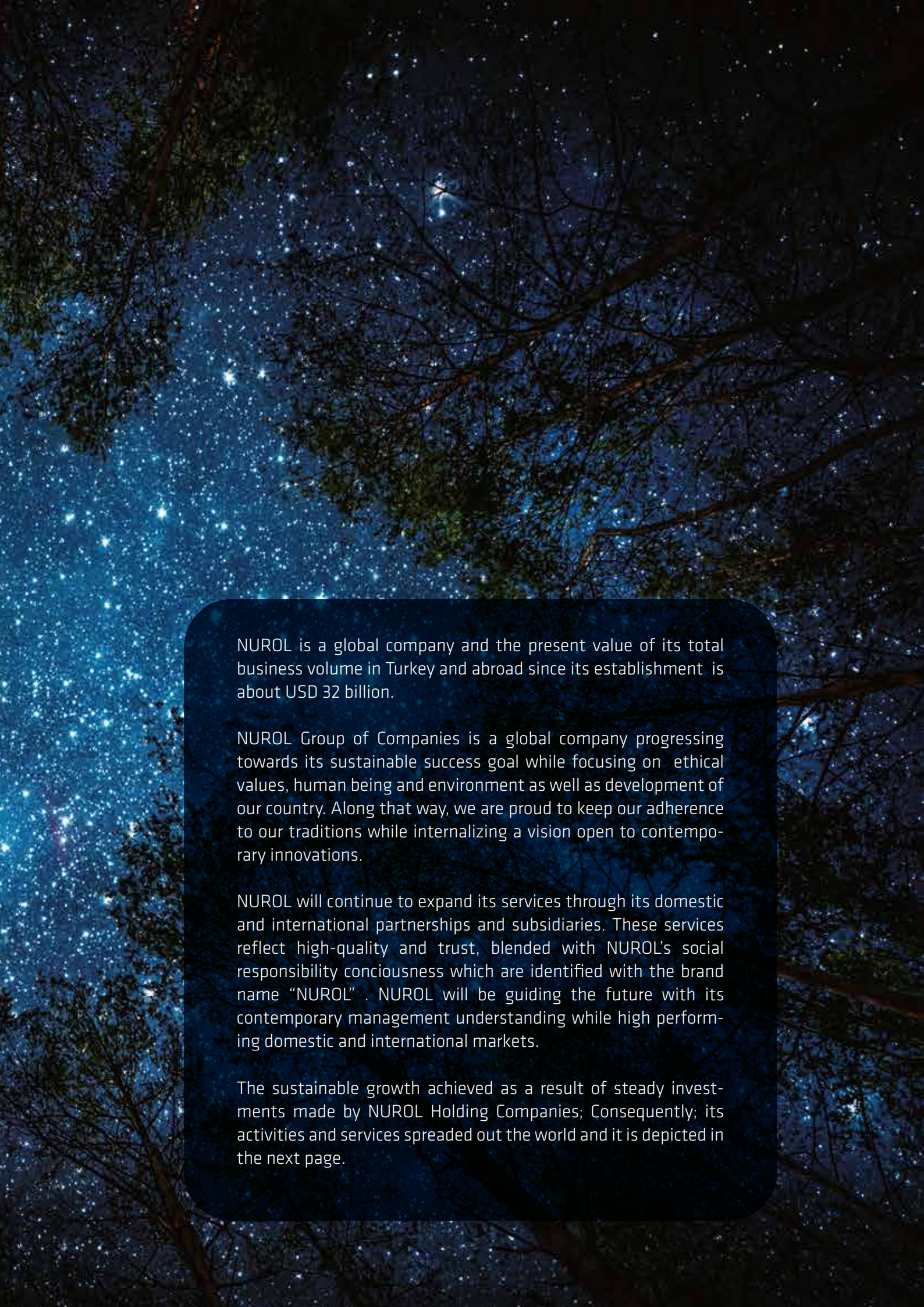
Bodrum by the investments of NUROL GYO (Nurol Real Estate Investment Trust - Nurol REIT) NUROL Park is built on an area of 21 thousand square meters and brings together 60 stores, cinemas, entertainment centre and the world-famous top segment brands in affordable prices. NUROL Facility and Real Estate Management Inc. was established in Ankara in **1991** for the purpose of operating **Karum Business and Shopping Center**, which is one of the first shopping malls in Ankara. In addition to its above mentioned activities, the Company undertook the facility management of all real estates and business centers of NUROL Group. At the time being, the Company

continues to operate the car parking of Karum Mall and Sheraton Ankara Hotel, rent the offices and showcases, etc. within the Karum Mall, provide maintenance and repairment to real estates, follow up of the tenant-landlord relations after rental, and deliver consultancy services on facility and real estate management.



# OPERATION MAP





NUROL is a global company and the present value of its total business volume in Turkey and abroad since its establishment is about USD 32 billion.

NUROL Group of Companies is a global company progressing towards its sustainable success goal while focusing on ethical values, human being and environment as well as development of our country. Along that way, we are proud to keep our adherence to our traditions while internalizing a vision open to contemporary innovations.

NUROL will continue to expand its services through its domestic and international partnerships and subsidiaries. These services reflect high-quality and trust, blended with NUROL's social responsibility consciousness which are identified with the brand name "NUROL" . NUROL will be guiding the future with its contemporary management understanding while high performing domestic and international markets.

The sustainable growth achieved as a result of steady investments made by NUROL Holding Companies; Consequently; its activities and services spreaded out the world and it is depicted in the next page.

# HOLDING COMPANIES

## Nurol Holding Inc.

**Construction and Contracting Group**  
**NUROL Construction and Trading Co. Inc.\***  
**NUROL Real Estate Investment Trust Inc.**  
**Otoyol Yatırım ve İşletme AŞ**  
**NUROL LLC (UAE)**  
**NUROL Georgia LLC**  
**SGO Construction and Trading Inc.**  
**RİZE İnşaat Yatırım Sanayi ve Ticaret AŞ**

Turkey, Afghanistan, Bahrain, Belgium, United Arab Emirates, United Kingdom, Algeria, Czech Republic, Democratic Republic of Congo, Morocco, the Philippines, Georgia, the Netherlands, Iraq, Qatar, Kazakhstan, Libya, Malaysia, Egypt, Uzbekistan, Pakistan, Poland, Romania, Russian Federation, Saudi Arabia, Chile, Tajikistan, Tunisia, Turkmenistan, Oman, Jordan.

## Foundation

NUROL Education, Culture and Arts Foundation  
NUROL Art Gallery

## Trade and Service

Botim Business Management and Trading Inc.\*  
NUROL Aviation Inc.\*  
NUROL İşletme ve Gayrimenkul Yönetim AŞ\*  
ROCKLAND

\* The companies included in the consolidated tables in the Economic Outlook section. Along with NUROL HOLDING, the headquarters of the majority companies are located in Ankara; where NUROL Construction, NUROL REIT and NUROL Bank are based in Istanbul.

#### Defense Industry

**NUROL Makina Sanayi AŞ\***

**FNSS Defense Systems Inc.\***

**NUROL Technologies Industry and Mining Trade Inc.**

**BNA NUROL BAE Systems Air Systems Inc.\***

**NUROL İleri Teknoloji Savunma Ürünleri AŞ**

**Madencilik Sanayi Ticaret AŞ**

#### Mining and Energy Group

**TÜMAD Mining Industry & Trade Inc.\***

**GEMAD Mining Industry & Trade Inc.\***

**NUROL Energy Generation and Marketing Inc.\***

**NUROL Göksu Energy Production Inc.\***

**Enova Energy Wholesale Inc.\***

**NUROL Grup Elektrik Toptan Satış AŞ\***

**NUROL Solar Energy Production Inc.**

**Enova Energy Production Inc.\***

**BAHÇEŞEHİR Gaz Dağıtım AŞ**

#### Tourism

**NUROL Hotel and Tourism Management Inc.\***

**Turser Tourism Publishing and Trade Inc.\***

**NUROL Club Salima Holiday Village and**

**Tourism Management Inc.\***

**Bosfor Tourism Management Inc.\***

#### Finance

**NUROL Investment Bank Inc.\***

**NUROL Insurance Brokerage Services Inc.\***



# ECONOMIC OUTLOOK





# ECONOMIC OUTLOOK

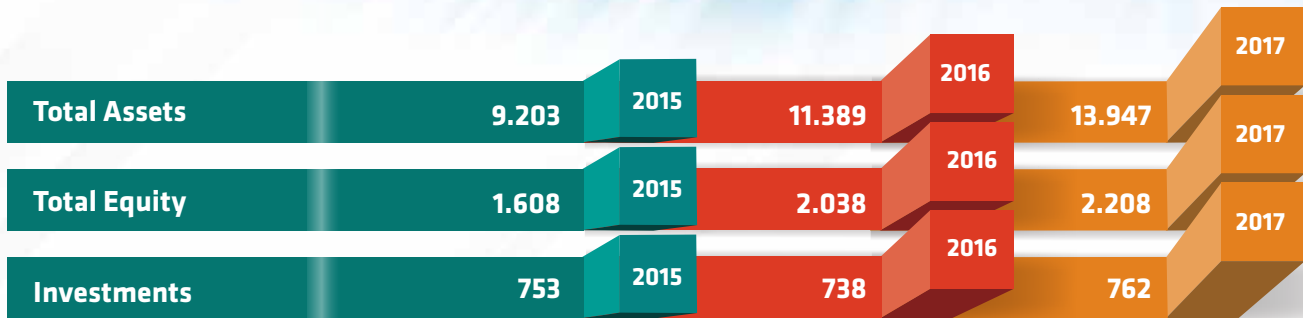
The brief analysis of some financial figures of NUROL Group of Companies is as follows:

By the end of 2017; the consolidated assets increased by 52%, sales by 32%, gross profit by 77% and Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) by 115% according to 2015.

As of 2017, the construction and real estate sector has the largest share in the Group's turnover with 55%, followed by the defense & manufacturing industry by its 35%. By the end of 2017, the total project volume reached to USD 32 billion.

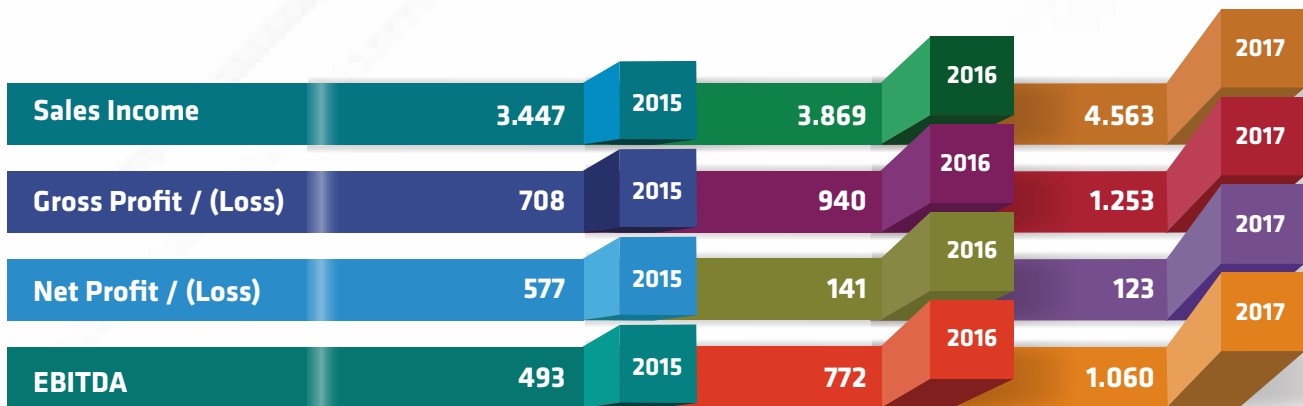
## Financial Indicators (Consolidated-IFRS)

Million TL.

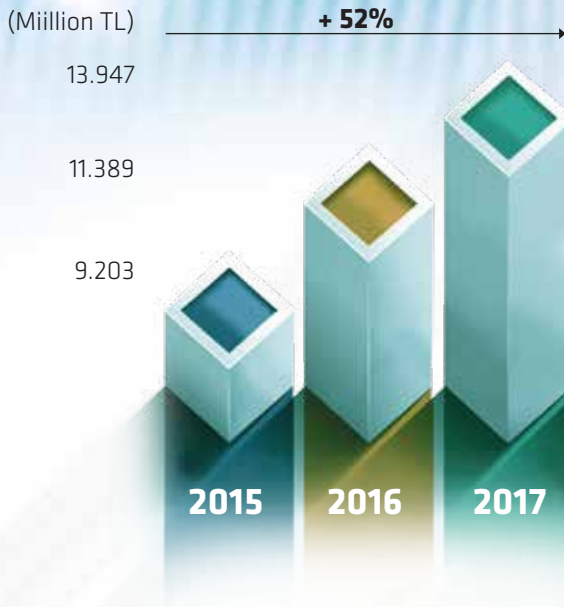


## Summarized Consolidated Balance Sheet

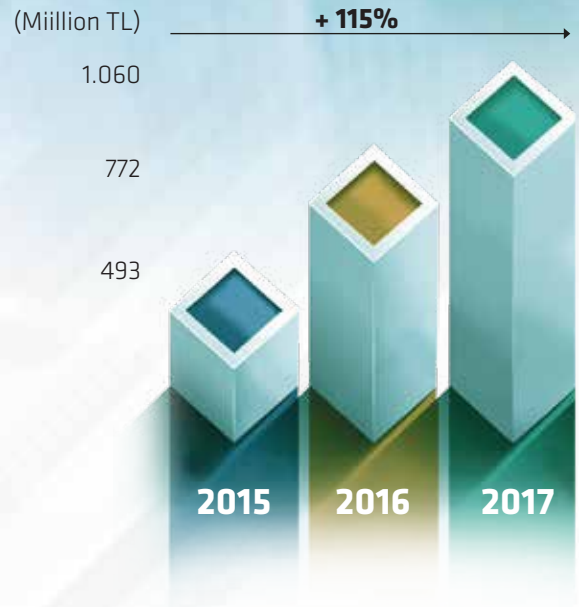
Million TL.



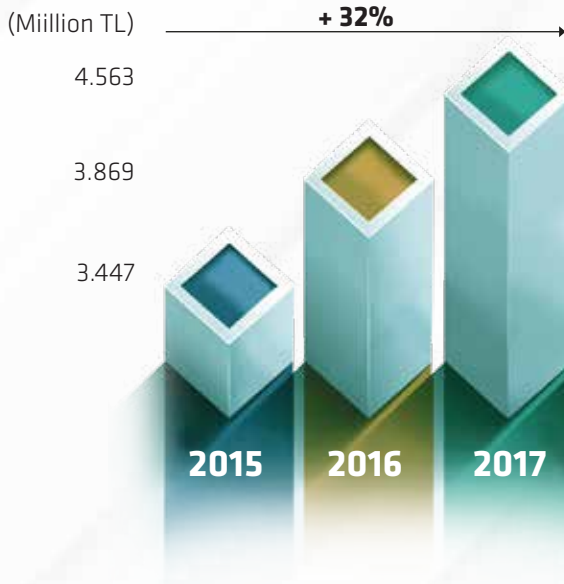
### Total Assets



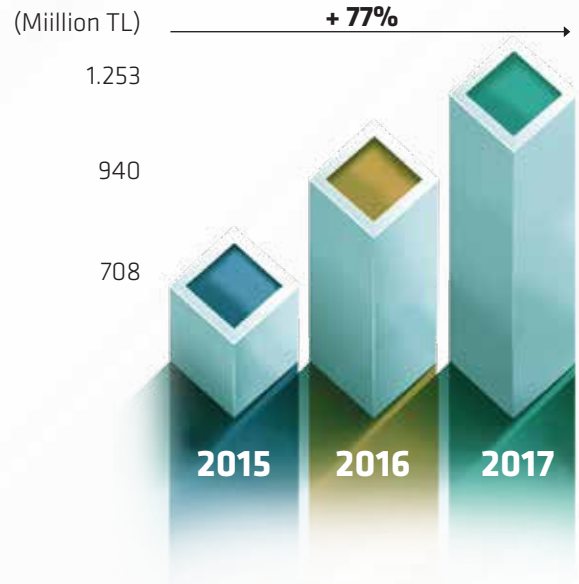
### EBITDA



### Sales Income



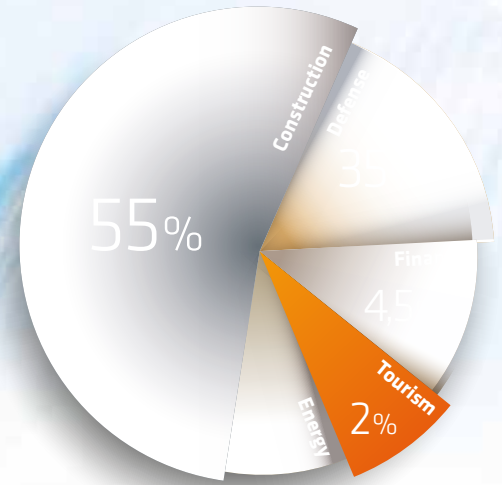
### Net Profit



# ECONOMIC OUTLOOK

## Sectoral Breakdown of Sales Million TL

	2015	2016	2017
<b>Sales Income</b>	3.447	3.869	4.563
<b>Holding</b>	0,24	0,30	0,24
<b>Construction</b>	2.170	2.468	2.525
<b>Manufacturing</b>	1.020	1.138	1.590
<b>Energy</b>	75	59	153
<b>Tourism</b>	64	57	84
<b>Finance</b>	104	131	196
<b>Service</b>	14	16	15



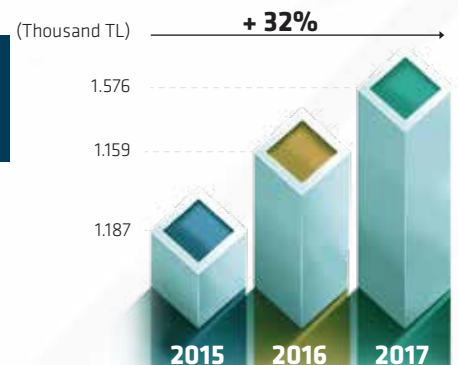
## Investments (IFRS) Million TL

	2015	2016	2017
<b>Otoyol AŞ Investment</b>	8.323	781	815
<b>Property, Plant and Equipment &amp; Investment Properties</b>	311	501	651
<b>Mining Investments</b>	29	37	329
<b>Other Investments</b>	36	84	26
<b>Total</b>	1.209	1.404	1.820

**NUROL Holding significantly contributes to our country's economy by generating 35% of its sales revenue, 1.575.849.000 TL, from sales from overseas.**

## Export Sales (IFRS) Thousand TL

2015	2016	2017
1.187	1.159	1.576





## ECONOMIC IMPACT

### 1. Direct Economic Impact

(Thousand TL)

Net Sales	4.563.397
Profit share from investments revalued with equity	255.168
Income from investment activities	115.791
Financial return	33.610
<b>Revenues</b>	<b>4.967.966</b>

### 2. Distributed Economic Value

(Thousand TL)

Cost of sales (Including operational expenditures)	3.356.605
Employee wages and benefits	317.494
Social investments	4.443
Financial expenditures	673.315
Tax expenditures (Payments to government)	20.529
<b>Liabilities</b>	<b>4.372.386</b>

### 3. Generated Economic Value

(Thousand TL)

Total Revenues	4.967.966
Total Liabilities	4.372.386
<b>Generated Economic Value</b>	<b>595.580</b>

#### Notes

- 1) All figures in the tables of Economic Outlook have been prepared in accordance with International Financial Reporting Standard (IFRS) and have been audited independently.
- 2) Net sales include income from financial sector activities.
- 3) Employee wages and benefits are directly attributable to the employees of the Group companies (excluding subcontractors).



# HOLDING COMPANIES IN THE BOUNDARY OF THE REPORT

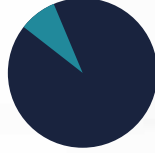


# NUROL CONSTRUCTION

 [www.nurolinsaat.com.tr](http://www.nurolinsaat.com.tr)

## Ownership Structure

NUROL Holding **99,90%**  
ÇARMIKLI Family **0,10%**



## Key Indicators

Total Employees (In Average): **9.397**  
Total Assets: **6.496** Million TL  
Sales Income: **2.421** Million TL  
EBITDA: **550** Million TL

**N**UROL Construction and Trade Inc., the first and leading company of the NUROL Group of Companies, was established in 1966 as an international contracting company and became prominent with its many international high-tech and mega projects.

**NUROL Construction and Trade Inc., the first and leading company of the NUROL Group of Companies, was established in 1966 as an international general contracting company** and has made a name for itself with many large-scale and high-tech international projects since its establishment.

Between 1980 and 1990, NUROL Construction and Trade Inc. shifted its activities on international platforms to the oil producing countries, especially to the Kingdom of Saudi Arabia with its Engineering-Supply-Construction based on its “turnkey projects” and gained a superior position among the International Turkish Contractors with its success. In the 90s, as a result of the position achieved, NUROL Construction and Trade Inc. directed its international activities and to the member states of the Commonwealth of Independent States through its sub- companies. In 1991, a year after the disintegration of the Soviet Union, the first contracting project in Turkmenistan was undertaken by NUROL Construction, and it became one of the first Western companies to operate in the region. In the 2000s, Middle Eastern and North African countries were at the focus of the field of interest. During this period, in parallel with international projects, domestic projects continued at full steam; and Turkey’s leading projects regarding superstructure and infrastructure investments have included among references.



As of 2017, NUROL Construction's operations has spread out to 15 countries on three continents due to and in parallel with its superior technological and administrative infrastructure, leading position in construction sector, over 9,000 technical and administrative personnel, strong machinery, equipment, and financial capability.


NUROL Construction was established in Ankara in 1966 and moved its headquarters to Istanbul in 2015. NUROL Construction is the core company of NUROL Group, which consists of nearly 40 affiliates and partnerships. It has **a reference project portfolio reaching USD 9 billions and ongoing project stock exceeding USD 10 billions**. Additionally, it continues to undersign significant projects in almost every branch of its sector. NUROL Construction is **included both in the "World's Largest Global Contractors" and "World's Largest International Contractors" lists** published by the "Engineering News Record" of American McGraw Hill.

**NUROL Construction, with its broad area of expertise, has an outstanding share in the implementation of the large scale infrastructure and superstructure projects around the world.**

Compliance of the activities of NUROL Construction in its Headquarters and Project Sites with **ISO 9001** Quality Management System, **ISO 14001** Environmental Management System and **OHSAS 18001** Occupational Health and Safety Management System are certified by periodic audits by an international independent certification firm owning **DakkS and TURKAK accreditation**.

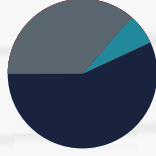
Boundary of the Report includes; our headquarters located in İstanbul NUROL Plaza and our most active projects during 2017 such as the Gebze-Orhangazi-İzmir Highway Balıkesir-Kırkağaç-Akhisar Section Project (Balıkesir Highway Project), Konya Eyiste Viaduct Project (Konya EVP), Algeria Souk Tleta Dam Project (Souk Tleta BP) and Boukhroufa Dam Project in Algeria (Boukhroufa BP). As the above mentioned projects are fully under the operational control of NUROL Construction and there is no partnership in the ownership structure, they are selected to be included in the boundary of the report.

# NUROL MAKİNA

 [www.nurolmakina.com.tr/tr](http://www.nurolmakina.com.tr/tr)

## Ownership Structure

NUROL Holding	<b>58,40%</b>
NUROL Construction	<b>41,60%</b>
ÇARMIKLI Family	<b>0,07%</b>



## Key Indicators

Total Employees  
(In Average): **479**

Established in 1976, **NUROL Makina** has started to work for the defense industry in 1992 and today, NUROL Makina continues to **produce 4x4 tactical wheeled armored vehicles in its modern facilities in Ankara.**

NUROL Makina has high production capacity with its technological infrastructure such as the five-axis laser cut machine, 7-axis robotic welding machine, hydraulic eccentric presses, heat treatment, laser scanning measurement system and the painting units to process armor steel.

NUROL Makina always differentiates with its unique designs in the land platforms segment. It has its own test area allowing performance tests such as ditch and obstacle crossing, side and steep slope climbing, rough terrain and crossing deep water in rugged terrain.

NUROL Makina produces Ejder YALÇIN, Yörük, Ejder TOMA and Ejder KUNTER, primarily for the Turkish Armed Forces and the General Directorate of Security, and for domestic and foreign use.

Ejder TOMA was NUROL Makina's first project to take part as the prime contractor in the Land Platforms field of Presidency of Defense Industries. Ejder TOMA that has Ejder family military chassis, is used effectively in rural and residential areas with its superior road and land performance and high ballistic protection. Today, Ejder TOMA provides effective solutions to maintain public order and security in rural and urban areas as well as border regions and used by the Security Forces, Turkish Land Forces, General Commandership of Gendarmerie and many other foreign security forces.

Ejder YALÇIN was developed to respond to the military and security forces' operation needs in both residential and rural high ballistic areas against threats such as; mine and handmade explosives. It has proven itself in combat field with its fully independent suspension system and high terrain performance.

**N**UROL Makina;  
is an organization that  
combines national  
development, social benefit  
and environmental  
consciousness, and also  
combines design and  
technology.



Thanks to its high carrying capacity, different useful loads can be integrated onto the vehicle, thus it enables the vehicle to provide the most accurate solution for diversified needs. Ejder YALÇIN has proven itself with its superior level of protection against mines and handmade explosives in the combat field. It has demonstrated its high mobility performance by outdistancing its competitors in many field tests from Africa to Europe, the Middle East and the Far East. Ejder YALÇIN can be used as a Border Surveillance and Security Vehicle, Reconnaissance Vehicle, Command-Control Vehicle, Combat Vehicle, Personnel Carrier Vehicle, an Anti-Tank, a Handmade Explosive / Mine Clearing System, an Air Defense Vehicle, Ambulance Vehicle, a Manual Tower and this way it offers customized solutions for the different needs of the operations.

NUROL Makina has developed Ejder KUNTER vehicle for higher carrying capacity needs of the users in areas such as logistics, transportation, command and control ambulance. Thanks to Ejder KUNTER's unique design, it can easily be produced in variations such as 4x4, 6x4 and 6x6.

The latest member of NUROL Makina's tactical wheeled armored vehicles family is the Yörük vehicle, introduced at IDEF 2017. With its increasable ballistic protection level and modular structure, it provides its users a new level of operational flexibility compared to its peers. Yörük can be used in a variety of purposes such as a Combat Vehicle, Personnel Carrier, Command-Control and Reconnaissance-Surveillance Vehicle thus, it is suitable for different types of missions. Also, it can be integrated with 7.62mm and 12.7mm guns, 40mm grenade thrower, Air Defense and Anti-Tank Systems.

NUROL Makina is aware that the greatest power in the world is to become a huge family with its employees. It combines its innovative efforts adhered to its corporate values with more than 40 years of engineering experience. **NUROL Makina reinforces its position day by day as a leading manufacturer that combines technology with design in Turkey, and as a company that embraces national development, social benefit and environmental consciousness as its core values.**

## Ownership Structure

NUROL Holding	51%
BAE Systems Land & Armaments LP	49%



## Key Indicators

Total Employees (In Average):	875
Total Assets:	2.112 Million TL
Sales Income:	888 Million TL
EBITDA:	192,5 Million TL

**FNSS;**  
**designs the future**  
**in advance with**  
**its intelligence,**  
**technology and**  
**strong insights.**

**FNSS** was established to increase, develop and support domestic production in defense industry. FNSS started its journey to meet with Turkish Land Forces Command's demands for vehicles and along this path, it has become **one of the world leading companies** with its products put into service in allied and friendly countries.

The first major defense project undersigned by FNSS was the tracked Armored Combat Vehicles project, the production of the vehicle has been that envisaged in Turkey to meet the needs of the Turkish Armed Forces. The negotiations between FMC and NUROL for the above-mentioned project resulted in a "Joint Venture Agreement" that was signed in 1987 and the brand name "FMC-NUROL Savunma Sanayii AŞ (FNSS)" became official. According to this Agreement, FMC owns 51% and NUROL owns 49% of FNSS. Turkey's first major Defense Industry project, Armored Combat Vehicle Project, has also been qualified as the first major project completed successfully. This project has set the sector standards for the industry in Turkey.

In October 2005, the ownership structure of the Company was changed to 51% NUROL Holding Inc. and 49% UDLP. Within the same year, UDLP's shares were acquired by **BAE Systems Land & Armaments**, a world giant. Thus, the majority of the shares were transferred to Turkey and FNSS became the Turkish defense company trusted and respected globally.





The product line includes; middle class tanks, 15 tons and over tracked armored vehicles, 8x8, 6x6, 4x4 wheeled armored vehicles, armored engineering amphibious combat earth mover, armoured amphibious assault bridge, manned and unmanned tower systems.

Beyond performance, detail verification and qualification test; the Armoured Amphibious Assault Bridge SAMUR proved its capabilities in the field of combat, Armoured Amphibious Combat Earth Mover KUNDUZ is the only vehicle in its class with amphibious features, KAPLAN MT brought innovation to the tank production. Within the scope of development and mass production project aimed to meet the amphibious armored vehicle requirement of the Turkish Navy and the need for Middle Class Tanks, FNSS proved itself with its products such as the Marine Assault Vehicle ZAHA produced according to customized needs.

In order to serve our international customers abroad, FNSS, continues its operations in different parts of the world such as Malaysia, Oman and Indonesia. Additionally, FNSS serves in Saudi Arabia by its joint venture FNSS Middle East Co. Ltd.

FNSS realized its first export activity to the United Arab Emirates in 1997 and sold 133 units of ACVs to this country. With this sale activity, Turkey, for the first time, has exported a defense product as a main system to another country.

As a result of many years' of effort, 211 units have been sold to Malaysia in 2000 and this export project has been Turkey's biggest main system export realized one at a time until the date. Technology has also been transferred to Malaysia through the same project. A new contract covering 56 units of Armored Combat Vehicles in varying configurations has been signed in 2008.

The first export contract within the framework of Armored Vehicle Modernization activities has been signed with Saudi Arabia in 2004 and various types of M113 Armored Personnel Carriers of Royal Saudi Land Forces modernized in Al - Kharj Maintenance and Repair Facilities of Royal Saudi Armed Forces. The management of Al-Kharj facilities is also carried out by FNSS under the project.

Furthermore, FNSS is conducting vehicle modernization projects with Philippines and Bahrain and it is providing logistics and technical support services for M113 and ACV type vehicles for Belgium and United Arab Emirates armed forces.

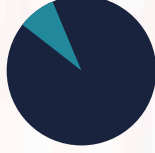
FNSS is raising its target bar day by day in the Defense Industry; and it produces the defense systems for the future with its efforts on necessity, quality and security.

# NUROL TECHNOLOGIES

 [www.nurolteknoloji.com](http://www.nurolteknoloji.com)

## Ownership Structure

NUROL Holding **99,83%**  
ÇARMIKLI Family **0,17%**



## Key Indicators

Total Employees (In Average): **100**  
Total Assets: **391** Million TL  
Sales Income: **231** Million TL  
EBITDA: **60** Million TL



**NUROL Technologies Inc.** was established in 2008 with **100% domestic capital** to provide of the most crucial requirements of Defense Industry such as **advanced ballistic armored materials along with personnel protection, and to develop light ballistic solutions for air-sea-land platforms.**

Since its establishment, NUROL Technologies Inc. has "NATIONAL CONFIDENTIAL" from T.R. Ministry of Defence within the laws and "NATO CONFIDENTIAL" Confidentiality Level Facility Security Certificate and Production Permit, Ballistic Test Center in international NIJ standards. It has been assessed and certified by 17025 TURKAK accreditation certificates, ISO 9001 Quality, ISO 14001 Environmental and OHSAS 18001 Occupational Health and Safety System Certificates.

NUROL Technologies develops hybrid ballistic solutions for advanced ballistic armor functioning for any threat level with its experienced engineer team. Physical, mechanical and ballistic tests of the developed solutions are carried out in NUROL Technologies test laboratories.

In the production facilities, ceramics used in advanced ballistic armor solutions are produced. For the purpose of personnel protection, these products are integrated with composite products; ballistic protective vests, ballistic protective shield, shield assembly, hand shield, visor and ballistic protective cabinets. For vehicle and structural protection; land, air, sea vehicles, civil vehicles, earth movers and ballistic protective panels used in ballistic armoring of structural protections are produced and armor systems are formed. NUROL Technologies succeeded with its efforts in meeting unmilitary needs as well as in the defense sector. It also produces rotor breaker inserts for vertical shaft

**We provide high value-added products to our country with our technologies developed by local engineers.**



breakers with the cutting edge technology system machines. With its advanced production techniques, NUROL Technologies uses Alumina, Silicon Carbide, Boron Carbide and Titanium Diboride that are determined by parameters such as ballistic protection level, affordability and durability to entourage factors; in accordance with international standards, lightweight and ergonomically advanced ceramic plates that are resistant to all kinds of threats.

In the production of ballistic composites which are part of hybrid armor solutions; high performance continuous fibers are combined with resins that have various features. In accordance with the design made in composite products, along with Aramid, high density Polyethylene, Carbon Fiber and raw materials such as S2 and E-Glass are used.

NUROL Technologies conducts its production, marketing and sales operations in accordance with Law no. 5201 and 5202 and Wassenaar Regulation. Therefore, from the beginning to the end the process is subjected to inspection both by Turkey and the importer country.

Among our main end users; institutions and organizations affiliated to the Ministry of Defense, institutions and organizations affiliated to the Ministry of Interior, companies producing defense products of

private companies producing defense products, firms offering tenders of institutions and organizations, and companies operating in the field of defense and security.

NUROL Technologies follows up new developing technologies about materials, implements and develops them within the vision of keeping the cutting edge technology available in Turkey. Consequently, with its experienced and innovative thinking team of employees, NUROL Technologies is one of the pioneering organizations both in Turkey and the world.

Including Turkey, it operates and trades in 20 countries around the world, and this number is open to grow constantly. Countries that NUROL Technologies operate in include; Poland, Czech Republic, Italy, Tunisia, Libya, Mali, Colombia, Democratic Republic of Congo, Russia, Ukraine, Azerbaijan, Saudi Arabia, Pakistan, Greece, India, Oman, Vietnam, Iraq and Bulgaria.

## Ownership Structure

NUROL Holding **100%**



## Key Indicators

Total Employees (In Average): **279**

*Financials were not shared since TÜMAD projects are in the stages of investment and construction; and production has not started yet.*



TÜMAD is a medium-sized Turkish mining group that has explorations, projects and operations on precious metals and base metals in its mining exploration licenses. It is among the important gold producers of our country.

In 2011, TÜMAD took a step towards metal mining. In 2012, it started to invest in the construction of Balıkesir İvrindi Project and later in 2014 TÜMAD started to invest in and construct in Lapseki Gold Mine Project. At the end of 2017, the first Gold - Silver dore was produced within the scope of the Lapseki Gold Mine Project. By the end of 2019, it is aimed to produce Gold Silver dore ingots in İvrindi Gold Mine.

Lapseki Gold Mine project started with the initial investment of TL 475 million and it includes 1,2 million tons of unsorted ore, tank leaching, chemical treatment, filter press dewatering and solid waste storage methods together that will be obtained by the Open Pit technic. As the result of this project, it is planned to produce **403.000 ounces of precious metal in 10 years** and to provide an added value of TL **12 billion in 10 years**, in which TL 3 billion will directly contribute to the economy. 500 people will be employed with in the project.

**T**ÜMAD  
is the new  
strength in the  
gold production in  
Turkey...



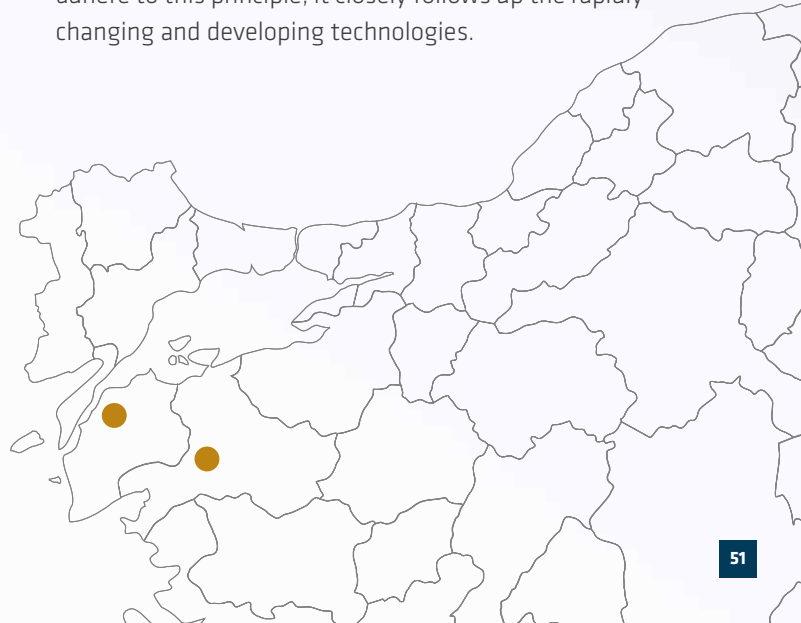
Balıkesir İvrindi Project, joined to our company in 2012, is still in investment and construction phase, amounting to TL 700 million in total. It is planned to start production in 2019. It projected that the project will produce 3 million tons of ore per year by open-pit mining method, 1.500.000 ounces of precious metal in 15 years by means of heap leaching method, and to provide a total added value of TL 36 billion in 15 years, directly in the economy. A total of 1.000 person will be employed together with the subcontractors.

For both of the projects, feasibility reports have been prepared in accordance with the NI-43-101 Canadian standard and both projects are financed by European Bank for Reconstruction and Development (EBRD). In addition, TÜMAD is the first Turkish company to receive the **“Best Natural Resources Deal”** awards of EMEA Finance. It is one of the most outstanding international finance publications in the world, awarded project is determined by the votes of the distinguished members of the banking and finance sector.

**The purpose of TÜMAD is sustainable mining where economic and social development is integrated with environmental protection.** In this context, it is aimed to supply the goods and services in demand for production and operational activities at the most convenient price in time, quantity, place and quality in comply with legal regulations and international laws. Istanbul Gold Market Refinery and Central Bank of Turkey are the markets that TÜMAD serves.

TÜMAD Mining's strategy is to create long-term sustainable mining operations in economic terms and on a large scale by conducting advanced explorations in potential mining sites. **Our aim is to apply the highest environmental and occupational health and safety standards available in the world during operating and managing of mining activities from exploration to rehabilitation.**

As a result, TÜMAD is committed to; protect the physical and mental health of all its employees, improve continuously, be among the best performing mining companies in the world in terms of occupational health and safety, and environment. To adhere to this principle, it closely follows up the rapidly changing and developing technologies.



# GOVERNANCE

The background of the image is a dark blue gradient. In the lower half, there is a network of glowing blue nodes connected by thin lines, creating a sense of connectivity and digital infrastructure. The nodes vary in size and brightness, and the lines are thin and light blue. The overall aesthetic is modern and technological.

We consider

**GOOD GOVERNANCE**

as an **opportunity for NUROL**  
and our duty  
for our stakeholders.

# GOVERNANCE

**NUROL HOLDING;**  
**conducts its activities with a responsible, fair, ethical and accountable manner, fully complies with the laws and regulations, respects to its stakeholders along with caring about the social benefit and its corporate values at all levels.**

NUROL Holding is managed and represented by our Board of Directors, apart from the exception in the law. Our Board of Directors is consisted of nine person; Chairperson, Vice Chairperson and seven members. All of our Board members are competent to manage NUROL Holding in terms of education and work experience. To take a decision by Board of Director, a simple majority is sufficient. If votes happen to be equal, then the subject is postponed to the next meeting. If votes are equal again in the next meeting, the proposal is deemed rejected.

NUROL Holding Companies are managed by its General Manager together with the relevant Coordinator at NUROL Holding under the NUROL Holding Chairperson and Vice Chairperson. Auditing and corporate communication activities of the companies are carried out centrally by the Holding.



## BOARD OF DIRECTORS AND COORDINATORS

With the decision of our Board of Directors dated 31 January 2017, our Board members have been approved to serve until December 24, 2018 as shown in the following table:

Position	Name Surname
Chairperson of Board of Directors	Nurettin ÇARMIKLI
Vice Chairperson of Board of Directors	M. Oğuz ÇARMIKLI
Board Member	Dr. Eyüp Sabri ÇARMIKLI
Trade Group Coordinator	
Board Member	Gürol ÇARMIKLI
Human Resources and Public Relations Coordinator	
Board Member	Oğuzhan ÇARMIKLI
Board Member	Gürhan ÇARMIKLI
Board Member	Dr. Ahmet PAŞAOĞLU
Board Member	Ad. Cumhur BOZKURT
Senior Domestic Legal Counselor	
Board Member	Kerim KEMAHLI
Chief Financial Officer (CFO)	
Tourism Group Corordinator	Gaye ÇARMIKLI
Business Development Coordinator	Ceyda ÇARMIKLI KILIÇASLAN

The nomination and selection procedure of the members of the Board of Directors are regulated in accordance with the Partnership Deed (Article 13).



Detailed info

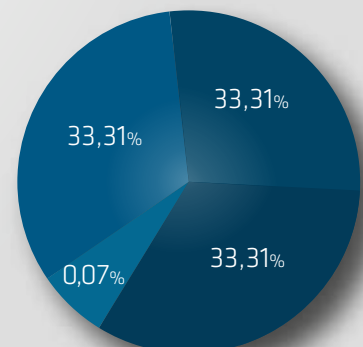
For biographies of our Board members, please visit:

<https://www.mkk.com.tr/en/content/Investor-Services/e-COMPANY>

## SHAREHOLDER PROFILE

The paid-in capital of NUROL Holding is TL 776 Million and the distribution of the capital among the shareholders is presented below. There is no legal entity among the shareholders.

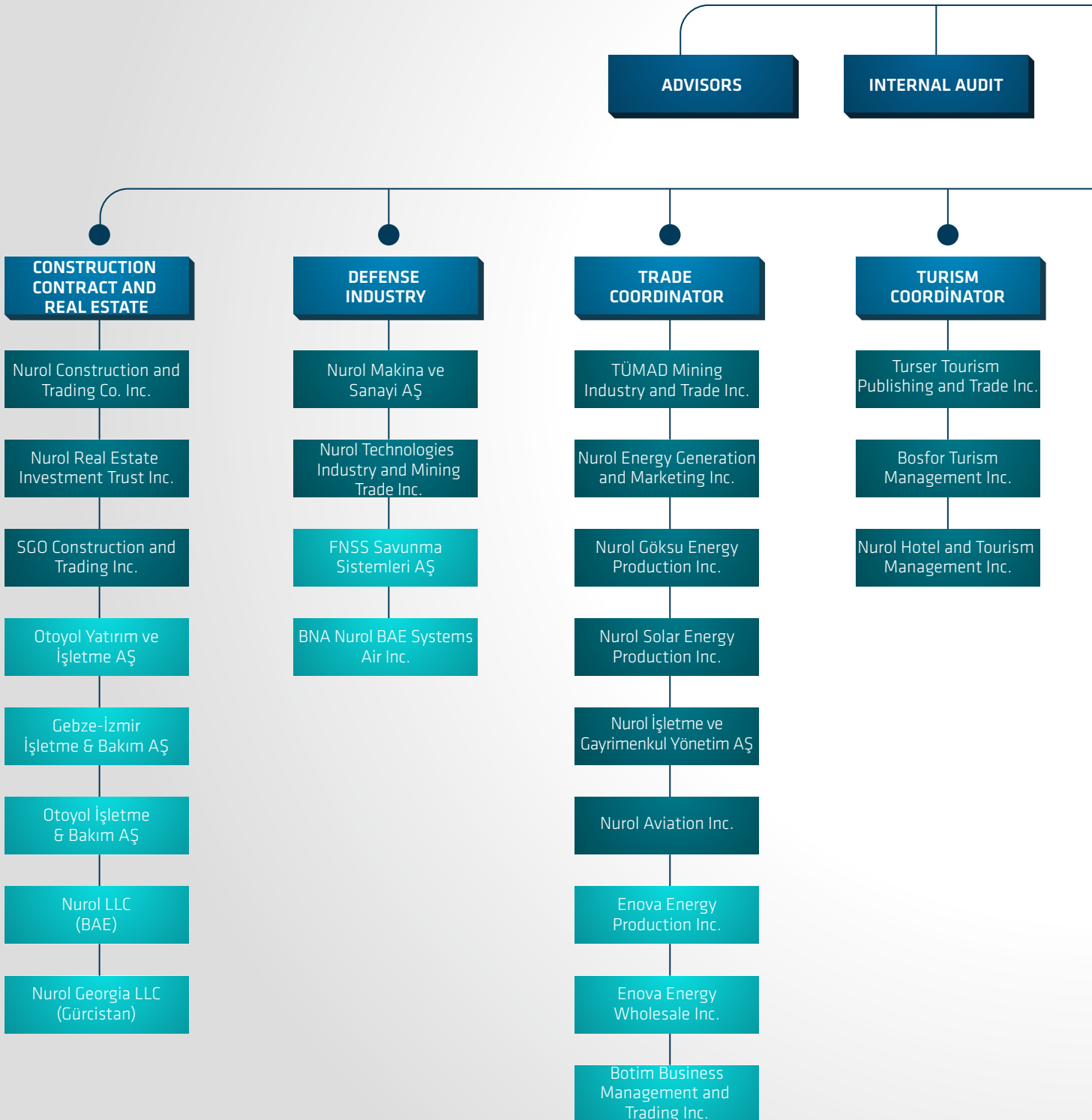
Name and Surname of the Partner	Share (%)
Nurettin ÇARMIKLI	33,31
Erol ÇARMIKLI	33,31
M. Oğuz ÇARMIKLI	33,31
Other Members of ÇARMIKLI Family	0,07



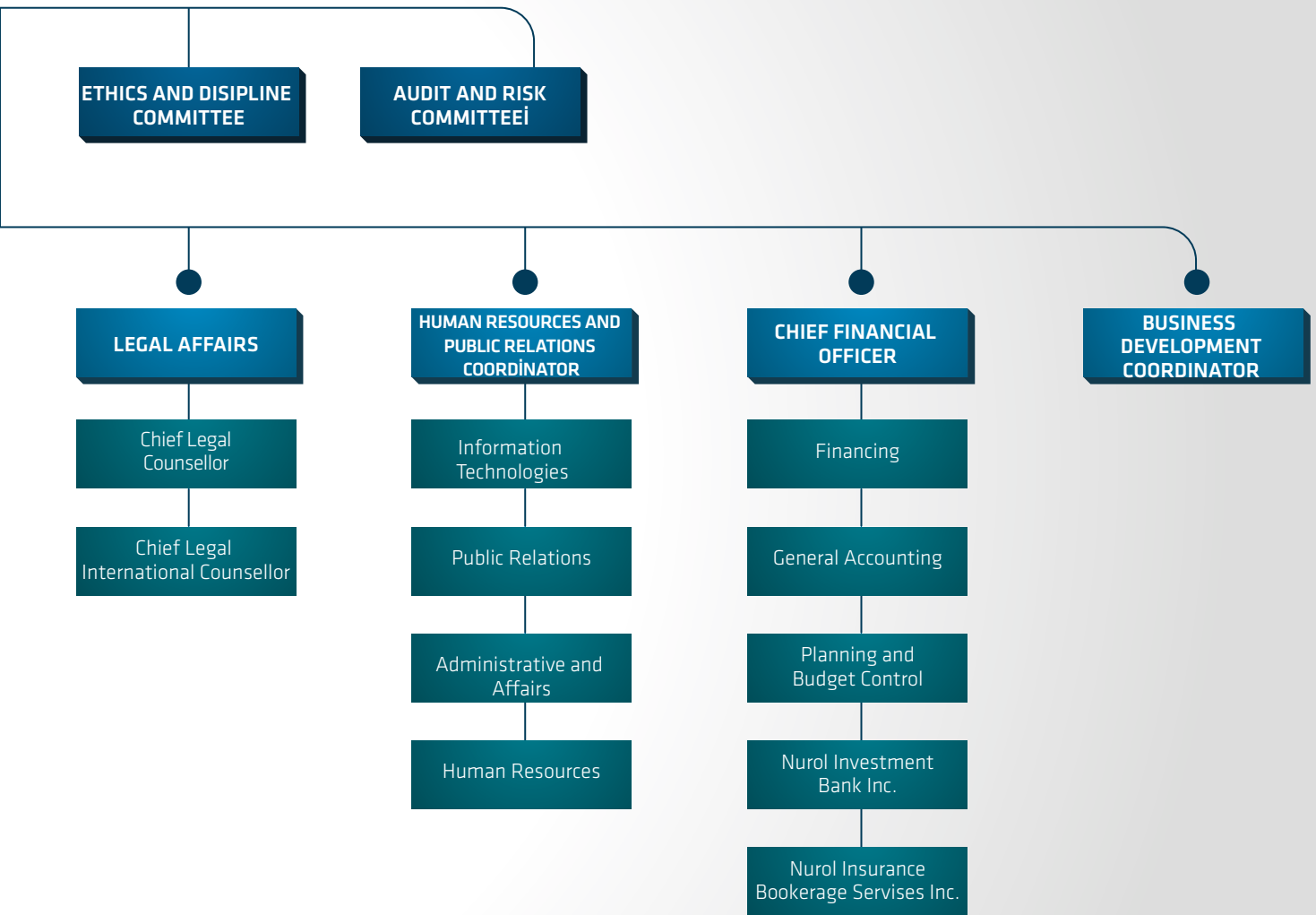
## ORGANIZATION CHART

NUROL Holding, Companies and affiliated organizations are presented in the chart below in order to visualize the organizational structure.

### NUROL HOLDING



# BOARD OF DIRECTORS



# GOVERNANCE



As **NUROL** with **more than 50 years of experience**, we are aware of the cruciality of managing risk, taking the opportunities and right steps at the right time as well as **our responsibilities to our stakeholders** in this regard.

NUROL describes risk as the form of situations and events that may adversely affect its short, medium and long-term performance and duties on its way to achieve its strategic goals and objectives. The context can include environmental, social, governance topics. Any case with a potential of standing as an obstacle for the achievement of NUROL's goals and targets and/or weaken the trust to NUROL, cause corruption or illegal practices, loss of resources can be considered as risk. We are strengthening our sustainability efforts with our Sustainability Report, and we believe that our efforts regarding our sustainability report and our UN Global Compact membership will further improve our existing risk and opportunity management in environmental, social and governance topics.

NUROL applies sustainable risk and opportunity management to prevent risk before it occurs, to combat root causes effectively if it occurs, and to mitigate its consequences if possible, and to convert its results into opportunities. Our above mentioned risk management includes; risk identification, monitoring, monitoring, analysis, reporting, taking the right risks in

the right amount, managing these risks through appropriate processes and reducing the risks to acceptable levels.

It also considers opportunities as well as risks and is aware that each risk can provide an opportunity.

NUROL Holding monitors and evaluates risks in multiple stages. Risk assessments start with the perception of external environmental impacts as well as the strategies and objectives of the departments, and the detection of threats and opportunities and measuring these threats / opportunities in line with NUROL's risk appetite. NUROL conducts risk assessments regularly, at least once a year. The Holding's risk and opportunity assessment also utilizes the Company's assessments, as well as the consolidated inferences as a result of the findings of all our Companies and stakeholders.

## NUROL CONSTRUCTION AND RISK MANAGEMENT

NUROL Construction initiated Process Risk Assessment procedures in 2017 to assess the risks and opportunities in its processes. Within these efforts, it is aimed to manage the processes by determining whether the risk will change by identifying, analyzing and then improving the condition in the activities of NUROL Construction headquarters and projects. For this reason, a “Risk Management Plan” has been established in all projects in order to integrate risk management into all activities and processes in an effective and efficient manner.

The Risk Management Plan is formed by identifying risks with the processes to be evaluated and; internal and external topics in the process risk assessment studies. After the plan, actions to be taken are followed up.

The Risk Management Plan is reviewed by the process owner at least once a year. At the same time, risks are handled through quarterly risk assessment meetings and any changes are reflected in the Risk Management Plan. Apart from periodic review; changes in the contract conditions, development of new techniques, purchase of new machinery or equipment, changes in work organization or work flow, introduction of new raw materials or semi-products into the production process, changes in legislation, environmental accident, work accident, in cases where the measures in the Risk Management Plan are not taken, the Risk Management Plan is reviewed and updated.

“Risk Assessment Procedure” has been conducted for the determination and evaluation of impact of environmental dimensions and OHS risks resulting from the activities of NUROL Construction concluded by “OHS Risk Assessment” - “Environmental Dimensions Risk Assessment”. Risks posed by NUROL Construction and projects activities and the impacts on the environment are determined, risks are evaluated and methods for controlling them are determined as described in the procedure. Before commencing work

for all operations and sites in NUROL Construction projects, Risk Assessment is carried out and shared with all parties involved.

NUROL Construction Process Risk Assessment is carried out under the coordination of Integrated Management Systems Department. During the process risk assessment study, a “Risk Assessment Team” is established, including representatives from all departments. Although the Risk Assessment Team consists of competent individuals, training is provided on risk assessment methods before starting the studies.

We carry out process risk assessment studies with a team including the Project Directorate to carry out studies for the early detection of risks that may jeopardize the functioning of our projects, to take necessary measures regarding the identified risks and to manage the risks and for brainstorming. At each stage of the risk management processes, we gather opinions of our internal and external stakeholder groups through face-to-face interviews, email or official correspondence through process owners when necessary. In our projects, we conduct “Risk Assessment Processes” under the leadership of the Project Directorate and meet periodically, note them in the “Project Process Risk Management Plan”, and follow up the actions. It is provided by the Project Manager and department chiefs to decide on the most appropriate activities for the risks in the plan and to ensure that all activities take place.

### NUROL MAKİNA RISK MANAGEMENT

**NUROL Makina Corporate Risk and Opportunity Management approach is based on managing risks from a preventive or proactive perspective in the light of prior experience.**

Therefore; it aims to use methods in accordance with the standards, to plan counter measures in line with the strategic objectives and accurate evaluation. This management process purposes that employees all levels internalizes the system and to continuously improve the system.

Our Process Risk Management procedure, which performs process-based assessments by probability and magnitude of risks in processes, has been shared with our employees.

In addition, the In-house Software Package Enterprise Risk and Opportunity Assessment Module has been developed to standardize risk measurement and evaluation parameters and report them continuously. By this way, the scope of risk assessment and follow-up has been expanded to take into account the health, safety, environment, business continuity, traceability and other sustainability concepts.

The use of Corporate Risk and Opportunity Assessment Module Manual standardized the use of risk module among our employees. Corporate Risk and Opportunity Management Process is coordinated by the Quality Systems Team Leadership under the Quality Assurance Directorate.

Taking into account the changing organizational structure and areas of activity, risks are; periodically reviewed, revised, kept under control and monitored. All management bodies and related departments plan and monitor the necessary actions and measures in line with the objectives of Our Company. In-house Integrated Management System is audited by independent institutions with authorization certificate such as Turkish Standards Institute (TSE) and so on.

In addition to process-based assessments, occupational safety risks that may be encountered in operational processes are managed through the In-house Software Package OHS Risk Assessment Module to cover all internal stakeholders.

NUROL Makina has also commissioned the In-house Software Package Environmental Dimensions and Impact Assessment Module in order to evaluate and control its own and third-party activities. Through the management of all these modules and identified risks, the employees are informed on preventive approaches and the necessary countermeasure action plans are prepared.

Topics to be considered while identifying and monitoring OHS and environmental risks have been written down in the OHS and Environmental Risk Analysis Procedure. Project-based risk management was implemented under the coordination of Programs Directorate and managed by taking into account the Risk Management Procedure.

## **FNSS RISK MANAGEMENT**

**FNSS has adopted a risk policy that is managed in coordination with all managers under the leadership of our General Manager and is spread at all levels of our organization, implemented in line with the Company's strategies, where potential risks that could prevent FNSS from achieving its targets are envisaged, monitored and action plans are prepared in advance. At the same time, efforts are driven to seize and increase opportunities.**

### **Strategic Risk Management**

At FNSS, strategic risk management is considered as risks and opportunities that may be encountered in achieving strategic objectives. In this context, actions related to strategic risks and opportunities are mostly defined as initiatives within the scope of the relevant target. Strategic risks are at the highest level of corporate risks. High-level operational risks and other inputs from operational processes increase strategic risks. The strategic risks and opportunities inventory are evaluated and revised with the participation of senior management in periodic strategy review meetings.

### **Process Risk and Opportunity Management**

Process level risk and opportunity management adopts company principles, supports corporate information sharing, and aims to work in an integrated structure with best practices and ongoing systems. Together with the process owners, the general framework of risks and opportunities is determined, and specifications are outlined. Specifications evaluate the basic elements of the process:

- Technological infrastructure: Device, equipment, information technology infrastructure, facility, settlement
- Human factor: Competence, capacity, roles and responsibilities of those involved in the process, authorizations
- Process methodology: Inputs and outputs, process steps, control and monitoring criteria, critical steps

At the same time, examinations made during improvement studies may show some key risk and opportunity points that affect the process. Specifications in these areas help to analyze the process from the beginning to the end, and to follow an integrated risk and opportunity management method.

Analysis and evaluations, and appropriate response method for risk and opportunity are determined; and actions are followed by the responsible person. Prioritizations and efforts driven are shared with the Top Management. Continuous monitoring and communication are maintained with opinions and suggestions.

### **Environmental Risk Management**

Within the scope of environmental risk management; FNSS performs input-output, environmental dimension and impact analyzes for all operations (production, maintenance, etc.) at the first step. In this evaluation phase, all topics are examined in terms of the following three main headings:

- *Legal Status: Whether there are any legal requirements regarding the detected environmental impacts,*
- *Frequency of Occurrence: Frequency of environmental effects and whether it is a routine procedure,*
- *Magnitude of the Environmental Impact: The degree of environmental impact on natural resource consumption, air, water, soil, flora, fauna and visual effect/ image.*

As a result of this evaluation; for the topics with high risk, necessary measures and actions are taken as soon as possible in order to reduce or prevent the environmental impact of this topic. For those with intermediate risk; within the framework of the proposed business plan improvement efforts are conducted. Those that are in low risk category are kept under control by monitoring.



FNSS ensures the continuity of environmental risk management by reviewing the environmental dimension and impact assessments on a regular basis and in case if any changes occur in the content of its activities.

### Occupational Health and Safety Risk Management

As FNSS, it is our principle to manage Occupational Health and Safety risks in full compliance with legal regulations and related standards. The basis of the risk assessments is to cover all activities carried out and to ensure the participation of all relevant stakeholders.

Risk assessments are carried out by Risk Assessment Teams at FNSS. These teams cover different members depending on the activity. During the risk assessment process; prior to, during and / or after the activities, the existing or potential sources of danger are identified, their compliance to legislation and / or standards are examined and consequently the risks are identified.

For the mathematical modeling of the identified risks, the Fine Kinney Method is used.

Probability (Probability of occurrence of damage), Magnitude (Estimated damage to human), Frequency (Repetition of exposure to danger in time) values are selected from a table and the total risk value is calculated by multiplying the values of mentioned components and the degree of risk is determined. The degree of risk is divided into six different category:

- **No Tolerance Risk:** *The necessary measures should be immediately taken or break or shut-off should be considered.*
- **Fundamental Risk:** *Should be improved with in short-time, "within a few months", depending on whether the frequency and if the impact is routine.*
- **Significant Risk:** *Should be improved with in long-term, "within the year".*

Possible risks are subject to monitoring and no measures are planned for minor risks. However, irrespective of the degree of risk, the measure is planned if the magnitude value of the risk is 40 or more, which is the estimated damage that the risk will cause to human.

Risk assessments are updated once a year for all relevant activities. In addition, after all incidents technological and infrastructural changes, process improvements, measurement results, legislation changes risk assessments are reviewed and updated if necessary.

### Financial Risk Management

In on-balance sheet financial risk management; currency risk, interest rate risk and liquidity risks that may affect Our Company's assets and liabilities are defined, measured and managed. Thus, the negative effects of the changes in the financial markets are minimized on our financial performance. Derivative financial instruments can also be utilized to minimize the risks encountered.

Off-balance sheet financial risks arise from the inconsistency of the cash inflows and outflows in projects in terms of currency or deviations from the planned cash flow dates. In the context of off-balance sheet financial risk management, financial risk management techniques are used to protect the targeted profitability of the projects.

Our financial risks are considered as currency risk, liquidity risk and interest risk.

### Information Security Risk Management

FNSS determines the information assets of the company within the scope of Information Security Management System (ISMS) and evaluates the information security risks on these assets. Our Company's information assets are protected against possible threats by considering three basic elements in the assessments. These elements are as follows:

- **Confidentiality:** When the information fall into unauthorized persons
- **Integrity:** Unauthorized alteration, deletion or destruction of information in any way
- **Availability:** Access to information by relevant or authorized persons whenever needed

Continuous improvement is ensured by reviews performed periodically and also when conditions are changed. Awareness-raising activities that include both employees and all stakeholders ensure the dissemination of our information security approach.

At FNSS, all ISMS studies are presented to senior management at management review meetings and carried out with the support of senior management.



## **NUROL TECHNOLOGIES RISK MANAGEMENT**

**As NUROL Technologies, we attach great importance to the safety of our employees, the satisfaction of our customers and consequently to the quality of our products. This makes risk management essential for us. We continuously carry out risk management studies and develop risk assessment reports annually with the aim of eliminating the above mentioned risks and negative impacts on environment.**

Our senior management also involves to our risk management processes that include risks with potential to harm people and the environment.

Within the risk management activities in our projects, we aim to eliminate or mitigate our risks, with our preventive action plans, if any, activated at the right time. We assess the environmental, social and governance risks involved in sustainability topics in three main categories. Additionally, we are aware that both sustainability and other topics in our business model may create opportunities for us. Therefore; we pay utmost attention to minimize the likelihood of such risks. Meeting the demanded quantity in time and in high quality are of our important business risks at project delivery.

**As a concrete example of our environmental risk management activities in 2017; we minimized the negative impact on the environment by integrating burners in the chimneys to filter out harmful gases from the chimneys of sinter furnaces.**

As an example from the OHS field; we have measured the lumen values of our factory lighting and ensured that the ambient lighting was performed effectively with additional light sources, enabling our employees to operate in a safer work environment.

For our new factory to be opened in 2018, risk assessment reports will be prepared in line with our risk management approach with the emphasis on the satisfaction of our stakeholders and the environment where our new plant will be built up.

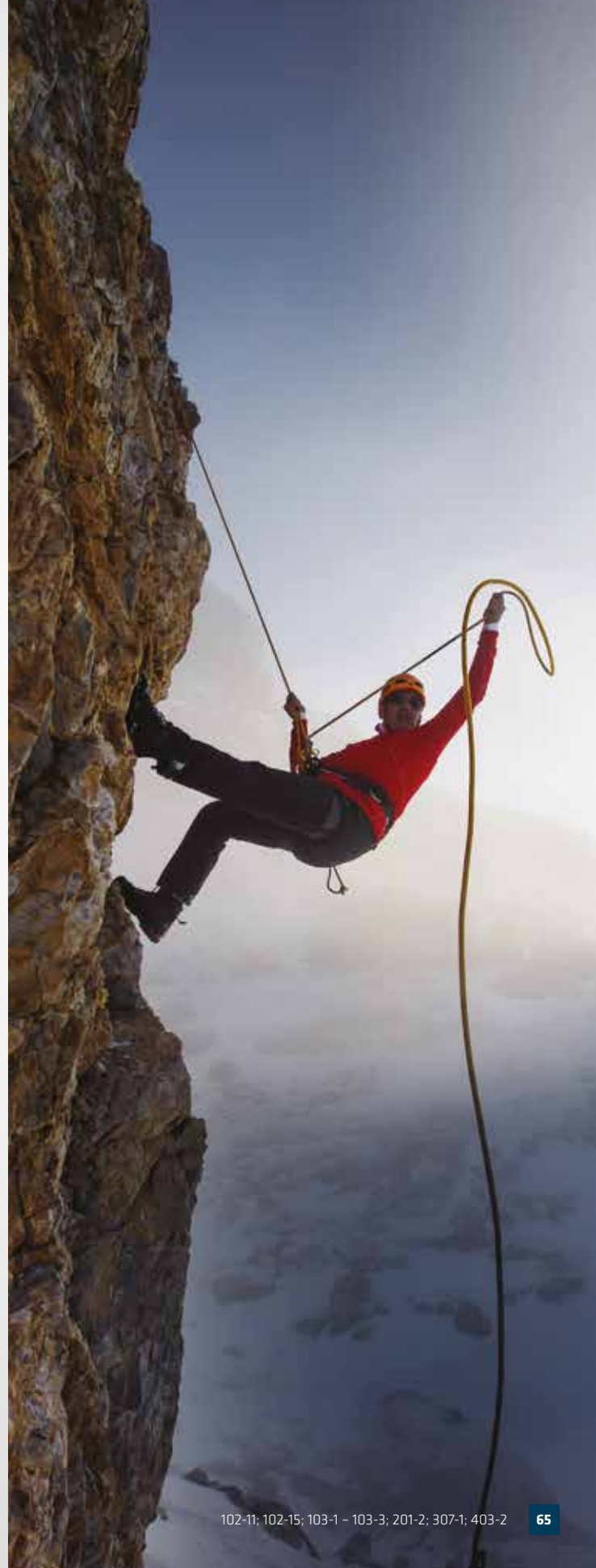
### TÜMAD RISK MANAGEMENT

As TÜMAD, we aim to manage all risks, especially risks about mining activities, by reducing them to acceptable risk levels as a result of our systematic approach. We are aware that accurate identification and management of our risks is a critical part of our business. **Risk assessment forms the basis of the risk management process and determines other activities to be performed in this area.** Therefore, we consider the process of risk assessment with utmost care and comprehensively. During the process, the target, who is the relevant person or related parties within the organization and external stakeholders about the risk. Afterwards, through interviews with these stakeholders; risk is identified, the likelihood, possible magnitude, frequency, the possible impact of the risk and the steps to manage the risk are determined. With this method; it is aimed to define and manage the system to be reviewed in the most accurate way.

Risk management in TÜMAD is carried out by determining the response options, evaluating the response options, changing the procedure, implementing the plan, monitoring the risk and reviewing the risk. Within our projects; risk management is applied to support decision making or to manage recognized risks.

For us, risk management is identifying opportunities as well as preventing and reducing losses. Due to the importance of the topic, risk and opportunity management are addressed at many levels. It is implemented at strategic, institutional and operational levels. In addition to mine cost controls, budget discipline and cost accounting studies, which are particularly focused on financial risks, our risks, including sustainability risks, are managed through internal audits, creditors audits and management review meetings.

The standards we already have and aim to have, the expectations of our creditors and our use of their experience, and our commitment to sustainability have contributed to the development of our risk and opportunity management.





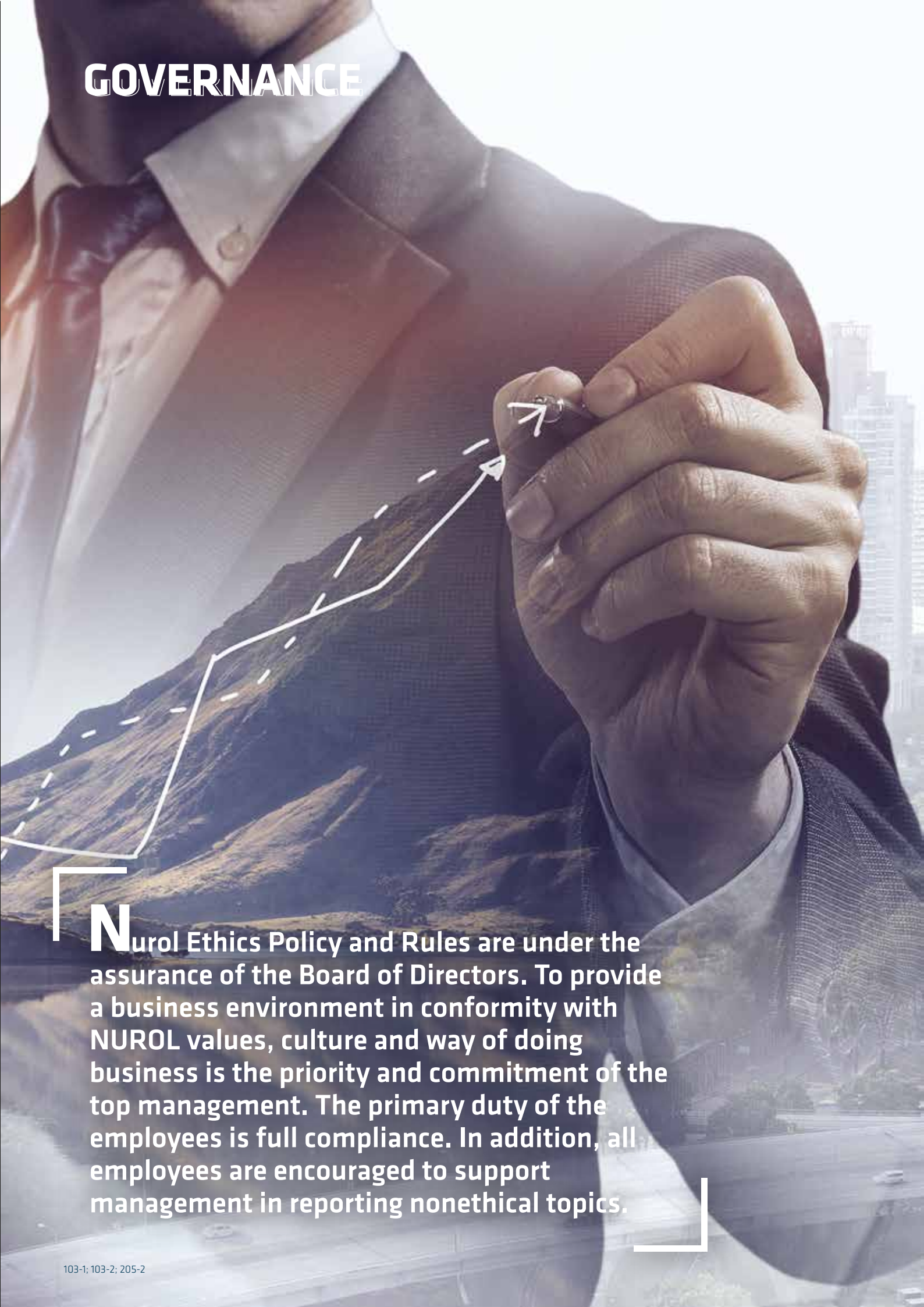
**ETHICS**

**MANAGEMENT**

A close-up photograph of a brass scale of justice. The image shows a portion of the brass frame on the left, a chain of brass links hanging down, and a white, oval-shaped weighing pan at the bottom. The background is blurred, showing a person's hand and part of a blue garment. The text is overlaid on the lower right portion of the image.

**ETHICS,**  
in its simplest sense;  
examines universally and  
generally accepted values in  
human relations. Similar to that,  
business ethics is a set of  
principles developed to guide  
attitudes in business.

# GOVERNANCE

A man in a dark suit, white shirt, and red tie is shown from the chest up, holding a silver pen in his right hand. The background is a blurred cityscape with tall buildings. Overlaid on the image is a white line graph with a dashed line and a solid line, both showing an upward trend. The solid line starts at the bottom left and moves up and right, while the dashed line follows a similar path but is slightly higher and more jagged. The graph is positioned in the middle-left area of the image.

**N**urol Ethics Policy and Rules are under the assurance of the Board of Directors. To provide a business environment in conformity with NUROL values, culture and way of doing business is the priority and commitment of the top management. The primary duty of the employees is full compliance. In addition, all employees are encouraged to support management in reporting nonethical topics.

**POLICIES & CODES OF PRACTICE**

The Code of Ethics, which is prepared for the NUROL Group of Companies, consists of our ideas and behaviors which are the basis of all of our business relationships and processes as well as our standards which are settled in this regard. These codes/rules also describe policies which determine risk management, working principles, ethic rules of behavior and internal controls which are to be obeyed in all areas of operation.

“NUROL Code of Ethics”, which encompasses all of the NUROL Group, third parties acting behalf of them and employees, constitutes our common working principles and principles, provides guidance to employees in all activities and business and operations.

These rules determine working principles and procedures which are required to be obeyed by each employee regardless of their titles and positions.. These rules are valid for everybody who work in NUROL. All the employees, regardless of their positions, are required to obey to codes of ethics in their relations with the other employees, customers, suppliers, contractors, shareholders and competitors. It is of high importance for NUROL’s employees to obey to codes of ethics as well as maintaining the dignity and achievement of NUROL. We adopt and display the codes of ethics by taking them as our guidance in all our activities in order to be able to create an exemplary model for our society. Thus, we avoid all the behaviors which may negatively affect this mentality and our identity. Thus, we avoid all the behaviors which may negatively affect this mentality and our identity.

All of our employees are expected to act accordingly regardless of their titles and positions. Code of ethics and working principles have five fundamentals:

**ETHICAL RULES AND WORKING PRINCIPLES**



# GOVERNANCE





## **NUROL CODE OF ETHICS**

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Policies which determine Codes of Ethics are composed of:

- Human resources and employee relations
- Relations with customers, suppliers and contractors
- Security and protection of NuroI's assets
- Company information
- Fraud prevention, Proper accounting and accuracy of company records
- Conflicts of interest
- Fair Communication with Media and Public
- Occupational Health and Safety
- Product/Service quality and safety
- Environmental Protection
- Respect to and compliance with the laws
- Anti-corruption and bribery
- Facilitation payments
- Gifts, representation and Entertainment
- Advisors
- Teaming partners and other business arrangements
- Lobbying Activities, political support and political donation
- Sponsorship
- Disaster management
- Risk management
- Operational Assurance Statement
- Social responsibility and volunteering
- Charitable donations
- Reporting violations

## **ETHICS & DISCIPLINARY COMMITTEE**

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Committee of Ethics and Discipline was founded in order to execute the management and development of the dignity and ethics of NUROL by adopting, disciplining and applying Code of Governance. Committee of Ethics and Discipline ("CED") is composed of 5 persons: Coordinator of Human Resources, Holding's Chief Legal Consultant, Holding's Human Resources Manager and two persons from Internal Audit Department. Working and meeting principles and procedures of CED are defined in the procedure of NuroI Holding's Committee of Ethics and Discipline.

In case of a suspicion of violation of these Policies or the relevant legislation , all the employees are obliged to notify that violation to NUROL's corporate website ([www.nurol.com.tr](http://www.nurol.com.tr)), email at [etik.bildirim@nurol.com.tr](mailto:etik.bildirim@nurol.com.tr), notify to Ethics and Disciplinary Committee or Codes of Ethics Officer of and / or the General Manager of the Company.

**Notifications can also be made by telephone to our Ethics Line +90 312 455 10 05.**

**Notifications can also be made anonymously.** The person's notification may not be disclosed to third parties. Confidentiality, objectivity and compliance with ethical rules are extremely critical topics in the reporting and investigation process. When intentional false notifications are detected, they are interpreted as a violation of the code of ethics.

Political donation, services or payments to an organization or person for political support are service or goods procured. NUROL is prohibited from making political donations.

NUROL has created the required mechanisms for avoiding the violation of Code of Governance. These mechanisms are defined in the rules of procedures of NuroI's Committee of Ethics and Discipline. Notifications are revised and investigated. Violations and inspection results are shared with the Committee of Ethics and Discipline. Committee submits its report to Holding's Board of Directors.

NuroI Holding's Board of Directors is responsible from the execution of these rules while NuroI Holding's Committee of Ethics and Discipline is responsible for the implementation of these rules. Holding's Board of Directors and Committee of Ethics and Discipline shall revise Code of Governance at least once in a year for developing and updating of the policies, if necessary. They submit their opinions and suggestions to the Board of Directors, if any.

An underwater photograph of a coral reef. The scene is dominated by a large, dark, textured coral formation on the left side, which appears to be a natural rock overhang or cave entrance. The water is a deep, clear blue. Numerous fish of various species are scattered throughout the scene, swimming in the open water. The lighting is natural, coming from above, creating a serene and slightly dim atmosphere typical of an underwater environment.

# SUSTAINABILITY APPROACH

An underwater photograph showing a deep blue sea with several large, dark coral reefs. Small fish are visible swimming in the water. The lighting is dim, creating a serene and mysterious atmosphere.

# **NUROL** Group of Companies

is a global company that progresses through sustainable success by keeping its values on ethics, human being and environment substantial as well as country development.

# NUROL HOLDING

considers sustainable business as a means of;

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**1** putting its existing Group corporate values and business model into a global standard,

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**2** supporting continuous improvement.

managing the intangible assets in a holistic and effective manner.

**3**



### SUSTAINABILITY VISION AND APPROACH

As one of Turkey's oldest institutions, it is our aim to always do our best and aim to improve ourselves for our employees, the societies of the geographies we serve, our country and our world. We pay regard to all our stakeholders while doing our job. In this respect, we strive to carry our positive effects to the highest level, to prevent negative effects if possible and to minimize them if not. We do our business ethically, responsibly, reliably, respecting our stakeholders and nature, in the highest quality. Together we aim to shape the future in harmony.

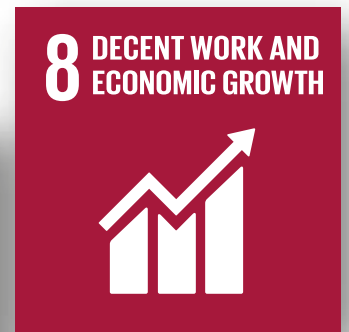
As a step of our sustainability efforts with this vision, approach and motivation, we became a “participant” in the United Nations Global Compact in 2018 and declared our commitment to act in accordance with the ten basic principles covered by the UN. Hereby, we have also accelerated our sustainability awareness and reporting efforts. In addition to the UNGC Communication on Progress, we decided to report on the most current version of the globally accepted Global Reporting Initiative (GRI) standard.

# SUSTAINABILITY APPROACH

## NUROL SUSTAINABILITY APPROACH AND SUSTAINABLE DEVELOPMENT GOALS

NUROL aims to serve the Sustainable Development Goals, which are composed of 17 main global goals, aimed at solving the fundamental problems of our world by being included in the UN Global Compact. Sustainable Development Goals (SDGs) are the continuation of the Millennium Development Goals, which have emerged in the UN Sustainable Development Conference in 2012 and actualized in 2016. With the determined global targets, it is aimed to eliminate the urgent and important environmental, social, human, economic and administrative problems facing our world.

NUROL aims to make a positive contribution to the UN Sustainable Development Goals through its sustainability strategy and activities. The objectives to which these contributions are linked are as follows:



COMMUNICATION  
ON PROGRESS

This is our Communication on Progress in implementing the principles of the United Nations Global Compact and supporting broader UN goals.

We welcome feedback on its content.

**3** GOOD HEALTH AND WELL-BEING



**4** QUALITY EDUCATION



**5** GENDER EQUALITY



**7** AFFORDABLE AND CLEAN ENERGY



**6** CLEAN WATER AND SANITATION



**15** LIFE ON LAND



**16** PEACE AND JUSTICE



**17** PARTNERSHIPS FOR THE GOALS



# SUSTAINABILITY APPROACH



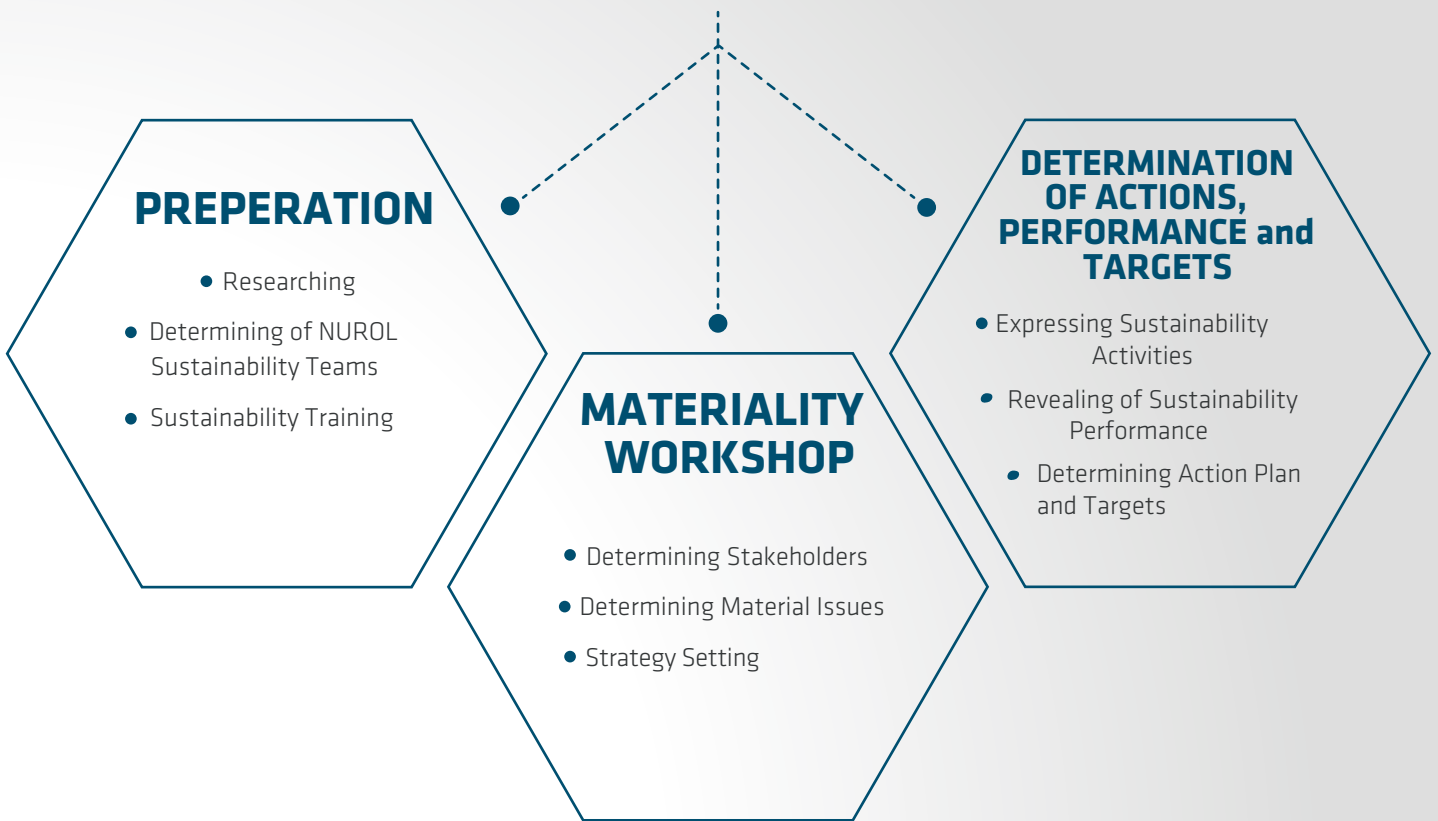
## SUSTAINABILITY MANAGEMENT

To adopt and manage the sustainable business model, we established the sustainability management organization within NUROL Holding and Our Companies. Starting from the creation and adoption of NUROL Group's corporate culture through our responsibilities and performance to all our stakeholders; our Board of Directors is the highest level responsibility. Our Board of Directors leads the economic, social and environmental consciousness approach and conducting business ethically, establishes effective and reliable management systems, and plays a role model in this direction. Therefore, the Board of Directors is primarily responsible in all areas as well as for the transparency, management and performance in the area of sustainability. Similarly, Board of Directors of each Holding Company have the highest level of responsibility in that company. Within the Board of Directors of NUROL Holding; Gürol ÇARMIKLI; Board Member, Human Resources and Public Relations Coordinator is in charge of sustainability topics.

Within the body of NUROL Holding and among the Group Companies, the sustainability is coordinated and conducted by the Press and Public Relations Department. Sustainability teams and leaders were identified both within NUROL Holding and within Our Companies for sustainability management and reporting. In addition, ESG Turkey Sustainability Consultancy Company delivered professional service on sustainability management and reporting. Our Company's sustainability team leaders conducted both in-house coordination and also the communication with the Holding Sustainability Team and the consulting firm.



## SUSTAINABILITY STUDIES AND REPORTING PERIOD



### PREPERATION

As the first stage of structuring sustainability organization and reporting activities; sector specifications, product ranges and stakeholders of NUROL Holding and Group of Companies' were researched. As a next step, a sustainability training was held with the participation of the senior and key executives of the Companies in the reporting boundary and NUROL Holding. The meeting contributed both to raise the awareness and in-depth knowledge of the managers about sustainability and also to identify materiality and strategies. The major impacts of NUROL Holding and its Companies on sustainability topics have been examined and the members of the "Sustainability Teams" have been determined together with the companies by taking these criteria into consideration.

### DETERMINATION OF MATERIAL ISSUES

Customized workshops were held with each Company involved in the reporting; their key stakeholders, dialogues with their stakeholders and material sustainability topics were examined. In line with all these and the information gathered from many stakeholder groups; key stakeholders, material sustainability topics were identified, and consequently sustainability strategies were formulated by the consultancy company, together with the key role senior managers and sustainability teams. Sustainability matrices and stakeholder dialogue tables formed as an output of the workouts are presented to our stakeholders within the scope of the report.

### DETERMINATION OF SUSTAINABILITY ACTIONS, PERFORMANCE AND TARGETS

Information on each one of Our Companies' profile, operational environment, value chain, governance, economic, environmental, social, ethical practices, performance and goals were collected with the support of sustainability teams. The gathered information is compiled and reported in accordance with UNGC and GRI Standards.

Within the following parts of our "Sustainability Approach" section; sustainability approaches of NUROL Holding and Our Companies involved in sustainability reporting will be presented. In this context; our stakeholders, stakeholder dialogue, primary sustainability topics, environment, occupational health and safety, value chain topics, performance, and targets were included.

# SUSTAINABILITY APPROACH

**As NUROL HOLDING** we share with you the outcomes of our efforts to gather inputs to our sustainability strategy, identify key stakeholders and manage our dialogue with them. As NUROL Holding, we define “our stakeholders” as the institutions, organizations, individuals or communities that are affected by our activities or affects our activities. We present you the outcomes of the workshop on “Our Stakeholder Analysis and Materiality” to identify our key stakeholders and material sustainability topics, driven with NUROL Holding Sustainability Team and our Consultancy Company.

**OUR STAKEHOLDER DIALOGUES**

We have grouped our key stakeholders in three different categories according to their degree of how much they are influenced by or how much impact they have on our activities, at most, intermediate and low levels as follows.



We use various dialogue platforms to get our stakeholders' expectations and to inform them about sustainability topics. In this context, we hereby share our dialogue platforms with our stakeholders, our frequency of dialogue and the important topics raised in our dialogues:

Stakeholders	Dialogue Platforms	Frequency of Dialogue	topics
<b>Legislative and Regulatory Institutions</b>	Visits and dialogues, Annual Reports, corporate web page, congresses and seminars, joint projects developed	Annual, if necessary	Opinions on legislation (Investment Incentive Issues, Occupational Health and Safety, Personal Data Protection, Labor Law, Tax Law)
<b>Shareholders</b>	Board of Directors Meetings, General Assembly Meetings, Company Performance Meetings, Annual Reports	Annual, once in 3 months, if necessary	Financial status tables, Institutional developments, Sectoral developments
<b>Financial Institutions</b>	Visits and dialogues, Annual Reports, IFRS audit reports, company performance reports, corporate website	Annual, 6 months, if necessary	Cash and non-cash loans, project and investment subjects, deposit transactions, financial renting
<b>Competitors and Private Sector</b>	Seminars, Fairs, Congresses, Industry association meetings, Annual Report, corporate web page, corporate magazine (NUROL World Magazine), joint projects developed	Annual, if necessary	Sectoral issues
<b>Investors</b>	Annual Reports, corporate website, general assembly, questions, advertisements	Annual, if necessary	
<b>Employees</b>	Trainings, social events, NUROL World Magazine, Intranet, Internal communication materials, Corporate web page	Annual, 6 months, if necessary	OHS, Integrated Management Systems, Personal Data Protection Trainings
<b>Society</b>	Annual Reports, corporate website, social media, corporate social responsibility projects, sponsorships, NUROL Education, Culture and Sports Foundation, NUROL Art Gallery	Annual, monthly, if necessary	Trademark registration
<b>Media</b>	Press releases, interviews, Annual Reports, corporate website, social media, corporate social responsibility projects, sponsorships, NUROL Education, Culture and Sports Foundation, NUROL Art Gallery, NUROL World Magazine, advertisements	Annual, monthly, if necessary	Corporate news, sectoral issues
<b>Sector Foundations</b>	Association meetings, congresses and seminars, corporate website, Annual Report	Annual, monthly, if necessary	Sectoral issues, Quality Congress, Global Compact activities
<b>Consultants</b>	Meetings and trainings, NUROL World Magazine, corporate web page, Intranet	Two-month, if necessary, face to face on request	Integrated Management Systems
<b>Suppliers</b>	Meetings, proposals, contracts	Annual, if necessary	Information Technology, Administrative Affairs, Public Relations
<b>NGOs</b>	Meetings, Intranet, NUROL World Magazine, corporate web page	Six months, if necessary	Donation, awareness and promotion activities

# SUSTAINABILITY APPROACH

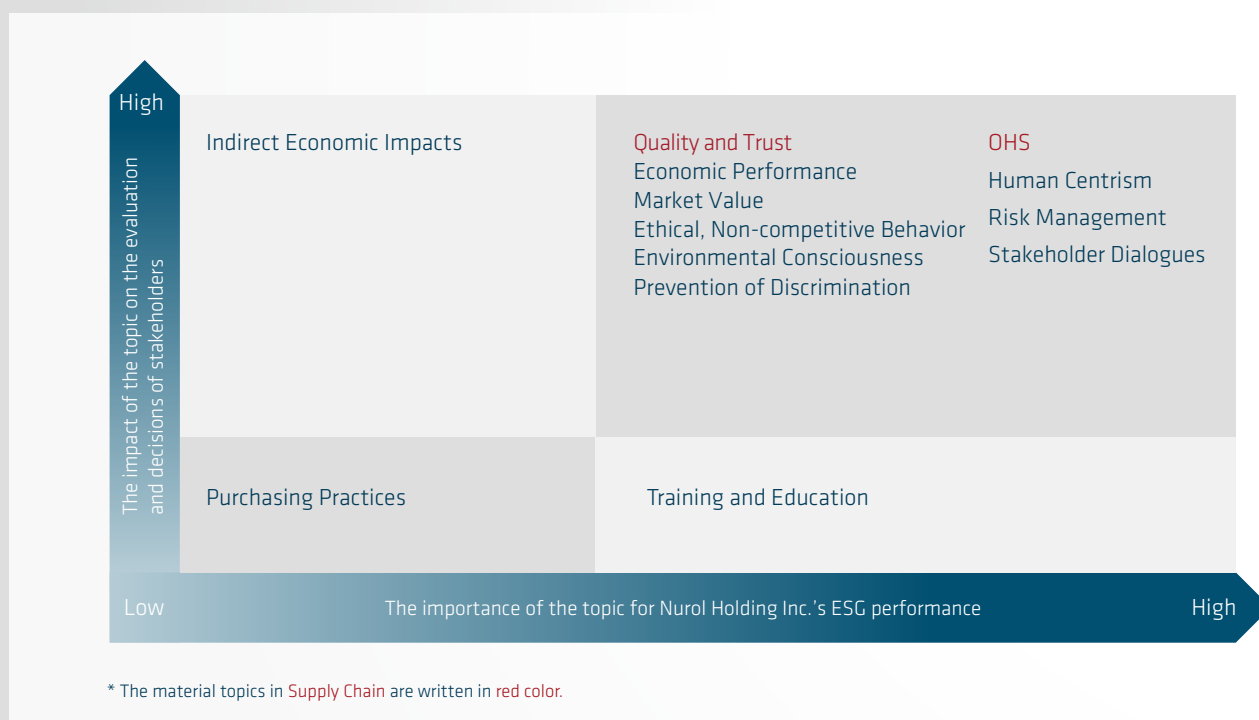
## OUR MATERIALITY ANALYSIS

We conducted a “Stakeholder and Materiality Analysis” workshop to determine our sustainability material topics. In our workshop; we consider our sustainability material topics as; sustainability topics with highest impact on our corporate success and our stakeholders, and those that our key stakeholders most care about and questioned. These topics are depicted in the upper right corner of the “Materiality Matrix” shown in below.

Within the scope of our Report, as part of our sustainability strategy and approach, we diligently provided information about our management approach, policies, practices, performance and targets, which are essential for both NUROL Holding and our key stakeholders.

Additionally, topics material for our stakeholders (in the upper left corner of the matrix) and topics with high impact on NUROL Holding's corporate success (in the lower right corner of the matrix) are also depicted in the matrix. Information about these topics are shared within the framework of our management approach and practices.

Within the scope of NUROL Holding's value chain and outside the corporate boundaries we have emphasized the material topics by writing them in red font in the following matrix.



NUROL Holding's material topics constitute common outcome for the Group Companies. Thus, 'Ethical Management', 'Risk and Opportunity Management', 'NUROL Group Work Life' and 'Group Internal Communication' are presented under separate sections of this Report. In addition, 'NUROL Education, Culture and Sports Foundation' and 'NUROL Art Gallery' were included in the 'Corporate Social Responsibility' section. 'Our Environmental Consciousness', 'Our Occupational Health and Safety Approach' and 'Sustainability in Our Value Chain' were shared under the Sustainability Approaches of Holding and each company in the reporting boundary.

### OUR ENVIRONMENTAL CONSCIOUSNESS

NUROL is intensely care the nature and the cultural fabric without distinction of its fields of activity. It adopts the protection of them as the corporate culture. Along with all legal regulations, NUROL complies with environmental regulations. It applies its sustainability policies effectively in all management and production processes; supports preventive approaches harmless to the environment. It strives to disseminate more effective environmental responsibility and supports efforts in this direction.

Our environmental consciousness approach mentioned above applies to all NUROL Companies.

NUROL manages its environmental responsibilities in a systematic approach within its sustainability management. It supports its Group Companies to achieve their intended outputs and establish environmental management systems adding value to themselves and their stakeholders.

As NUROL Holding Headquarters, which carries out management and coordination functions among its companies, we serve on a five-store office building in Ankara and an office floor in Istanbul that have no significant direct environmental impact.

### OUR OCCUPATIONAL HEALTH AND SAFETY APPROACH

NUROL considers providing safe and healthy working conditions, complying with the relevant legislation, protecting the safety and health of workers, structuring, working and managing risks to prevent occupational incidents as an integral part and priority of all its activities.

NUROL applies high OHS standards to prevent potential damages in its organizations. It fully complies with all relevant local laws and regulations; furthermore, in many cases goes far beyond legal requirements. Each employee is responsible for protecting the safe working environment, following the safe working instructions and practices, and using its appropriate personal protection equipment.

NUROL develops and implements policies that increase health and safety awareness, provide information about its objectives and maintain a safe working environment. In addition, it aims to adopt a health and safety culture by conducting systematic and proactive practices on OHS. In this context, it organizes awareness trainings and conducts "Emergency Evacuation Drill" regularly.

In order to ensure the safety of our employees and to minimize the negative impact of a possible emergency case, the "Emergency Plan" and "Emergency and Safety Instruction" are followed tightly. We have "Emergency Teams", that any employee can get support in case of natural disaster or emergency.

In case of a deviance from the criteria specified in the risk management processes applied in NUROL, all internal and external stakeholders are informed according to the relevant communication procedure. OHS activities are also evaluated at the Board of Directors meetings.

The above-mentioned approach to occupational health and safety is valid for all NUROL Companies.

### SUSTAINABILITY IN OUR VALUE CHAIN

The aim of NUROL is to be the most valuable and reliable company for its customers. To achieve this goal, it is a permanent goal to provide the product (goods and service) that best meets customer expectations. It is determined to achieve this by creating a continuous cooperation and trust relationship.

It is essential that NUROL's reputation earned by institutions and organizations is maintained and protected by ensuring trust, justice and sustainability in all its activities.

NUROL treats its customers, suppliers and contractors fairly and honestly, without any discrimination and fraud, consistent with all valid legislation and consistent with correct business practices. Employees may not make false or misleading comments about any company, including NUROL's competitors and third parties, its employees or products.

Our sustainability approach in our value chain mentioned above applies to all NUROL Companies.

# SUSTAINABILITY APPROACH

## NUROL HOLDING

and Our Companies, conduct dialogues directly with our stakeholders in some cases, but also indirectly through various business, sector and non-governmental organizations.

### CORPORATE MEMBERSHIPS OF NUROL COMPANY GROUPS

 UN Global Compact Participant and Signatory	 World Water Council	 Turkish American Business Council	 American Society for Quality	 British Chamber of Commerce in Turkey
 European International Contractors Communities	 International Road Federation	 Turkish Industry and Business Association	 Türkiye İnşaat Sanayicileri İşveren Sendikası	 Turkey Quality Association
 TÜRKİYE METAL SANAYİCİLERİ SENDİKASI	 TÜRK MÜHÜRLEME VE NİHAZ ÖZELLİKLERİ DERNEĞİ Union of Chambers of Turkish Engineers and Architects	 The Union of Chambers and Commodity Exchanges of Turkey	 Turkey Tourism Investors Association	 Chambers Of Turkish Engineers And Architects
 Turkey Entrepreneurship Foundation	 TÜRKİYE İHRACATÇILAR MECLİSİ	 TÜRKİYE MÜTEAHHİTLER BİRLİĞİ	 Turkey Miners Association	 Defense and Aerospace Industry Manufacturers Association (Member of the Board) *
 TÜRKİYE YOLLARI VE NİHAZ KURUMU Turkish Road Association	 ALTIN MADENCİLERİ DERNEĞİ Turkish Gold Miners Association (Chairperson of the Board) *	 Foreign Economic Relations (Board of Turkey) *	 BAE (Executive Committee Member) *	 The Central Anatolian Exporters Association *
 İstanbul Chamber of Commerce	 İstanbul Minerals and Metals Exporters Association	 Ankara Chamber of Commerce	 Ankara Chamber of Industry	 Ankara Young Businessmen Association
 Ankara Public Relations Association	 R&D Centers Communication and Cooperation Platform	 METU Technopolis Defense Industry Cluster	 International Coach Federation	 Society of Human Resources Management
 Employment Foundation of Human Resources	 METU Alumni Association	 National Resources and Reserves Reporting Committee	 Foundation of Children with Leukemia	 Istanbul Chamber of Industry
 Turkey Asphalt Contractors Association	 Defence and Aerospace Industry Exporters' Association *			

\* Corporate memberships in Executive Committee

## OUR INTEGRATED MANAGEMENT SYSTEMS

We adopt a culture of excellence as a way of life with holistic quality approach in management.

In Group of Companies, we aim to ensure that management systems such as quality management are implemented in accordance with the international standard requirements and that they are permanent, continuously improving and sustainable structures in quality management system, environmental management system, occupational health and safety management system, information security management, greenhouse gas management, energy management system, quality management in defense, aviation and space systems.

In order to achieve these goals, we carry out various activities such as meetings, trainings, company visits, workshops where all the employees of Our Group Companies make a difference in their working lives; where the competitiveness of the companies they work for can be increased, improvements, and results of all processes, best practices are shared and discussed. We share these activities with all our stakeholders in “NUROL Holding NUROL quality portal” and “NUROL World” magazine.

## STANDARDS AND CERTIFICATES OWNED

Standard, Certificate, Document	NUROL CONSTRUCTION	NUROL MAKİNA	FNSS	NUROL TECHNOLOGIES	TÜMAD
AQAP-2110 NATO Quality System Standard		✓	✓		
ISO 9001 Quality Management System	✓	✓	✓	✓	✓
12047 Service Qualification Certificate		✓			
EN ISO 3834-2 Welded Manufacturing Qualification Cert.		✓			
ISO 14001 Environmental Management System	✓	✓	✓	✓	✓
NATO Facility Security Certificate	✓	✓	✓	✓	
National Security Facility Certificate	✓	✓	✓	✓	
ISO 17025 Ballistic Testing Laboratory			✓	✓	
ISO 27001 Information Security Management System			✓		
OHSAS 18001 Occupational Health and Safety Management System	✓	✓	✓	✓	✓
SA 8000 Social Compliance Management System					✓
ISO 45001 Occupational Health and Safety Management System		✓			

### Accreditations

TÜRKAK	✓		✓	✓	
DakKS	✓				

✓ Certification preparations has began.

✓ Document has been received.

# SUSTAINABILITY APPROACH

## A giant step to preserve biodiversity from Nurool Construction (Dünya Newspaper)

To care for the Hersek Lagoon; Osman Gazi Bridge was constructed in curvature structure and some necessary measure are taken. Consequently, the number of bird species increased from 113 to 202 and the biodiversity increased in the Hersek Lagoon, which is an important wetland.



## TÜMAD Mining's success in Lâpseki and İvrindi Mine Projects

Lâpseki and İvrindi Gold Mine Projects of TÜMAD Mining Industry and Trade Inc. deemed worthy to the "Best Natural Resources Deal" award within the scope of EMEA FINANCE "Project Finance Awards 2017".

# nurool İNŞAAT



## Nurool Construction continues to encourage competent education and the educated. (Manisa'da Gündem Newspaper)

Nurool Construction and Trade Inc. signed a training protocol for the graduates of Manisa Celal Bayar University and vocational high schools to employ in the scope of Ümraniye-Ataşehir-Göztepe Subway Construction and Electronic Systems Supply, Installation and Operation. The protocol ensures that the qualified students proposed by the university are subjected to training for a period and then examined, finally the successful ones are employed in the specified jobs.



## Investment loan from EBRD to Nurool Holding for Sustainable Development (Akşam Newspaper)

The European Bank for Reconstruction and Development (EBRD), known for its support for sustainable projects, has provided a total loan of USD 200 million with the consortium including Ziraat and Akbank for the construction, development and operation of two gold mines in Çanakkale and Balıkesir developed by TÜMAD.

## Nurool Holding is of the companies steer R&D and innovation (Günboyu Newspaper)

Nurool Holding underlined the importance of R&D and innovation in Turkey to achieve sustainable growth by participating the Architects and Engineers Summit and Exhibition.





# DÜNYAYI İNŞA EDİYORUZ Türkiye Kazanıyor

Yurtdışı Müteahhitlik ve Teknik Müşavirlik Sektörü  
Değerlendirme Toplantısı ve Ödül Töreni

## Nurol Construction is among the most successful contracting companies

Nurol Construction has been one of the Top 250 International Contractors determined by the international construction sector magazine Engineering News Record (ENR) for the last 10 years. NUROL Construction's reference projects in the list covers a wide range such as infrastructure projects, highway projects, pipeline projects, tunnel projects, irrigation systems, water treatment plants, hydroelectric power plants, turnkey production plants, business and commercial center, housing projects and social center projects.

## Nurol Holding's support for the love-knows-no-disabilities project (Sözcü Newspaper)

Nurol Holding contributes to and supports the Bodrum Disabilities Health Foundation Center for the Disabled, which was established in 1996 and is a Disabilities Training and Rehabilitation Center.



## Nurol Makina ve Sanayi A.Ş. also attended the Researcher Training Program for Defense Industry (SAYP) Protocol of our University ([www.milscint.com](http://www.milscint.com))

Nurol Makina ve Sanayi A.Ş. was participated in the protocol of "Researcher Development Program for Defense Industry (RDPDI)", which is carried out by TOBB ETU in cooperation with the Undersecretariat of Defense

Industries (SSM) and for graduate students to work as R&D employees in defense industry companies.

## Success of FNSS Defense Industries Inc. (Makina Magazin Periodical)

FNSS Defense Industries Inc, participated in the 6th "Purchasing and Supply Management Summit" under the heading of "Local Procurement for a Stronger Turkey". It was deemed worthy to the 'Purchasing Excellence Turkey 2016 - Best Installation Project' award due to "Samur" Amphibious Assault Bridge Project within the scope of the summit.



# SUSTAINABILITY APPROACH



# NUROL CONSTRUCTION

**has been among the Top 250 International Contractors determined by Engineering News Record (ENR) for the last 13 years consistently.**

As NUROL Construction, we signed the United Nations Global Compact on August 1, 2017 and pledged to act in accordance with the 10 basic universal principles.

We are also a member of the World Water Council, which works to ensure the global sustainability of critical living resources for the protection, development, planning and management of water level use, including making the most effective decisions at all levels to raise awareness of fair water use in the world.

We participate in the activities of TÜSİAD's "Energy Efficiency Task Force" and "Environment and Climate Change Working Group" and follow up the decisions taken. TÜSİAD has formed three sub-working groups under the Climate Change Working Group. These subgroups are the 'Climate Change and Low Carbon Economy Sub-Working Group', 'Financing Models and Incentives Sub-Working Group' and the 'Zero Waste Sub-Working Group'. As NUROL Construction, we contribute to the efforts of TÜSİAD with our opinions on the environmental legislation of our country during its preparation.

Via our memberships, we follow up and participate in the meetings of the Supply Chain and Women's Empowerment Working Groups established by the UN Global Compact Turkey Secretariat. Through the Supply Chain Working Group, we share our experience on subcontracting, which is frequently applied in the industry and aim to contribute to the improvement of subcontractor management processes.

The construction sector is labor intensive and can accommodate difficult conditions; therefore, women employment rates are low. By participating in the Women's Empowerment Working Group, we aim to improve ourselves by benefiting from the experiences of our industry.

NUROL Construction, included in the World's Largest International Contractors list published by the US Engineering News Record (ENR.com); works in the context of reference projects such as; infrastructure projects, highways, railway and subway systems, tunnels, gas / oil pipelines and related facilities, irrigation / drainage systems, dams and hydroelectric power plants, water supply and wastewater systems, urban / industrial treatment plants and solid waste plants, turnkey production facilities and industrial complex projects, industrial sites, business and trade center projects, luxury / mass housing and social center projects / hotel, holiday village and touristic facility projects and sports complex and stadium projects.

NUROL Construction regularly monitors its activities on economic, social and environmental topics. In our projects, our performance on environmental and occupational health and safety topics are monitored through the "OHS-E Monthly Report" prepared by the projects; target programs are monitored by monthly "Target Tracking Reports". In addition, business progress and the accordance with the work plan are controlled by "Daily Reports" and "Monthly Activity Reports"; budget correspondence is controlled by monthly reports.

# SUSTAINABILITY APPROACH



## OUR STAKEHOLDER DIALOGUES

As NUROL Construction, we hereby share with you the outcomes of our “Stakeholder Analysis and Materiality” workshop that we have organized together with our NUROL Construction Sustainability Team and our Consultancy Company to determine our key stakeholders and material sustainability topics.

We have grouped our key stakeholders in three different categories according to their degree of influence on our activities or our impact on them; at high, intermediate and low.

### LOW

Universities  
Insurance Companies  
Sectoral Foundations  
NGOs

### INTERMEDIATE

Media  
Competitors

### HIGH

Customers  
Employees  
Business Partners  
Subcontractors/Suppliers  
Financial Providers  
Legislat,ve and Regulatory  
Institutions  
Local Society

## Our Stakeholder Dialogue Platforms

We utilize various dialogue platforms to learn from our stakeholders' expectations and to inform our stakeholders about sustainability topics. With in this context; we present our dialogue platforms with our stakeholders, its frequency, and the key topics covered.

Stakeholders	Dialogue Platforms	Frequency of Dialogue	Topics
<b>Customers</b>	Visits, dialogues, employer audits, creditor audits, e-mail, correspondences, meetings, reporting, contracts, annual reports	Daily, weekly, monthly and when necessary	Project opinions, project deliveries, progress payments, manufacturing, materials, Occupational Health and Safety, environment, technical and administrative topics related to the project
<b>Subcontractors</b>	Meetings, dialogues, proposals, contracts, official correspondences, dialogues, e-mails, trainings, OHS boards, audits, field visits, warning and safety signs, reportings	Daily, weekly, monthly and when necessary	Technical and administrative topics related to the project, drawing deliveries, OHS, quality, environment, progress payments, work deliveries
<b>Suppliers</b>	Meetings, proposals, contracts, correspondences, e-mails, trainings, OHS boards, audits	Daily, weekly, monthly and when necessary	Payments, standards, quality, OHS, environment, sectoral developments
<b>Legislative and Regulatory Institutions</b>	Visits, dialogues, correspondences, meetings, field inspections, seminars	Annual, when necessary	Business, SSI, OHS, environmental laws, expropriation, permits
<b>Shareholders</b>	Board of Directors Meeting, Executive Committee Meeting, correspondences	Monthly, when necessary	Project progress, quality, OHS, environment, site management
<b>Employees</b>	Trainings, social events, e-mails, meetings, notice boards, intranet, trainings, contracts, NUROL Family Chats Organization	Daily, weekly, monthly and when necessary	Employee job descriptions, site information, Integrated Management Systems information, OHS and environmental information, personal rights, administrative
<b>Union</b>	Meetings, correspondences	Annual, monthly and when necessary	OHS, employee personal rights
<b>Financial Providers</b>	Regional and Project Directorate, Accounting Unit visits, Official correspondences, dialogues, visits	Monthly and when necessary	Projects, investments, deposit transactions, payments, OHS, environment
<b>Society</b>	Official correspondences, dialogues	Monthly and when necessary	Project requests and complaints, environment, project information, expropriation
<b>Media</b>	Press releases, interviews, social media, Project Directorate visits	When necessary	Project presentation, project progress and various news related to projects, social responsibility news
<b>NGOs</b>	E-mails, correspondences	Annual and when necessary	Opinions on legislation, certification
<b>Consultants</b>	Correspondences, site visits, meetings, workshops	Monthly and when necessary	Project implementation, work progress, work program, progress payments, OHS, environment
<b>Insurance Companies</b>	Mutual correspondences, coordination meetings, field trips	When necessary	All project risk insurances and vehicle and transport insurances

# SUSTAINABILITY APPROACH

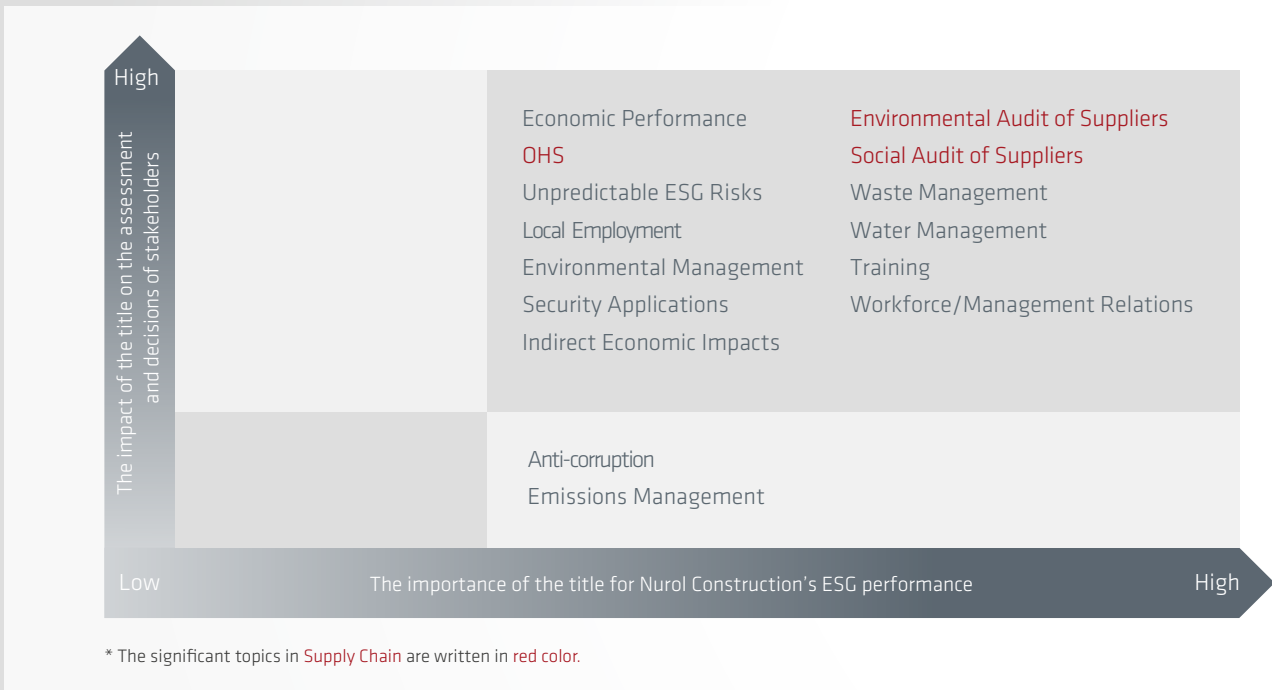
## OUR MATERIALITY ANALYSIS

In our “Stakeholder Analysis and Materiality” workshop, we determined our material sustainability topics by addressing the sustainability topics with the highest impact on our corporate success and our stakeholders, and those that our key stakeholders most care and learn about. We have depicted these topics in the upper right corner of the “Materiality Matrix” below.

As part of our sustainability strategy and approach, within the scope of our Report, we focus on providing information about our management approaches, policies, practices we have implemented, our performance and targets; which are important for both NUROL Construction and our key stakeholders.

Additionally, we addressed subjects that are important for our stakeholders (in the upper left corner of the Matrix) and other topics that we think have a high impact on NUROL Construction’s corporate success (in the lower right corner of the Matrix) within the framework of our management approach and practices.

Within the scope of NUROL Construction’s value chain, we highlighted the material topics outside of its corporate boundaries by writing them in the red font in the matrix below.



Our Gebze - Orhangazi - İzmir Highway Balıkesir - Kirkağaç - Akhisar Section Project passes through the settlement units such as villages and neighborhoods within the cities of Balıkesir and Manisa. For this reason, one of the material sustainability topics in the project is the “Relations with the Local Community” and correspondingly the complaints received from the local community. Since the initial phase of the project, we have been managing local community complaints and requests by on-site visits, official correspondences, face-to-face meetings with local individuals and mukhtars by the relevant department chiefs, project manager and administrative affairs units, and sometimes through the project employer. Starting from the occurrence of the complaint, we keep communicating with the local people until the root cause of the complaint disappears.

Furthermore, we strive to avoid causing any complaints by taking care of our activities and by focusing on understanding the demands of the local people and create a solution for them.

For example, the lands belonging to the local people, which are largely unfit for agriculture along the project route, are used as storage areas in line with the project needs with the ratification of the locals. At the last phases of the project, with a landscape activity by us they became available for agriculture.

Within the scope of our project, the total number of citizen complaint letters, in 2017, was 135; the number of complaints resolved and answered during the year was 131, and the number of unresolved or unanswered complaints within the same year was 4.



Boukhroufa Dam Projects

The Boukhroufa Dam Project, which is 20 km from the Mediterranean coast in El Tarf in the northeast of Algeria and the Tunisian border, will have great contribution both locally and nationally. Since this part of the country is less developed than other coastal areas, the Project is an important opportunity for local development. In addition, it rains heavily in winter time in the region and flooding is observed. With the establishment of the dam, floods will be under control. Furthermore, the dam is of national importance for Algeria, as it will be used as a water resource to operate phosphate mines in the region.

Local employment is prioritized on purpose. In some occupations, where a certificate is required (for machine operators, firemen, etc.), local employees has been supported to be trained. Algerian employees were encouraged to become trade union members and they were granted rights under the Algerian law. The right to compensation was also provided.

The material needs of the plant were primarily supplied locally, thus contributes to the local economy.

Souk Tleta Dam Project contributes to the local economy by supplying from the local. Material supply is provided by weekly, monthly and quarterly planning. If the necessary machinery and equipment cannot be provided from the existing machinery park, it is provided by rental or sub-contracting service through local channels. It is aimed to increase local employment by giving priority to local people in recruitment.

NUROL Construction policies and values are committed to the Labor Law for its employees. In order to comply with the legislation and prevent child labor, all employee records of our subcontractors and suppliers are gathered and checked for compliance.



Souk Tleta Dam Projects



## NUROL CONSTRUCTION AND ENVIRONMENTAL CONSCIOUSNESS

NUROL Construction and Trading Co. Inc. aimed at the protection of natural environment, while conducting its production activities at top quality level. In this respect, we confirm that we will realize the principles given-below, related with the environment we borrowed from future generations, in every area we have activities:

- To prevent air, water, soil pollution in a continuous improvement manner,
- To comply with legal legislation about environment, administrative regulations and the rules that should be obeyed,
- To provide execution of design activities with minimum environmental effects,
- In situations when conditions cannot be interfered, not participating in the production activities which may have significant and negative impacts on environment,
- Within the framework of engineering principles using environmentally friendly inputs throughout our activities,
- To share the acquired environmental experiences with public, private sector corporations and NGOs mutually,
- In scope of production activities, to spend excessive emphasis on the utilizing of natural resources in the most effective way, the provisions of source saving and recycling,
- To provide the necessary training and education programs for bringing all our staff, suppliers and subcontractors to the required level of environmental consciousness.

In 2017, no sanctions or penalties were imposed for non-compliance with environmental legislation. In the projects, no significant spills or contagion have occurred regarding wastes and pollutants. During our audits, we did not find any suppliers that had a significant negative impact on the environment.

Dust emission measurements are performed regularly in our projects and many measures were taken to prevent dust. There are no species included in the IUCN Red List Species and National Conservation List in our construction sites within the scope of our projects, or where available the existing species have not been affected negatively during the reporting period.



**Detailed Info**

For IUCN Red List Species: [www.iucnredlist.org/search/list?taxonLevel=Amazingo-searchType=species](http://www.iucnredlist.org/search/list?taxonLevel=Amazingo-searchType=species)

Environmental Training Hours	Total Training Hours (human.hour)	Training Hours per Employee (hour/human)
	2017	2017
Environmental Trainings	2.411	3,37
<b>Total Trainings</b>	<b>33.148</b>	<b>37,72</b>





## Energy and Emission Management

At the phase of environmental impact analysis in our projects; all emission sources are identified, and the necessary legal permission processes are applied to keep these emissions under control.

In our highway projects, emissions occur due to activities such as asphalt plant and beam casting site. Emissions for asphalt plants are tracked and included in legal authorization processes. Emissions from steam boilers occur at beam casting sites. The measurements are carried out, but our projects in our country are not subject to emission permits. Dust emissions are generated from concrete plants and quarries. Particulate Matter 10 (PM10) and dust deposit values are measured periodically and numerous dust prevention measures (dust barriers, pumper use, pulverized systems, etc.) are taken in the field.

Our GHG emissions inventory arising from our fuel and electricity consumption are as follows:

Internal Energy Consumption (GJ)	Balıkesir OP	Konya EVP	Boukhroufa BP	Souk Tleta BP	Total
<b>Fuel</b>					
<b>Diesel (Generator/Heating)</b>	104		1.495	5.230	<b>6.829</b>
<b>LNG</b>	5.129				<b>5.129</b>
<b>CNG</b>		980.501			<b>980.501</b>
<b>Diesel (vehicle)</b>	36.241.380	1.494	82.083	3.564	<b>36.328.521</b>
<b>Electricity</b>					
<b>Electricity from the Grid</b>	5.009	884	8.527	1.835	<b>16.255</b>
<b>Total Energy Consumption</b>	<b>36.251.622</b>	<b>982.879</b>	<b>92.106</b>	<b>10.629</b>	<b>37.337.235</b>

Greenhouse Gas Emission (ton CO <sub>2</sub> -equivalent)	Balıkesir OP	Konya EVP	Boukhroufa BP	Souk Tleta BP	Total
<b>Scope 1</b>	2.513.479	57.299	5.796	610	<b>2.577.184</b>
<b>Scope 2</b>	614	108	1.267	273	<b>2.262</b>
<b>Total Energy Consumption</b>	<b>2.514.092</b>	<b>57.408</b>	<b>7.063</b>	<b>883</b>	<b>2.579.446</b>

# SUSTAINABILITY APPROACH

## Water Management

In our projects, necessary infrastructure researches are carried out at the planning stage to determine the appropriate wastewater disposal method. In our projects where there is no sewage line, septic tanks or treatment systems are used for domestic wastewater use depending on the number of personnel living in the camp.

If septic tank is to be formed depending on the number of person staying in the camps, necessary permissions are taken, and the septic tank is used after the impermeability checks. Protocols are signed with the institutions that may discharge the wastewater appropriately (municipality, etc.). In accordance with this protocol, wastewater is taken to the discharge area by means of sewage trucks periodically.

In cases where the number of personnel is not appropriate for septic tanks, package wastewater treatment systems are installed, and their activities are monitored in a controlled manner.

Company/Site Name	Water Withdrawal (m <sup>3</sup> )	Withdrawal Environment	Volume of Water Discharged (m <sup>3</sup> )	Discharge Environment	Volume of Water Recycled (m <sup>3</sup> )	Volume of Water Reused (m <sup>3</sup> )
<b>Balıkesir Motorway Project</b>	14.410	Ground-water	10.950	Surface water after Biological treatment (Üzümcü Stream)		
			3.459	Sewage		
<b>Konya Eyiste Viaduct Project</b>	12.890	Surface-water	560	Sewage truck	39,6	
<b>Boukhroufa Dam Project</b>	224.000	Surface-water	18.250	Ground water (Boukhroufa Stream)	18.720	
	14.070	Ground-water	5.475	Biological Treatment		
<b>Souk Tleta Dam Project</b>	16.128	Ground-water	16.128	Oued Smar Bougdura River after treatment		
<b>NUROL CONSTRUCTION TOTAL</b>	236.890	Surface-water			18.759,6	
	44.608	Ground-water				

## Waste Management

Wastes are collected separately in accordance with the waste management plan and delivered to the licensed institutions; recycling or disposal is provided depending on the type of waste. Waste amounts are monitored and reported monthly. In addition, our employees are periodically trained in waste management topics to ensure that waste management is carried out in accordance with the principles set out in our projects.

In waste management, one of our material topics, our Balıkesir Motorway Project produced hazardous waste of 363 vehicle tires that approximately weigh 50 tons and non-hazardous packaging waste weighs 2.1 tons in 2017. 16.6 tons of these wastes and all tires were disposed properly, and 36.3 tons were recycled.

In our Konya Eyiste Viaduct Project, approximately 200 liters of waste oil, 182 kg of other hazardous waste, 12 filters which are hazardous waste, and domestic non-hazardous waste has been formed. 132 kg of domestic and other wastes were disposed of in accordance with the procedure.

In our Boukhroufa Dam Project, 1,920 liters of mineral oil, 15 kg of medical waste and 47 batteries which are hazardous waste and 65 tons of non-hazardous domestic waste were generated. 182 tons of rebar were recycled.

In our Souk Tleta Dam Project, approximately 4,800 liters of oil, 7.5 tons of plastic waste, 135 tons of domestic waste, 182 tons of construction iron waste were formed as non-hazardous waste. All domestic waste was disposed appropriately and all plastics, iron and oils were recycled.

**OUR OHS PRINCIPLES**

NUROL Construction holds OHS-E Committee meetings in all its projects in order to inform employees about occupational health and safety topics or to be informed about their requests. Employees' opinions on Occupational Health and Safety topics are gathered at OHS-E Committee meetings through employee representatives identified in our projects. Project manager, department representatives, on-site physician, employee and foremen representatives also participate in OHS-E Committee meetings.

In cases where there is no legal obligation to establish an OHS-E Committee (different countries, number of employees, etc.), the OHS-E Committee is still established in NUROL Construction projects voluntarily and meetings

are held monthly. On the OHS-E Committee meeting agenda; occupational accidents and near misses, unsafe movements and situations in the project, emergency preparations, OHS and environmental actions, periodic controls, training plans and activities, annual occupational health and safety plans and evaluations, employer's notifications on OHS and environmental topics, complaints and suggestions for improvement are included. Meeting decisions are recorded. The decisions taken are announced to the relevant persons for action and published on the bulletin boards.

NUROL Construction has certified its occupational safety management with OHSAS 18001 Occupational Health and Safety Management System.

OHS Trainings	Total Training Hours (human.hours)		Training Hours per Employee(hour/human)	
	2017		2017	
OHS Trainings	28.675		28,61	
<b>Total Trainings</b>	<b>33.148</b>		<b>37,72</b>	

Total Number of Accidents, Frequency and Rate	Accident Numbers		Total Accident Frequency		Total Accident Rate	
	2017		2017		2017	
<b>NUROL Construction</b>	90		2,81		21,84	

\* For detailed information and explanations on OHS performance, please check to "Performance Indicators" section.

# SUSTAINABILITY APPROACH

## NUROL CONSTRUCTION VALUE CHAIN MANAGEMENT

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Thanks to our membership to the Supply Chain and Women's Empowerment Working Group established by the UN Global Compact Secretariat of Turkey, we follow up and participate meetings. We aim to improve our subcontractor management processes while sharing our relevant experiences that are used extensively in our sector through the Supply Chain working group.

Through the informative meetings with subcontractors and suppliers in our projects; efforts are driven to raise awareness on environmental and OHS topics. Joint training programs are organized and nonconformity identified in the field are monitored through our Integrated Management Systems Representatives. In our projects, subcontractors and suppliers are periodically audited with our experienced auditor team. In particular, we support them on overcoming the nonconformities on legal compliance determined in the audits conducted. We guide our subcontractors, and we try to improve their processes indirectly on our influence. In addition, subcontractors are particularly monitored for compliance with the law, such as the fulfillment of personnel rights.

Our key suppliers are included in the audit plans to evaluate their compliance with laws on environmental and OHS topics and, if there are deviations, are followed up through corrective actions. Follow-up audits are performed when necessary.

NUROL Construction plans to include environmental and social topics in subcontractor selection procedures.

We aim to get information from our subcontractors about their environmental performances at the tender stage through a list of questions. The related procedure was initiated in the last quarter of 2017 and is expected to be published in 2018.

Within the scope of supplier audits conducted in 2017; in our second party audit plan, 10 subcontractors and 4 key suppliers were audited by the internal auditors of the Balıkesir Motorway Project. In these audits, occupational safety and environmental topics are audited according to current legislation. Our planned audits are carried out annually, the audit results are shared with companies under the name of the "Audit Report" and the findings of the reports are followed up for action.

In our Konya Eyişte Viaduct Project, weekly OHS-E on-site tours are carried out with the participation of subcontractors. Nonconformities are reported to subcontractors and corrective actions are initiated for nonconformities and the process is followed up. In 2017, 17 OHS-E on-site tours were conducted.

At Boukhroufa Dam, one of our projects in Algeria, subcontractors are continuously monitored by the management and OHS-E teams and followed up with warnings both by in letter and non-compliances. In the Souk Tleta Dam, the working conditions of the subcontractors are monitored during the monthly on-site tours and non-conformities are identified and corrected.

# NUROL CONSTRUCTION AND SUSTAINABILITY



# SUSTAINABILITY APPROACH



# NUROL MAKİNA

**we put considerable effort on developing local suppliers and sub-industries.**

With over 25 years of experience and high capabilities in the defense industry, NUROL Makina designs and manufactures original systems in the field of armored vehicles. The mobility tests of the produced platforms are carried out at the test track and pool within NUROL Makina premises. Being aware of the defense industry's expectations on high-quality, our quality management activities are, from the design stage to the delivery stage, in accordance with international quality and military standards. Therefore, in addition to our production quality; environmental, social and managerial topics are also considered. In this context, TS EN ISO 9001:2015 Quality Management System, TS EN ISO 14001:2015 Environmental Management System and TS 18001:2014 Occupational Health and Safety Management System certificates have been obtained.

Quality Assurance and Control is carried out with Coordinate Measurement Machines (CMM), non-destructive testing infrastructure and certified expert personnel from input quality controls to final product controls.

We conducted a "Stakeholder Analysis and Materiality" workshop to gather input to our sustainability strategy, identify key stakeholders and manage our dialogue with them. The outcomes of our workshop with NUROL Makina Sustainability Team and our Consultancy Company to determine our key stakeholders and material sustainability topics are as follows;

## **OUR STAKEHOLDER DIALOGUES**

As NUROL Makina, we hereby share with you the outcomes of our "Stakeholder Analysis and Materiality" workshop, organized together with our NUROL Makina Sustainability Team and our Consultancy Company to determine our key stakeholders and material sustainability topics.





## Our Stakeholder Dialogue Platforms

We utilize various dialogue platforms to learn from our stakeholders' expectations and to inform our stakeholders about sustainability topics. With in this context; we present our dialogue platforms with our stakeholders, its frequency, and the key topics covered:

Stakeholders	Dialogue Platforms	Frequency of Dialogue	Topics
<b>Legislative and Regulatory Institutions</b>	Audits, visits, congresses, conferences and seminars, e -devlet (online government system), Integrated Environmental Information System, TSI	Every six months, if required and necessary	Opinions on legislation, OHS, Institution of Providing Jobs and Employees (IPJE), Standards
<b>Shareholders</b>	Board of Directors meetings, Annual Reports	Quarterly, annual	Information on OHS developments, accident rate monitoring, status of current and potential projects
<b>Financial Institutions</b>	Visits and dialogues, Annual Reports	When necessary, annual	Project and investment topics
<b>Competitors and Private Sector</b>	Domestic and foreign sectoral fairs, sectoral events, conferences, congresses, meetings etc. organized by Presidency of Defence Industries, corporate website, NUROL Holding Annual Report,	Annual, monthly, if necessary	Sectoral topics
<b>Customers</b>	Corporate website, advertisements, visits, representations, embassies and attachés, fairs, Presidency of Defense Industries, Association of Defense and Aerospace Manufacturers	Constantly	Products and capabilities, projects, offers, promotional activities
<b>Employees</b>	Trainings, monthly and weekly newsletters	Annual, monthly, weekly	Legislation, training program and continuous improvement program trainings, monthly bulletins within the specified topics
<b>Union</b>	Meetings, correspondences	Annual, monthly, when necessary	OHS, employee personal rights
<b>Society</b>	Social media, corporate web page, product web pages, NUROL Holding Annual Report	Constantly	Products and capabilities, corporate developments, events
<b>Media</b>	Sectoral publications, press releases, corporate web page, social media platforms, NUROL Holding Annual Report, Advertisements, NUROL World Magazine, domestic and international public / private television channels	Annual, monthly, if necessary	Corporate news, fairs, seminars, congresses and so on. organizations, sectoral topics, institutional developments
<b>Sector Foundations</b>	Association meetings, congresses and seminars, award processes	When necessary, annual	Quality Association, DAI and Kaizen sharing activities, Quality Circle and Kaizen award process, continuous improvement and sustainability studies
<b>Consultants</b>	Association meetings, congresses and seminars, award processes	When required, when necessary	OHS, management systems, continuous improvement activities, hazardous materials activities
<b>Suppliers</b>	Meetings and trainings, OHS consultancy, environmental consultancy	When necessary, annual	Business operation, maintenance, purchase, planning and supply
<b>NGOs</b>	Corporate web page, social media, NUROL World Magazine	When necessary	Social responsibility projects, promotional activities





## OUR MATERIALITY ANALYSIS

In our “Stakeholder Analysis and Materiality” workshop, conducted to determine our material sustainability topics, we addressed sustainability topics with the highest impact on our corporate success and our stakeholders; and those that our key stakeholders most care about and want to learn as our material sustainability topics. These topics took place in the upper right corner of the “Materiality Matrix” below.

As part of our sustainability strategy and approach, within the scope of our Report, we were careful about providing information about our management approach, policies, practices we have implemented, our

performance and targets; which are important for both NUROL Makina and our key stakeholders.

In addition, we tried to address information that is important for our stakeholders (in the upper left corner of the Matrix) and other topics that we think have a high impact on the corporate success of NUROL Makina (in the lower right corner of the Matrix) within the framework of our management approach and practices.

Within the scope of NUROL Makina's value chain, we highlighted the material topics outside of its corporate boundaries by writing them with the red font in the following matrix.



\* The significant topics in Supply Chain are written in red color.

# SUSTAINABILITY APPROACH

NUROL Makina provides sustainable growth with the products it produces and develops, contributes to our country's economy with its exports, supports technology development with its R&D activities and supports our country's development with its support to local suppliers. By this way, NUROL Makina not only improves its own economic performance but also indirectly provides positive economic effects.

In order to increase production and resource utilization efficiency, NUROL Makina carries out investment activities by its considering renewal approach and strategic targets. Some of our investments realized during the reporting period are as follows:

## **Welding Robot Investment**

In order to increase production and resource utilization efficiency, NUROL Makina carries out investment activities by its considering renewal approach and strategic targets. Some of our investments realized during the reporting period are as follows:

### **5 Axis Laser Cutting Center Investment**

Following the investment made with the vision of being one of the top-level companies in the field of armor steel cutting in terms of technical equipment; cutting tolerances were brought to the customer demand level, the existing laser cutting capacity was increased and our cutting capabilities were improved.

## **Production Tracking System**

Production Tracking System was gradually put into use in order to instantly follow up parts between operations, analyse waiting times, determine net labor times, observe instant stop notifications, manage the prioritization process automatically and perform work load balancing analysis over occupancy rates. With the investment, real-time production data is obtained and reported.

## **Laser Tracker**

With the introduction of the Laser Scanning Measurement System, time loss during the measurement of large parts with the "Portable CMM" is prevented and ease of use is achieved. After working on the sample part, data collection process that could be completed in 3 hours with the help of Portable CMM was down to 30 minutes with the Laser Tracker.

In line with these and similar investments, NUROL Makina has continued its sustainable growth with its increasing operational competencies and superior performance of original design tools. In the assessment of Turkey's Top 500 Industrial Enterprises of 2017, NUROL Makina ranked 350<sup>th</sup> in sales, 295<sup>th</sup> in exports and climbed to 7<sup>th</sup> order in defense exports.

The materials used as raw materials in the field in which

NUROL Makina operates are mainly metal and its derivatives. The scrap output from the processes is very small and the amount of material to be recycled is therefore low. Almost all raw materials are consumed in processes.

Approximately 2% of the raw material used in 2017 consists of recycled scrap material.

## NUROL MAKİNA AND ENVIRONMENTAL CONSCIOUSNESS

As NUROL Makina, we review the interactions of the environmental management system, consider instilling the awareness of environmental protection to all stakeholders as a duty and responsibility and believe that all occupational accidents and occupational diseases are preventable and act with the aim of creating the necessary consciousness and culture.

Accordingly, we guarantee;

- Compliance with legal and national and international standards,
- Continuously reviewing and controlling all our environmental hazards and minimizing all possible environmental risks,
- By adopting the principle of being open to innovations as our basic philosophy, continuously improving the environmental performance and making the improvements continuously,
- To create a permanent Company culture by organizing various activities such as trainings, workshops and seminars in order to raise environmental awareness among all our employees,
- To ensure that our employees, subcontractors, trainees and visitors are present in a healthy and safe workplace and to carry out the necessary activities to protect and improve the health of everyone,
- To adopt an environmentally friendly approach with efficient use of resources and effective waste management, to minimize the harm to the environment,
- To regulate the control of the design, manufacturing, distribution, consumption and disposal of the goods and services of the organization by using an approach that prevents the involuntary increase of the environmental impacts in the life cycle,
- To raise awareness of all our stakeholders about our responsibilities to society and the environment, to ensure their participation and to organize training and various activities in line with this purpose.

We act in full compliance with all valid environmental laws, regulations and legislations. In order to continuously improve the compliance, competence and effectiveness of our environmental management system and improve our performance; we established and maintain a management system in accordance with ISO 14001:2015 Environmental Management System standard. In this context, we established environmental policy, environmental management processes (environmental risks and opportunities, emergency readiness and response, communication, compliance obligations, measurement, analysis and evaluation process, etc.) and environmental performance criteria.

While establishing environmental performance criteria; emissions to air, pollutants released to water and soil, energy use, energy emissions (e.g. heat, noise, light, etc.), waste, raw materials and use of natural resources, and so forth parameters are evaluated. We mainly try to reduce greenhouse gas emissions, consumption of natural resources and increase the amount of recycled waste.

We share our goals on environment with our employees and all of our stakeholders that may affect the achievement of these goals.

Environmental Training Hours	Total Training Hours (human.hours)		Training Hours per Employee (hour/human)	
	2017		2017	
Environment Trainings	2.300		5	
Total Trainings	9.200		20	

# SUSTAINABILITY APPROACH

## Energy and Emission Management

Energy consumption and greenhouse gas emissions arising from the use of natural gas from heating and electricity consumption are as follows:

Internal Energy Consumption (Gj)		2017
<b>Fuel</b>		
Natural Gas*		16
<b>Electricity</b>		
Electricity from the Grid		796.680
<b>Total Energy Consumption</b>		<b>796.696</b>

Greenhouse Gas Emissions (ton CO <sub>2</sub> -equivalent)		2017
Scope 1		0,81
Scope 2		97.593,30
<b>Total Energy Consumption</b>		<b>97.594,10</b>

## Water Management

NUROL Makina is not only aware that water is a valuable asset but also its duty on ensuring that water resources are not to be polluted and used economically.

Company/Site Name	Volume of Water Withdrawal(m <sup>3</sup> )	Withdrawal Source	Volume of Water Discharged(m <sup>3</sup> )	Discharge Destination	Volume of Water Recycled (m <sup>3</sup> )	Amount of Water Reused (m <sup>3</sup> )
NUROL Makina	12.235	Grid	-	Sewage	0	0

## Waste Management

**Wastes** are stored and dispatched at NUROL Makina facilities in accordance with the regulations. Professional consultancy service is received from a company with the authorization certificate by the Turkish Republic Ministry of Environment and Urban Planning for the disposal of wastes. The Company stated that "D10: Combustion" disposal method within the scope of the "Regulation on Control of Hazardous Wastes" is applied as disposal method. The amount of medical waste discharged in 2017

is approximately 25 kg and the amount of other hazardous waste is 30 kg.

In 2017, no monetary penalties or sanctions were imposed on NUROL Makina **due to non-compliance with environmental laws and regulations**. At the same time, there were no complaints received through official mechanisms on our environmental impacts.

## OUR OHS PRINCIPLES

NUROL Makina provides a healthy, hygienic and safe work environment to its employees. It takes the necessary measures to prevent occupational accidents and diseases and regularly provides occupational health and safety trainings to employees to raise awareness.

Employee representatives are elected in accordance with the provisions of the rescript on the "Qualifications, procedures and principles of the employee representative regarding occupational health and safety". In accordance with the rescript, 5 employee representatives have been identified, which is more than the number of employee representatives that should be present in the workplaces between 101 and 500 employees. These representatives were identified by election that all employees have participated. The OHS topics of all employees are

addressed at the OHS Committee held every month through employee representatives.

In order to monitor OHS activities, Deputy General Manager in charge of Operations was appointed as acting employer. OHS topics are discussed in the Management Review Meetings and reported to the senior management.

Weekly OHS meetings are organized at NUROL Makina with the participation of senior management. OHS committee meetings are held monthly and risks are reviewed at this meeting. An internal audit is conducted once a year by the Quality Assurance Directorate. General Manager or Deputy General Managers may also be present during the internal audit.

OHS Training Hours	Total Training Hours (human.hour)	Training Hours per Employee (hour/human)
	2017	2017
OHS Trainings	5.520	12
<b>Total Trainings</b>	<b>9.200</b>	<b>20</b>

Accidents at NUROL Makina are recorded regardless of the size of the injury. It is notified to SSI (Social Security Institution) within three work days at latest. Accident statistics are announced monthly to senior management via email and to other employees through occupational safety boards. In the announcement, the types of accidents, injury areas and areas where accidents occur are indicated by statistics. In 2017, a total of 29 occupational accidents occurred and a total of 51 lost days occurred.

Total Accident Numbers, Frequency and Rate	Number of Accidents	Total Frequency of Accidents	Total Accident Rate
	2017		
<b>NUROL MAKİNA</b>	29	4,51	0,008

\* For detailed information and explanations on OHS performance, please check "Performance Indicators" section.

# SUSTAINABILITY APPROACH

## NUROL MAKİNA VALUE CHAIN MANAGEMENT

NUROL Makina attaches importance to the qualification of its products of its own design and production in accordance with international quality and military standards. While developing innovative products, efforts are also continuously driven to maximize the offset ratio of the products. In addition, another point that NUROL Makina attaches importance to is the concept of logistic support, which started during the design phase of the product and continued throughout its life cycle. The precise approach to user feedbacks and the maintenance and repairment services provided during the life cycle of the systems are decisive in ensuring user satisfaction by strengthening the connection between NUROL Makina and the user.

During the reporting period, Auxiliary Industry Evaluation and Development Directorate was established under the Deputy General Manager of Operations to support the selection and development of subcontractors.

NUROL Makina determines its auxiliary industry management strategy according to national and international Competition conditions and national defense

strategy requirements. In addition, project-based production prioritizes the need to support the increase in production capacity with the auxiliary industry. NUROL Makina determines its auxiliary industry management strategy according to national and international competition conditions and national defense strategy requirements. In addition, project-based production prioritizes the need to support the increase in production capacity with the auxiliary industry.

After the first visit to the candidate companies by the Assistant Industrial Evaluation and Development Department, the Information Exchange and Confidentiality Agreement is signed with the candidate companies. Subsequently, the Company Identification Card and the Checklist for the Supplier Qualification and Quality Management System Assessment are shared with the auxiliary industry candidate.

Candidate firms are evaluated in the quality audits through the following items:

- Quality management system evaluations are based on the requirements of ISO 9001:2015 Quality Management System.
- OHS and environmental management evaluations are based on the requirements of TS ISO EN 14001:2015 Environmental Management System and OHSAS 18001:2014 Occupational Health and Safety Management System.
- In human resources evaluations, the list of officially employed personnel in the candidate company, the SSI records of the employees, the definition of duty and responsibility, and the validation of competence over the operational steps they are responsible for are taken into consideration.
- Production Evaluation
  - In welded production, EN 1090-1 (Requirements for Conformity Inspection of Structural Components) and TS EN ISO 3834-2 (Quality Requirements for Melt Welding of Metallic Materials) are taken as reference.
  - Machining
  - Cutting and bending
  - Coating
  - Paint
  - Production overview
  - General evaluation

In the general evaluation process; the company's convenience of its infrastructure for the movement of parts, the semi-finished/finished product inventory areas, measurement equipments, non-destructive inspection, heat treatment infrastructures, product shipping measures and information technologies are questioned.

After the evaluation of all these criteria, Supplier Evaluation Form is sent to the company whose audit is completed. The agreed audit report and company competence report are published after this evaluation.

Interim audits are carried out to check nonconformities based on the evaluation report shared with the auxiliary industry. If deemed appropriate, the Supplier Approval Certificate is shared with the company and an interim audit is organized once a year.

Based on the findings during quality audits, our candidate companies are supported for the improvement of their Quality Management System. In addition, root cause analysis are carried out for nonconformities detected during the production of our auxiliary industries. Countermeasure activities are planned for these with the Auxiliary Industry Evaluation and Development Directorate. In this case, our main expectation is to provide the companies the abilities of; managing their production and quality activities within themselves, increasing their control and reporting competencies, having the infrastructure to maintain product traceability and records that enable them to offer turnkey products.

Our sub-industries determined through this process are located in the following cities of Turkey; Ankara, Sakarya, İstanbul, Eskişehir, Bursa, İzmir, Konya, Çorum and Sivas.



# SUSTAINABILITY APPROACH





The high **R&D** capability of **FNSS**, enables it to produce the targeted product with the help of its **Technology Roadmap**.

### OUR STAKEHOLDER DIALOGUES

As stated clearly in our mission, we continue our activities with the aim of protecting all of our stakeholders and adding value to them with our creative solutions. FNSS activities are subject to directly or indirectly affected by the activities of our stakeholders, and similarly, the activities of FNSS can affect our stakeholders. Therefore, as FNSS, we shape our strategies together with the stakeholder analysis, which plays an important role in the strategic plan situation analysis.

We share with you the outcomes of the “Stakeholder Analysis and Materiality” workshop that we organized with our FNSS Sustainability Team and our Consultancy Company to identify our key stakeholders and our material sustainability topics.

We identified our key stakeholders in three different categories according to their degree of impact on our activities or our degree of impact on them and grouped our stakeholders in the most affected by our activities or the most affecting our activities as high, and others are gradually intermediate and low levels of impact.

We identified our stakeholders that we interact with the most as; customers, employees, shareholders, suppliers/ subcontractors, industry and public institutions, universities, media and community and non-governmental organizations.



# SUSTAINABILITY APPROACH

## Our Stakeholder Dialogue Platforms

We utilize various dialogue platforms to learn from our stakeholders' expectations and to inform our stakeholders about sustainability topics. With in this context; we present our dialogue platforms with our stakeholders, its frequency, and the key topics covered.

Stakeholders	Our Approach	Dialogue Platforms
<b>Customers (Suppliers and End Users)</b>	Understanding our customers' needs, providing products and creative solutions to meet these needs with fast and flexible business models, and establishing long-term relationships with our customers based on trust are the fundamentals of our customer approach. To fulfill our obligations in a timely manner and to ensure customer satisfaction are of our most important goals.	Business development meetings and visits, all activities within the scope of projects, tests, fairs, end-user trainings, drills, customer satisfaction surveys.
<b>Employees</b>	<p>To employ qualified workforce and to be a preferred employer among employees are of our priorities as FNSS. In this context, the value we attach to our employees and human beings is an important part of FNSS culture, and our Human Resources strategies and practices are shaped accordingly. A wide range of training programs, performance management and career planning are implemented for the personal and professional development of our employees. While full compliance with all kinds of legislation on employee rights is ensured, side benefits are provided, and competitive wage policies are implemented.</p> <p>On the other hand, various communication channels have been developed in order to ensure the active participation of employees in company decision-making processes and to measure employee satisfaction and loyalty. The suggestion system and employee surveys encourage employees to share their opinions and suggestions, and periodic employee satisfaction surveys provide important inputs for improvements to a better working environment.</p> <p>Business results and important developments for the company are shared with employees in in-house magazines, informative emails and various meetings to create a transparent working environment. In addition to the intranet, which enables employees to communicate with each other and to make them aware of company activities as quickly as possible, the corporate website and intranet, the monthly "News from Us" magazine, and various social activities can be counted among our other communication tools.</p>	Monthly employee meeting, Management Review Meetings, Project Review Meetings, All Employee Meeting, FNSS "News from Us" magazine, social activities, intranet and website, employee satisfaction and loyalty surveys, FNSS brand perception surveys, trainings, informative emails.
<b>Shareholders</b>	Our main responsibilities to our shareholders are to ensure that FNSS works in full compliance with legal regulations and achieves its strategic growth targets by creating value added. The main medium where FNSS communicates with its shareholders is the Board of Directors Meetings. In the Board of Directors meetings, detailed presentations and reports on company activities are made. Taking into consideration the FNSS principle of "Transparency", all necessary information about Our Company is shared with the shareholders.	Board of Directors Meetings, FNSS Annual Report, organizations for projects
<b>Suppliers</b>	Our suppliers are one of our most important stakeholders in the execution of our projects. In this respect, establishing long-term and strong cooperation with our suppliers has always been a priority for FNSS. Growing and developing together with our suppliers are among our strategic goals. With supplier performance management and supplier development activities, a win-win policy is implemented for both FNSS and our suppliers. In line with the indigenous policies of our defense industry, we are paying more attention to working with domestic companies. The supplier portal used in our supply chain management ensures continuous and transparent communication with our suppliers. The online supplier portal, visits and audits are the main channels FNSS uses in its dialogue with suppliers. Supplier Days, Industrial Competence Valuation and Support Program (ICVSP) provides stakeholder and common target continuity with the role that FNSS undertakes.	Supplier visits and audits, supplier development activities and ICVSP studies, organizations organized for suppliers; Supplier Day, etc., joint development works with suppliers in projects, supplier portal
<b>Public and Sector Organizations</b>	FNSS provides opinion support to the legislative works of the related public institutions, meets the information requests of the sector through sectoral channels and supports projects and initiatives established for sectoral and national development. Full compliance with the legislation of related public institutions is ensured.	Reports and proposals related to projects, visits and meetings, Defense Industry Fairs, congresses, forums and seminars, SASAD, DEİK, IMMIB etc. memberships
<b>Universities</b>	<p>Taking steps with universities and supporting mutual development are among our priorities in reaching and creating qualified labor force.</p> <p>Research and development projects, graduation projects, different internship programs and candidate engineer programs are carried out with the universities. The participation of our employees in graduate programs is supported in order to provide the academic infrastructure which is very important in the defense industry.</p>	SAYP and so on. programs, R&D projects, career days, internship programs, graduation projects, collaborations with university clubs and student representatives
<b>Media</b>	Our company aims to stay in constant contact with national and international media and to inform the media accurately and timely through the media and social media.	Press conferences, magazine interviews, social media networks, fairs
<b>Society and NGOs</b>	Adding value and supporting the society starting from our nearest environment is among our priorities.	FNSS website, Mil-Design Contest, participation in seminars, NGO memberships, donations and sponsorships

**OUR MATERIALITY ANALYSIS**

In our “Stakeholder Analysis and Materiality” workshop, we determined our material sustainability topics by addressing the sustainability topics with the highest impact on our corporate success and our stakeholders, and those that our key stakeholders most care and learn about. We have depicted these topics in the upper right corner of the “Materiality Matrix” below.

As part of our sustainability strategy and approach, within the scope of our Report, we focus on providing information about our management approaches, policies, practices we have implemented, our performance and targets; which are important for both FNSS and our key stakeholders.

Additionally, we addressed subjects that are important for our stakeholders (in the upper left corner of the Matrix) and other topics that we think have a high impact on FNSS’s corporate success (in the lower right corner of the Matrix) within the framework of our management approach and practices.

Within the scope of FNSS’s value chain, we highlighted the material topics outside of its corporate boundaries by writing them in the red font in the matrix below.



\* The significant topics in Supply Chain are written in red color.



FNSS's approach to and management of its material sustainability topics are as follows:

The main objective of the FNSS corporate strategy is to increase the overall value of the organization as a whole more than its parts all together. The **R&D department** has the vision of supporting the corporate strategy by making use of the product portfolio strategy and guiding the technology roadmap. Determining and prioritizing the necessary technologies in order to provide the target product's targeted qualifications are the main structure of the technology roadmap process. Alignment of companies' strategy, R&D targets, market targets and investment decisions is a must for sustainable success. **The technology roadmap is an essential tool for long-term sustainable success and staying competitive in ecosystems where the dynamics of the defense industry are changing rapidly and harshly.** The methodology of creating a technology roadmap in Our Company is based on some workshops such as market, product specifications, technology breakdowns and final roadmap. These workshops provide the link between corporate company strategy, R&D strategy and act as a driving force for the R&D unit to adapt rapidly to changing new technologies.

The technology roadmap connects all R&D projects to the milestones of contracted projects and target projects in the internal business plan, and as a result of this linkage; the Company's corporate strategy and R&D objectives become more compatible.

The main outputs of the technology roadmap are; necessary technology investments, technology prioritizations, short and medium term R&D strategies and action plans, determination of internal competencies to be developed and strategic technology development partnership decisions.

**FNSS is also committed to protecting personal data along with protecting the confidentiality of its stakeholders** (including company employees, representatives, consultants, suppliers, solution partners and organizations, and board members).

Since FNSS is a defense industry company, it is aware of the importance of confidentiality of its customers' company and stakeholder information and acts with this awareness while realizing its targets. FNSS has a NATO Facility Safety Clearance and employees have personal safety clearances. In this context;

- Even if the confidentiality agreements signed with the stakeholders expired, the parties are ensured to protect the information classified and shared in accordance with the provisions of the agreement.
- FNSS was awarded ISO / IEC 27001: 2013 certification on 2 December 2016. Since the date of certification, all administrative and technical requirements have been fulfilled to ensure full compliance with the requirements of the standard.
- In order to ensure the continuity of the system and to keep the practices up-to-date, an "Information Security Committee" consisting of Company employees is in place. The activities to be carried out in order to ensure information security, measures to be taken and violations of confidentiality are evaluated by this committee.
- Confidentiality is an important subject in the orientation trainings provided to new employees. Furthermore, awareness trainings are renewed annually by e-learning.
- The documents to be shared with the stakeholders are marked according to the confidentiality classes determined in accordance with the nature of the information they contain, and the methods of hiding, sharing and destroying according to the classes of the signs are determined and the operation is carried out in accordance with these procedures.
- The information is shared according to 'only the one needs to know' principle and is destroyed after a certain period of time. Necessary precautions are also taken for the information in electronic media.
- FNSS receives consultancy services within the scope of compliance process of Personal Data Protection Law No. 6698 and aims to improve its practices in this direction.



The FNSS Ethics Committee consists of three representatives, consisting of one person appointed by each stakeholder and the FNSS Ethics Officer, to combat corruption and assess ethical violations. The FNSS Ethics Committee reports directly to the Board of Directors. No ethical violations were reported in 2017.

In order to obtain information about FNSS Governance Rules, to make suggestions and to report ethical violations; FNSS Ethics Committee members have various ways of access, and our stakeholders and everyone else have the opportunity to make anonymous notifications via etik@fnss.com.tr.

## FNSS AND ENVIRONMENTAL CONSCIOUSNESS

The FNSS Environmental Policy, integrated with the FNSS OHS Policy, is presented below:

OHS and environmental protection are among the main priorities of FNSS. FNSS considers the benefit of its employees and interested parties in all activities and steps to be taken in these matters. The common responsibility of each FNSS employee is to improve the performance of FNSS with respect to OHS and environmental management systems and to strive for continuous improvement.

FNSS :

- Takes necessary measures to create a safe working environment and minimize risks in OHS topics,
- Takes preventive measures against health deterioration and injuries,
- Puts effort to prevent environmental pollution and environmental accidents,
- Considers OHS and environmental protection practices during the planning and commissioning of new production processes and products,
- Complies with OHS and environmental legislation and other regulations in its activities,
- Attaches importance to communication with all employees and related parties for the development of OHS and Environmental Management Systems, provides necessary training and equipment,
- Aims to create a healthy working environment, efficient use of natural resources and waste reduction, and activates the necessary management mechanisms to fulfill the objectives and targets related to OHS and environment

Environmental Training Hours	Total Training Hours (human.hours)		Training Hours per Employee (hour/human)	
	2017	2016	2017	2016
Environment Trainings	302		0,32	0,28
<b>Total Trainings</b>	<b>42.063</b>		<b>44,75</b>	<b>51,90</b>

# SUSTAINABILITY APPROACH

## Energy and Emission Management

Ensuring energy efficiency in our operations and reducing our energy costs and greenhouse gas emissions are among the topics we care about the environment. The engine drive module and working time calendars in the air handling units of our office buildings applied in 2016 were applied to the ventilation systems in the manufacturing machine shops in 2017. As a result of the practice, more than 30% improvement in energy consumption of equipments is achieved. Our compressors supplying compressed air throughout our Plant and the hydrophores supplying our water have been replaced with models with output modulation and drivers.

**In addition, practices of 50kWp capacity solar power plant (SPP) and 15m<sup>3</sup> hot water capacity solar panel were approved by the top management in order to take the first steps of making FNSS a self-sufficient company and a company generates renewable energy. The solar panel will be launched in 2018, and the SPP in 2019.**

Our energy consumption and greenhouse gas emissions from our fuel and electricity energy consumptions are as follows:

Internal Energy Consumption (Gj)		2017
<b>Fuel</b>		
Natural Gas		27.251
<b>Electricity</b>		
Electricity from the Grid		17.639
<b>Total Energy Consumption</b>		<b>44.890</b>
Greenhouse Gas Emissions (ton CO <sub>2</sub> -equivalent)		2017
<b>Scope 1</b>		1.370,75
<b>Scope 2</b>		2.160,73
<b>Total Energy Consumption</b>		<b>3.531,48</b>

## Water Management

In order to better manage water, which is the most important source of life and living organisms, FNSS made its water consumption measurable according to its source. In order to prevent water losses, the main water line installations, where water leakages were observed, was renewed. It is aimed to prevent over-consumption by shifting the irrigation hours at times when evaporation is low. In addition, the cafeteria and car wash drainage lines are integrated with oil scraper systems in order to prevent the mixing of cooking and mineral oils so that our biological treatment system can operate effectively and maintain the sufficient quality of the discharge water.

FNSS has two biological and one chemical treatment plants. In order to preserve the potential of ground and surface water resources and prevent water pollution, samples are taken from the biological treatment and chemical treatment plant within the scope of environmental permission and the quality of the discharge water is checked. According to the Water Pollution Control Regulation, the parameters related to the discharged water are below the limit values. In addition, the appropriateness of the discharge water is checked with the COD device in the FNSS at certain periods in every month.

Company/Site Name	Volume of Water Withdrawal(m <sup>3</sup> )	Withdrawal Source	Volume of Water Discharged (m <sup>3</sup> )	Discharge Destination	Volume of Water Recycled (m <sup>3</sup> )	Volume of Water Reused (m <sup>3</sup> )
FNSS	41.250	Well Water	22.275	Surface Water (Dry Stream)	0	0

## Waste Management

Hazardous wastes generated in our plants are separated on-site in accordance with the principles of Waste Management Regulation, stored in temporary waste storage area and sent to related licensed facilities for disposal. Hazardous wastes are transported in accordance with 'European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR)' obligations and waste dispatch is monitored through the 'Mobile Waste Tracking System (MOTAT)'. When waste batteries are sent to 'Hazardous Waste Declaration (TAB)' for disposal, waste oils are classified in their relevant categories and sent licensed recovery or disposal companies.

Non-hazardous wastes are collected and stored separately from hazardous wastes and sent to recycling companies.

Some projects have been developed in order to ensure the efficiency in manufacturing processes. Within this context; by digitizing the work instructions used in production; we provided efficiency in terms of amount of paper consumed, cost and speed.

At FNSS, a litter collection campaign is carried out every week with the environmental volunteers team that consists of employees from different departments, and efforts are driven to raise the environmental awareness.

## OUR OHS PRINCIPLES

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FNSS OHS policy is presented under the title of Environmental Consciousness together with our Environmental Policy. At FNSS, protecting our employees and other interested parties is our top priority. To this end, we undertake to create a healthy and safe working environment; by minimizing risks, to consider occupational health and safety practices in new products and processes, to comply with legal regulations and international standards, and to ensure the continuous improvement of OHS management system and practices by providing the necessary communication.

We always aim to improve our OHS culture with the perspective of continuous improvement and to make our "ZERO" accident target permanent.

We increase the safety of our workplaces by creating special projects and project teams focused on workplaces. Within our safe workplaces, we strive to maximize the safety of climate and culture, to prevent injuries and prevent possible health deterioration across all operational boundaries.

We determine risk behaviors with our 'Behavior Oriented Risk Management' model, which we have been implementing since 2009. We analyze the most common risk behaviors, find the root causes underlying them, then follow the risk control hierarchy and try to eliminate risk behaviors by taking the necessary precautions.

We have formed our Behavior Oriented Risk Management model from two main support points:

### 1. *Trainings (Behavior Based Risk Management and Observer Training)*

**Behavior Based Risk Management Training;** the relationship between OHS and concepts such as; behavior, labeling, carelessness, etc. is explained within the content of this training.

**Observer Training;** our observer employees volunteered to work in the Observation Teams are trained to share the objectives of the period and their tasks during their observation duty.

These two trainings are independent of Basic OHS Trainings and each one lasts for one day (8 hours).

### 2. *Observation Program*

As of the end of 2017, our observation program has completed its 21st term (3 terms / year) and with our 14 volunteer observers, determination of safe and risky behaviors in all areas is also performed by our employees. Safe behaviors are reinforced by using appreciation and feedback mechanisms. Thus, we are trying to eliminate the risky behaviors all together.

# SUSTAINABILITY APPROACH

We interiorize the perspective of happy and good employees, an efficient and healthy workplace. We are aware that individual health is not only a physical state of health, so that we support and improve the “Well-being” of our employees with our full-time workplace psychologist.

We know that any way of communication on an important topic such as OHS is very valuable. For this reason, we communicate with all our employees, visitors and subcontractors continuously by using a wide range of tools for suggestions, near misses, insecure status and behavior reporting.

With the feedbacks gathered, we organize a long-term Occupational Health and Safety Campaign at least once a year. Low-back Protection, Hand-Finger Protection, Seat Belt Use in Employee Commuting campaigns are just a few of our campaigns.

Additionally, we listen to the voices of all our employees

via our four employee representatives and we transfer the outcomes to our senior management via our weekly OHS Focus Group meetings, bi-weekly OHS Committee, and quarterly OHS Reviews.

At FNSS, we conduct our OHS and Well-being Practices through units under our Human Resources Directorate. Thanks to our organizational structure in this way, we are able to make independent and rapid decisions, and we can quickly implement the measures to be taken to reduce risks. We steer our OHS processes in line with our ‘FNSS OHS’ and ‘FNSS Environmental Policies’ and follow ‘OHSAS 18001 Occupational Health and Safety Standards’ and ‘BAE Systems Safety Standards’. We ensure the safety of third parties through our OHS procedure in contractor and subcontractor works.

We are aware of the importance of training on a vital topic like OHS. In addition to legal OHS trainings, we also organize trainings on various risks specific to the work of the employees.

OHS Training Hours	Total Training Hour (human.hour)		Training Hour per Employee (hour/human)	
	2017	2017	2016	2016
OHS Trainings	11.711	16,25	22,23	
<b>Total Trainings</b>	<b>42.063</b>	<b>44,75</b>	<b>51,90</b>	

Total Accident Numbers, Frequency and Rate	Accident Number		Total Frequency of Accidents		Total Accident Rate
	2017	2017	2017	2017	
<b>FNSS</b>	37	1,44	9,34		

\* For detailed information and explanations on OHS performance, please check “Performance Indicators” section.

## FNSS AND SUPPLY CHAIN MANAGEMENT

We can explain FNSS Supply Chain Management under a few major titles:

### Existing Supply Chain Management

As the leading company in the design and production of tracked and wheeled armored vehicle families and weapon systems for the Turkish Armed Forces and allied national armed forces, the first link of our FNSS value chain starts with the supply of raw materials, other services and goods. As in all stages of our value chain, security is one of our priorities in the supply chain. In addition, meeting environmental, social and ethical requirements is among the topics evaluated together with quality.

Supply chain management plays an important role in disseminating responsible production and consumption practices in line with Sustainable Development Goals. We manage our supply chain through the Supplier Portal established to provide transparent, fast and accurate purchasing processes, and we aim to continuously improve our existing suppliers and to add new companies to our supplier portfolio that comply with FNSS values.



### **New Supplier Selection Process:**

As Supply Chain Directorate, we initiate the new supplier selection process by submitting to the Quality Department the companies that apply to us for working with FNSS or that we deem appropriate according to result of our company researches.

For new suppliers, the Quality Department examines the subcontractor and sub-industry firm information form from the company. If the result of the preliminary assessment is positive, the company is decided to carry out the next stage of examination and evaluation activities to become a supplier. Otherwise, a search for a new alternative supplier starts. For the existing suppliers, the process of direct review and evaluation activities is initiated without the need for subcontractor and

### **Supplier Quantitative Performance Evaluation System:**

FNSS has two main variables that affect the supplier's quality performance. One of these is the examination score and the other is the delivery score. The weight of these variables is determined. Reasons for rejection of parts are categorized and standardized. All these variables are contained in a mathematical formula whose purpose is

### **Supplier Development / Improvement Activities:**

The Supply Chain Directorate focuses on collaborating with its suppliers based on the common goal understanding, within the framework of mutual trust. In line with this vision, the Company continued its efforts to improve the infrastructures and technical competencies of suppliers in 2017 and many supplier visits were made for support purposes.

FNSS considers supplier training as one of the most

### **Joint Meetings with Companies**

We follow up the rejected parts of the products provided from our suppliers as a result of the quality process and contact the companies one by one. As every year, together with our Quality Department, we called out our companies

### **Supplier Portal**

Since the issuance of orders, transactions with suppliers can be carried out through IFS, the FNSS Enterprise Resource Planning program. This portal carries out the necessary activities for follow-up and shipment, quality control, invoicing and payment processes for the suppliers.

sub-industry firm information form. As a result of the examination and evaluation activity, Audit Score is determined for the company. Supplier is classified according to its Audit Score.

If there are any findings, a corrective and preventive activity report is sent to the company for closure of them. If the nonconformity is not resolved by the supplier even though the same corrective, preventive activity report is notified twice to the supplier; it may be considered not to start or stop the commercial relationship with the firm.

Delivery Point follow-up is initiated for firms commercial relations newly started or continued for the existing ones.

to create a general supplier performance grade. This formula is fully integrated into the Industrial Finance Systems (IFS) with the support of our IT Department. Thanks to this resulting formula, it evaluates the supplier performance quantitatively as a continuous and more comprehensive tool.

important elements of supplier development. In line with this understanding, in March 2017, suppliers were informed about many topics at OSTİM OSSA Conference Hall in Ankara. In addition to this general briefing, we provide collective trainings to our companies from time to time, as well as providing support from design, production and quality departments during our company on-site visits.

with high rejection rates, briefed them about the reasons for rejection and offered suggestions for improvement, and observed considerable improvements.

This system also allows our suppliers to transfer their requests for changes to their "Technical Documents" related to their orders to FNSS in a controlled media. This enables our suppliers to contribute to 'Design Development' activities.

# SUSTAINABILITY APPROACH



**As NUROL TECHNOLOGIES, thanks to our experienced and innovative employees, our vision is to provide the highest technology to our country and to maintain our position among the pioneering companies of the world in our business line.**

Our Company promises to work principally and diligently on long-term environmental, social and corporate governance topics in its global activities. It complies with and puts emphasis on the requirements of occupational health and safety, environmental and quality management systems standards. Within this context, it has international OHSAS 18001:2007 Occupational Health and Safety Management System, ISO 14001:2015 Environmental Management System, ISO 9001:2015 Quality Management System certificates.

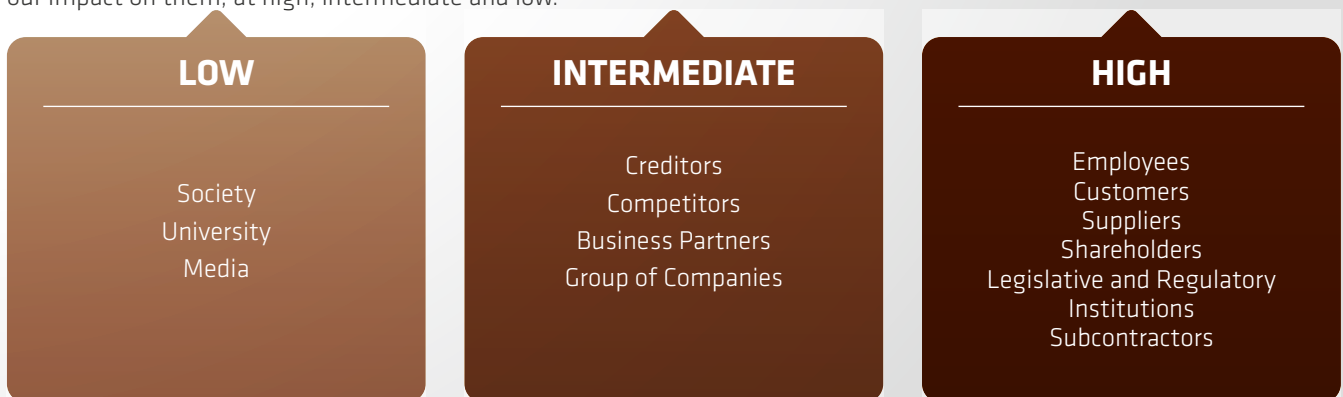
Additionally, NUROL has fulfilled the requirements of “NATO SECRET” and “NATIONAL SECRET” Facility Security Clearance and Production Permit Certificate and obtained the certificates.

Through this Sustainability Report, we share the environmental, social and economic impacts of our activities, while at the same time aiming to present the management approach and objectives in the upcoming years in quantitative figures.

### **OUR STAKEHOLDER DIALOGUES**

As NUROL Technologies, we set up a working group of seven employees under our Sustainability Team, taking into account the participation of experts from different disciplines at starting phase of reporting efforts. This work group held weekly meetings. As NUROL Technologies, we hereby share with you the outcomes of our “Stakeholder Analysis and Materiality” workshop that we have organized together with our NUROL Technologies Sustainability Team and our Consultancy Company to determine our key stakeholders and material sustainability topics.

We have grouped our key stakeholders in three different categories according to their degree of influence on our activities or our impact on them; at high, intermediate and low.





## Our Stakeholder Dialogue Platforms

We utilize various dialogue platforms to learn from our stakeholders' expectations and to inform our stakeholders about sustainability issues. With in this context; we present our dialogue platforms with our stakeholders, its frequency, and the key issues covered.

Stakeholders	Dialogue Platforms	Frequency of Dialogue	Issues
<b>Legislative and Regulatory Institutions</b>	Visits and dialogues, Annual Reports, corporate web page, congresses and seminars, joint projects developed	When necessary	Opinions on legislation (Investment Incentive Issues, Occupational Health and Safety, Personal Data Protection, Labor Law, project issues)
<b>Shareholders</b>	Board of Directors Meetings, General Assembly Meetings, Company Performance Meetings, Annual Reports	Annual, 1 in 3 months, when necessary	Financial statements, institutional developments, sectoral developments
<b>Financial Institutions</b>	Visits and dialogues, Annual Reports, IFRS audit reports, company performance reports, corporate website	Annual, 6 months, when necessary	Cash and non-cash loans, project and investment subjects, deposit transactions, financial leasing
<b>Competitors</b>	Seminars, fairs, congresses, industry associations meetings, Annual Report, corporate web page	Annual, when necessary	Sectoral issues
<b>Customers</b>	Meetings, congresses, seminars, fairs, corporate website, Annual Report	When necessary	Sectoral issues, projects, contracts
<b>Employees</b>	Trainings, social events, NUROL World Magazine, Intranet, Internal communication materials, Corporate web page	Annual, six month, when necessary	OHS, Integrated Management Systems, Personal Data Protection Trainings
<b>Society</b>	Annual Reports, corporate website, social media, corporate social responsibility projects, sponsorships	Annual, monthly, when necessary	Trademark registration
<b>Media</b>	Press releases, interviews, Annual Reports, corporate web page, social media, corporate social responsibility projects, sponsorships, NUROL World Magazine, advertisements	Annual, monthly, when necessary	Corporate news, sectoral issues
<b>NUROL Group Companies</b>	Meetings, congresses, seminars, fairs, corporate website, Annual Report, NUROL World Magazine, NUROL Holding activities	When necessary	Sustainability studies, process studies, joint projects
<b>Subcontractors</b>	Meetings, congresses, seminars, fairs, corporate web page, annual report, company facilities	When necessary	Joint projects, contracts, procurement, quality
<b>Business partners</b>	Meetings, seminars, trainings, fairs, congresses	When necessary	Joint projects
<b>Suppliers</b>	Meetings, proposals, contracts	Annual, when necessary	Purchasing, administrative affairs, financial affairs, contracts
<b>University</b>	Seminars, trainings, fairs, congresses, corporate web page, developed joint projects, career days	When necessary	Recruitment, joint projects, consultancy



## OUR MATERIALITY ANALYSIS

In our “Stakeholder Analysis and Materiality” workshop, we determined our material sustainability topics by addressing the sustainability topics with the highest impact on our corporate success and our stakeholders, and those that our key stakeholders most care and learn about. We have depicted these topics in the upper right corner of the “Materiality Matrix” below.

As part of our sustainability strategy and approach, within the scope of our Report, we focus on providing information about our management approaches, policies, practices we have implemented, our performance and targets; which are important for both NUROL Technologies and our key stakeholders.

Additionally, we addressed subjects that are important for our stakeholders (in the upper left corner of the Matrix) and other topics that we think have a high impact on NUROL Technologies Inc.’s corporate success (in the lower right corner of the Matrix) within the framework of our management approach and practices.

Within the scope of NUROL Technologies Inc.’s value chain, we highlighted the material topics outside of its corporate boundaries by writing them in the red font in the matrix below.

High	Contribution of society Local purchasing policies	Financial and Economic Performance Energy, water and waste management Customer health and safety Employee performance management Employee training and development planning Employee satisfaction	Customer satisfaction Occupational health and Safety Ethical principles and ethical practices Risk management
		Climate change and greenhouse gas management Sustainability in the supply chain Diversity and equal opportunity	
Low	The importance of the title for Nurol Technologies Inc.’s ESG performance		High

\* The significant topics in **Supply Chain** are written in red color.

# SUSTAINABILITY APPROACH

One of the most important assets of NUROL Technologies is the intellectual capital of the Company's employees. For this reason; to perform the performance management, training and development planning of our employees in an effective way is determined as material topic for NUROL Technologies.

Organizing social activities, strengthening communication, making employee satisfaction evaluations, supporting teamwork, providing working conditions and environments in line with corporate culture, encouraging success with awards, and making practices that increase satisfaction are crucial.

Increasing the technical and social experience of our employees, enabling them to take initiatives and raising their personal development levels will help them to find the most effective solution in Our Company's projects.

Every new employee started work in our company is trained via our orientation program. Employees' performance management, vocational training and development planning are carried out by their managers.

In 2018, it is aimed to increase employee productivity and loyalty with the efforts of the Human Resources Department. In the ongoing process, continuous learning and performance evaluation are aimed to be increasingly effective.

As a matter of company policy, NUROL Technologies is always a company that practices gender equality in every field and creates employment in this context. In every product it has developed and produced; NUROL Technologies has supported, supervised and adopted the human rights and equality principle to all institutions it works with.

NUROL's corporate identity is reinforced by the commitment of its employees' to corporate culture and ethical values. NUROL Holding Circulars and Regulations are fundamental support on this aim. Our values include accuracy, respect, employee rights,

occupational health and safety, customer satisfaction, environmental consciousness, product quality, training, anti-corruption, national capabilities and domestic production.

Since NUROL Technologies produces Ballistic Armored Solutions, Customer Health and Safety is of utmost importance. Similarly, the most important factor that will create customer satisfaction is the health and safety of our customers and the quality of our products. Within NUROL Technologies, this subject is evaluated under two major headings; Raw Material Input Quality Control and Design Phase.

Since our products are aimed directly at the end user, they must be delivered without any defects. Therefore, all our production stages are carried out meticulously and national and international regulations are followed. In addition, the health and safety of workers in production is another crucial topic that needs to be focused on. In the Raw Material Input Quality Control processes, national and international human health and safety regulations are followed. Consequently, our suppliers are also checked over for their compliance with the relevant regulations.

Our products are open to continuous improvement and development as the place and conditions of use differ and are vital. Therefore, the R&D department continuously monitors the current market, searches for new raw material and product options. Projects with suppliers can be carried out for this purpose.

Our personnel protective products are worn or carried by the user. Since our products have to be suitable for body ergonomics with its lightweight structure; convenient to use in various terrain conditions; and its use for long period of time, the need for R&D increases.

## **NUROL TECHNOLOGIES AND ENVIRONMENTAL CONSCIOUSNESS**

As NUROL Technologies, our approach to environment is always shaped by our understanding of "conducting our activities in environmental consciousness". We have adopted an environmental management system to measure and mitigate our environmental impact. In this respect, we have ISO 14001:2015 Environmental Management System certificate which can be obtained through external audit. We regularly evaluate the level of compliance of our activities to legal requirements and standards beyond the legal requirements.

In Our Company, trainings are provided for employees to develop environmental awareness, reduce energy, water consumption and manage wastes effectively.

Environmental Training Hours	Total Training Hours (human.hours)		Training Hours per Employee (hour/human)	
	2017	2016	2017	2016
Environment Trainings	48	0,46	0,8	
<b>Total Trainings</b>	<b>1.358</b>	<b>13,07</b>	<b>14,9</b>	

### Energy and Emission Management

Our company conducts energy, water and waste management in order to prevent climate change, to preserve the natural life balance, to save and stop wasting our resources. Our activities are carried out with minimum energy, water consumption and minimum waste generation principles. We take measures to mitigate the greenhouse gases we released. We carry out gas emission measurements of our chimneys in accordance with the legal regulations and carry out renewal and efficiency practices with the awareness of continuous improvement. In order to reduce energy consumption, efficient technological equipment is preferred in our company.

Our investments are continuing in order to carry out our activities in a more efficient, effective and environmentally conscious manner. For this purpose, we aim to continue our activities in a new facility equipped with more modern and advanced technology infrastructure in the near future.

Our energy consumption and greenhouse gas emissions resulting from our fuel and electricity consumption are given below.

Internal Energy Consumption(GJ)	2017
<b>Fuel</b>	
Natural Gas*	1.983,24
Diesel (generator/heating)	144
Diesel (vehicle)	1.394,53
<b>Electricity</b>	
Electricity from the Grid	26.637,14
<b>Total Energy Consumption</b>	<b>30.159</b>

Greenhouse Gas Emissions (ton CO <sub>2</sub> -equivalent)	2017
Scope 1	206,45
Scope 2	3.263,05
<b>Total Energy Consumption</b>	<b>3.469,50</b>

### Water Management

We care about preserving water resources. We apply a closed loop water system in order to minimize the volume of water used in production.

	Volume of Water Withdrawal (m <sup>3</sup> )	Withdrawal Source	Volume of Water Discharged (m <sup>3</sup> )	Discharge Destination	Volume of Water Recycled (m <sup>3</sup> )	Volume of Water Reused(m <sup>3</sup> )
<b>NUROL Technologies</b>	11.940	Grid	11.940	Sewage	0	0

# SUSTAINABILITY APPROACH

## Waste Management

Hazardous and non-hazardous wastes generated at NuroL Technologies are collected in the temporary waste storage area in accordance with the legal regulations as specified in the industrial waste management plan reported to the Provincial Directorate of Environment. All stored wastes are transferred by licensed waste disposal companies and disposed in accordance with the legislation.

Response methods in case of spillage and leakage in the facility are determined and trainings are provided to relevant personnel.

In 2017, 180 wooden pallets, 3.615 kg of paper and 4.515 kg of plastic packaging were sent for recycling.

## OUR OHS PRINCIPLES

NUROL Technologies is committed to work in line with our principals and diligently on long-term environmental, social and corporate governance topics globally. In addition to the reliability of our products, the health and safety of our employees in production is crucial for us. OHS efforts are carried out with all of our employees at all levels since the establishment of our Company. Our company is certified by OHSAS 18001: 2007 OHS Management System and complies with occupational health and safety requirements. Certification efforts started since our establishment. Within the scope of OHS; activities were carried out with a committee, consisting of executive representatives, for the implementation of legal standards and protection of employee health.

doctors, health personnel and other officials. In our facility, the number of representatives and administrative participants commissioned in our OHS committee will be increased.

Our employees are regularly subjected to health checks. For the safety of our employees, risk analyzes of our machinery and equipments are carried out and continuous improvements are made to prevent them from being injured. For our employees working with machinery, in addition to the OHS trainings with purpose of awareness raising, safety trainings are also provided for the risks that may occur during machine use.

In our plant, which is in the dangerous class, investments have been made for improvement of infrastructure and personal protection equipments beyond the sector standards for the sake of our employees. All of our employees are represented by employee representatives in the OHS committee. In addition to the manager-level officials, the committee is represented by workers' representatives, occupational safety specialists, workplace

Special filtering systems are applied in ventilation systems in order to reduce the amount of particles in the working environment. The existing infrastructure is planned to be further developed to work in a brighter working environment and cleaner air.

Although we are in the dangerous class, there are no employees diagnosed with occupational disease. It is one of the most important outcomes of our preventive actions.

OHS Training Hours	Total Training Hours (human.hour)		Training Hor per Employee (hour/human)
	2017	2017	
OHS Trainings	456	4,38	3,83
Total Trainings	1.358	13,07	14,9

Total Accident Number, Frequency and Rate	Accident Number	Total Frequency of Accidents		Total Accident Rate
		2017		
NUROL Technologies Inc.	3	2,14		2,85

\* For detailed information and explanations on OHS performance, please check "Performance Indicators" section.



### NUROL TECHNOLOGIES VALUE CHAIN MANAGEMENT

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Today, commercial concerns are being replaced by environmental and social concerns, and companies are expected to take steps to address these concerns and make these forward steps sustainable. Therefore, sustainability is also a priority for our Company in the supply chain. In addition to our company being more aware of environmental, economic and social topics, we also aim to ensure that our suppliers are aware. We are aware of our obligations to our customers and society; thus we expect our suppliers to comply with the same principles and conditions in supplying us with goods and services. These principles are;

- To comply with all legislation, laws and rules
- To provide a safe and healthy work environment for employees
- To be respectful and conscious to the environment
- To be ethical and honest

Our demands from our suppliers to create a sustainable supply and value chain are;

- Quality goods and services
- Timely and complete delivery
- Compliance with legislation and standards
- Continuous improvement

Within the scope of our vision, we aim to set the relevant targets for the improvement of sustainability dimensions in our suppliers. In the following years, we plan to evaluate our suppliers according to the human rights, labor, environment and anti-corruption criteria and select accordingly. Within this respect, we aim to start practices to improve our suppliers in the upcoming years.

In the procurement of defense industry sector of our country, since domestic production of material is a particularly important and preferred criterion, offset rates are stated in the content of tenders and specifications. Since we propose to these tenders, our policy of selecting, improving and using of domestic suppliers, have indirectly a positive impact for us on these tenders.

We divide our suppliers into domestic and international suppliers. These suppliers can be grouped by the providers of both the main raw material and the project items, as well as the auxiliary materials, consumables and other materials. Our suppliers can be large-scale international companies as well as local, small-scale supplier companies.

Furthermore, supporting the domestic producers and keeping the added value created in our country is also important for our national economy. The Company's strategy and policy has been to support the domestic suppliers to reduce the dependency on foreigners as much as possible in the raw materials or semi-products we use. It has always been our priority to obtain products, that are equivalent, from domestic suppliers in Turkey.

In 2017, NUROL Technologies procured materials and services from a total of 395 suppliers, 320 of which were domestic and 75 were foreign.

Our domestic suppliers are located in Ankara, Istanbul, Izmir, Bursa, Konya, Manisa and overseas suppliers are located in USA, UK, France, Germany, Italy, Norway, Israel, China. Total payments made to suppliers in 2017 amounted to TL 178 million.

# SUSTAINABILITY APPROACH



# TÜMAD MINING'S

Lapseki and İvrindi Gold Mine projects deemed worthy to “Best Natural Resources Deal” award in EMEA FINANCE “2017 Project Finance Awards” .

As TÜMAD, our aim is sustainable mining where economic and social development is integrated with environmental protection. In this context, the supply of goods and services requested for the activities and production is done in the most appropriate price in time, quantity, place and quality, legal regulations and international law norms.

We prepared our project feasibility reports in accordance with NI-43-101 Canadian standard and both of these projects are financed by the European Bank for Reconstruction and Development (EBRD). Additionally, as TÜMAD, we were the first Turkish company to receive the Best Natural Resources Deal award from the project finance awards of EMEA Finance, one of the most outstanding international finance publications in the world. These awards are determined by the votes by the leading participants of the banking and financial sector.

In certain areas of sustainability, we are audited at monthly, quarterly and semi-annual intervals by the relevant and independent accredited organizations in terms of the international certifications we have (ISO 14001, ISO 9001), meeting the requirements of our creditors, and the legislation we are subject to.

In line with our understanding of sustainable mining and transparent management; we determined policies complying with national and international standards, meeting the expectations of creditors and establishing an infrastructure for our Integrated Management Systems. To this end, we have established OHS, Environment, Quality, Human Resources, Community Relations, Supply Chain and Sustainability Policies and trained our staff in line with these policies.

*Via signed “Field Commitments”, we have announced to our stakeholders that all of our mining sites will be managed in a manner consistent with our policies, which protect environmental assets, the mental and physical health of our employees, as we promised.*

## OUR STAKEHOLDER DIALOGUES

As TÜMAD, we hereby share with you the outcomes of our “Stakeholder Analysis and Materiality” workshop that we have organized together with our TÜMAD Sustainability Team and our Consultancy Company to determine our key stakeholders and material sustainability topics.

We have grouped our key stakeholders in three different categories according to their degree of influence on our activities or our impact on them; at high, intermediate and low.



# SUSTAINABILITY APPROACH

## Our Stakeholder Dialogue Platforms

We utilize various dialogue platforms to learn from our stakeholders' expectations and to inform our stakeholders about sustainability issues. With in this context; we present our dialogue platforms with our stakeholders, its frequency, and the key issues covered.

Stakeholders	Dialogue Platforms	Main Topics and Concerns
Local Communities	Stakeholder dialogue meetings, meetings with creditors, press conferences, website, email, telephone	Will the cyanide to be used in mining activities cease the living in a 50 km radius? Does cyanide have cancer-causing effects?
		Will cyanide evaporate and affect our habitats and health through rain? Will heavy metals become active and create pollution? What are the possible effects of cyanide and heavy metals on our lives and livelihoods?
		What are the main environmental measures taken to protect water resources and agricultural products from dust and chemicals? Will dust and chemicals affect our vegetables, fruits and other crop production which are vital for our livelihoods?
		Will our residential areas be damaged by explosions in mining? Will our villages have to move? Will Cyanide be transported to the Greek Islands via the Aegean Sea and pollute the sea?
		Will you use village roads to access to mining sites? Are these roads sufficient for traffic congestion? What is the risk of an accident? What measures are being considered?
Local communities and state local authorities	Stakeholder dialogue meetings, meetings with local authorities, meetings with creditors, press interviews, website, email, telephone	What are the basic preventive measures taken for the new drinking and potable water in our villages instead of the water resources within the mining and border area? Will the resources be sufficient? Will there be any water shortage during the summer months?
		Is there a risk of fire in forest areas near the mining site? What counter-measures are you taking to prevent that risk?
		What will be the contribution of the Company to local economy in terms of employment and trade? How will the Company proceed for unqualified employees?
NGOs	Stakeholder dialogue meetings, interviews with NGOs, website, email, telephone	What will be the impact of cyanide use on biodiversity? What is the distance of the activities to the Kaz Mountains National Park?

**We address the concerns of our stakeholders through brochures, films, press conferences, bulletins, scientific reports and examples, focus groups, NGO visits, mining site tours. The information materials used include the best applicable technologies, cyanide code, policies, management plans and international standards certifications of our enterprises.**

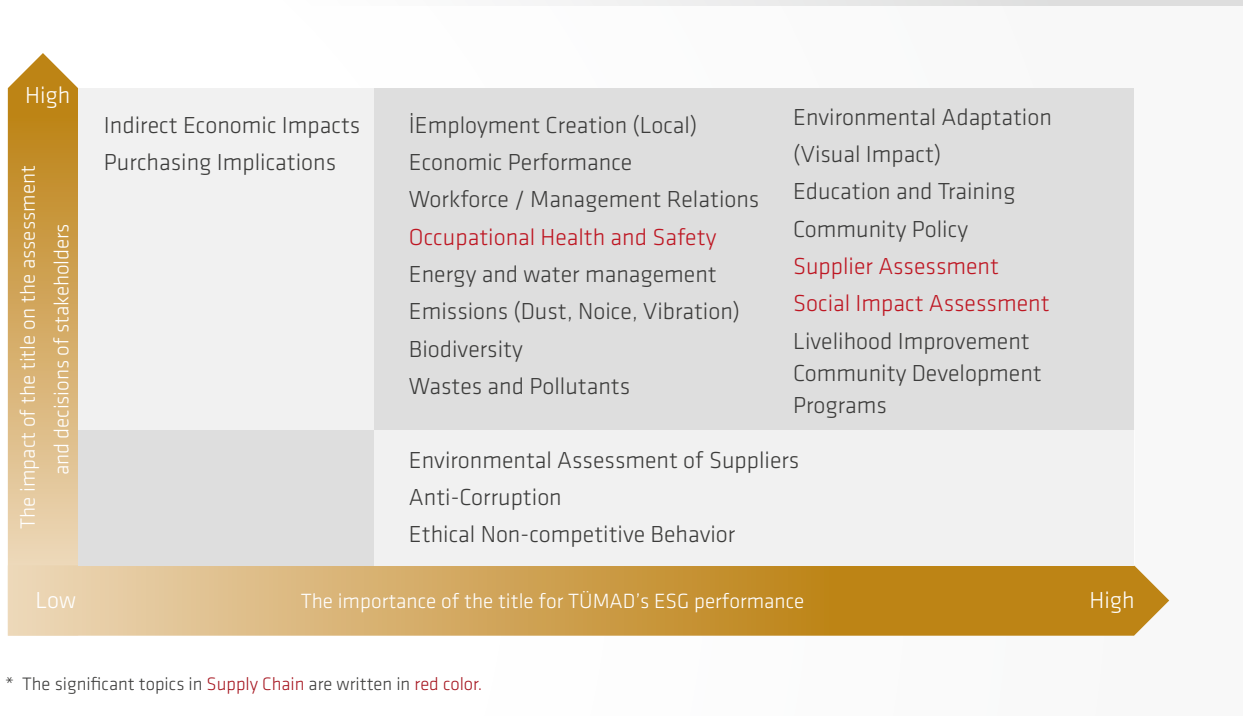
## OUR MATERIALITY ANALYSIS

In our "Stakeholder Analysis and Materiality" workshop, we determined our material sustainability topics by addressing the sustainability topics with the highest impact on our corporate success and our stakeholders, and those that our key stakeholders most care and learn about. We have depicted these topics in the upper right corner of the "Materiality Matrix" in the next page.

As part of our sustainability strategy and approach, within the scope of our Report, we focus on providing information about our management approaches, policies, practices we have implemented, our performance and targets; which are important for both TÜMAD and our key stakeholders.

Additionally, we addressed subjects that are important for our stakeholders (in the upper left corner of the Matrix) and other topics that we think have a high impact on TÜMAD's corporate success (in the lower right corner of the Matrix) within the framework of our management approach and practices.

Within the scope of TÜMAD's value chain, we highlighted the material topics outside of its corporate boundaries by writing them in the red font in the matrix in the next page.



**TÜMAD aims to protect the environment through social approval, complaints and feedback, stakeholder engagement, local procurement, local employment understanding and social development.**

TÜMAD acts as a responsible individual of the communities it works in thus giving equal importance to being understood across the social community, working in accordance with the existing social conditions, respecting local values and different cultures and finally working within the framework of “social approval”.

TÜMAD has carried out **social impact evaluations** in both projects thus collecting and compiling the opinions of the local public in the vicinity of the mine as well as the opinions and feedback of other shareholders in order to learn more about the future needs of the communities that are part of these projects. Another benefit of social impact evaluations is that the data compiled as such shall be used to improve and shape the relations with shareholders and the involved communities. Thus, a preferred mining site and an ideal

working place for the employees shall be created.

**Local Employment** is the greatest advantage that is provided to the local community affected from mining and management activities of the company. It is of great importance to maximize local employment opportunities in these regions free from discrimination and to ensure that the opportunities are equally distributed in a transparent fashion while also clearly defining local employment principles.

**Local Purchasing:** The use of local goods and services for mining activities, renting of equipment, making use of transportation services and storage, field, residence, building etc. leasing, food or catering services shall be carried out in accordance with the TÜMAD Local Purchasing Management Plan.

# SUSTAINABILITY APPROACH

## TÜMAD AND ENVIRONMENTAL CONSCIOUSNESS

**TÜMAD has fundamental reference values on air, water, soil quality, plant-animal species, cultural and social assets before exploration, investment-construction, production, closure and rehabilitation processes. Environmental management plans, conservation and development programs will protect all pre-operational values by minimizing environmental impacts through mitigation measures.**

As TÜMAD, we promise to comply with national and international regulations, sanctions and limits in addition to our own technical standards in all processes related to greenhouse gas and dust emissions, water management, soil protection, biodiversity, noise and vibration management.

In all operations and projects of our company, T.R. The Ministry of Environment and Urbanization and our creditors have been assured that we will comply with regulations and commitments. In this context, during the production period, our Environment Department aims to carry out the following periodical environmental measurements and analyzes:

- Blasting, noise at blasting, hourly
- HCN gas, in different locations, daily
- H2S gas, at different locations, daily
- SOx, NOx, 6 months
- Groundwater flow measurement, monthly
- Gathering meteorological data, instant
- Daily collection of mine site waste
- Particle dust measurement, hourly
- Settling dust measurement, monthly
- PM 10, PM 2,5 Heavy metal analysis, weekly
- Water samples (daily, weekly, monthly)
- Surrounding area controls
- Daily collection of mine site waste
- Solid waste storage area analysis
- Disposal and recovery of hazardous wastes
- Water level measurement in observation wells, weekly

For both of our projects, Environmental Impact Assessment (EIA) Report has been prepared within the scope of Environmental Impact Assessment Regulation and EIA Positive Decision has been taken by the T.R. Ministry of Environment and Urbanization.

Following the completion of the EIA process, an Environmental and Social Due Diligence (ESDT) Research for our Projects was completed in February 2017, in accordance with the Performance Requirements (PR) of the European Bank for Reconstruction and Development (EBRD) and our projects have been gone through an Environmental and Social Impact Assessment (ESIA) process. The ESIA process was supported by our Environmental and Social Management System. As a part of the Environmental and Social Management System, TÜMAD has developed and implemented the following Management Plans and Frameworks:

- Environmental and social management system framework
- Air quality management plan
- Framework biodiversity action plan
- Community health, safety and safety management plan
- Community development framework
- Cultural heritage management plan
- Subcontractor management plan
- Cyanide management plan
- Emergency action plan
- Explosives and hazardous materials management plan
- HR training plan
- Workforce Management Plan
- Conceptual mine closure frame
- Noise and vibration management plan
- OHS training plan
- Spill removal plan
- Stakeholder engagement plan
- Local procurement management plan
- Traffic management plan
- Health and safety management plan
- Waste management plan

In our company, trainings are provided to our employees in order to improve our environmental awareness and performance, decrease our energy, water consumption and waste management.

Environmental Training Hours	Total Training Hours (human.hour)		Training Hour per Employee (hour/human)	
	2017		2017	
Environmental Trainings	2.181		12	
Total Trainings	7.557		45	

## Energy and Emission Management

Energy consumption and greenhouse gas emissions from our fuel and electricity consumptions are as follows. Greenhouse gas Scope 1 emissions also include emissions of 215.7 tCO<sub>2</sub>e from 648 tons of explosives.

Internal Energy Consumption (Gj)		2017
<b>Fuel</b>		
LNG		2.074
Diesel (generator/heating)		25.002
Diesel (vehicle)		75.006
<b>Electricity</b>		
Electricity from Grid		55.386
<b>Total Energy Consumption</b>		<b>157.468</b>

Greenhouse Gas Emissions (tons of CO <sub>2</sub> -equivalent)		2017
Scope 1		9.670,5
Scope 2		3.254,2
<b>Total Energy Consumption</b>		<b>12.924,7</b>

## Water Management

Our Låpseki Facility operates on the principle of “zero discharge”. Thanks to the use of the best applicable technology, the wastes from the plant are subjected to chemical treatment and filter presses. As a result, 80% of the wastewater is recovered and used in the facility.

Company/Site Name	Volume of Water Withdrawal (m <sup>3</sup> )	Withdrawal Source	Volume of Water Discharge (m <sup>3</sup> )	Discharge Destination	Volume of Water Recycled (m <sup>3</sup> )	Volume of Water Reused (m <sup>3</sup> )
TÜMAD	33.696	Well	0	-	0	26.282

## Waste Management

We apply a Waste Management Plan approach to determine, evaluate and document the quantities, physical and chemical properties and hazards of wastes, raising from our mining activities in each section of the mineral deposit.

This approach incorporates a current conceptual model showing the management of TÜMAD waste inventory and its long-term physical, chemical behavior and impact on the environment. This model is confirmed by the results obtained from the tests and monitoring efforts. It is

supported by the TÜMAD Waste Inventory and Waste Monitoring Procedure, which is concerned with the proper separation, transport, storage and management of rust material.

In 2017, in addition to the waste contaminated with 4,050kg of hazardous materials, 650 kg of paper and cardboard, 4,600 kg of plastic, 3,750 kg of metal and 7,729 kg of other kinds of waste were generated. These substances were duly transported, disposed of or recycled through authorized institutions.



## OUR OHS PRINCIPLES

Occupational health and safety is among our top material topics due to our corporate culture, the value we attach to human being and the importance and responsibility we attached to our stakeholders. Based on this approach, we have committed to international credit institutions beyond the national legislation in order to protect the mental and physical health of all of our employees and we monitor our commitments. We developed and implemented Occupational Health and Safety, Emergency and Traffic Management Plans in our sites.

- Stakeholder dialogues
- Business-specific OHS Training for newly hired personnel
- Daily, weekly, monthly OHS meetings
- Infirmary, ambulance, full time doctor
- Detailed annual and six-month medical screening for employees
- Accident incident reporting
- Human resources approach maintaining the work-social life balance
- Transparent management via participation and consultation mechanisms
- Surveys and research

The ultimate goal of our OHS Department is to bring an Occupational Health and Safety Culture, where all of our direct and indirect employees, as well as our neighbouring local people, live safe and mentally and physically healthy at the end of each working day. For this purpose, the following activities are carried out:

OHS Training Hours	Total Training Hours (human.hour)	Training Hour per Employee (hour/human)
	2017	2017
OHS Trainings	2.720	16
Total Trainings	7.557	45

Total Accident Number, Frequency and Rate	Accident Number	Total Frequency of Accidents	Total Accident Rate
		2017	
TÜMAD	52	3,07	0,07

\* For detailed information and explanations on OHS performance, please check "Performance Indicators Details" section.





## TÜMAD VALUE CHAIN MANAGEMENT

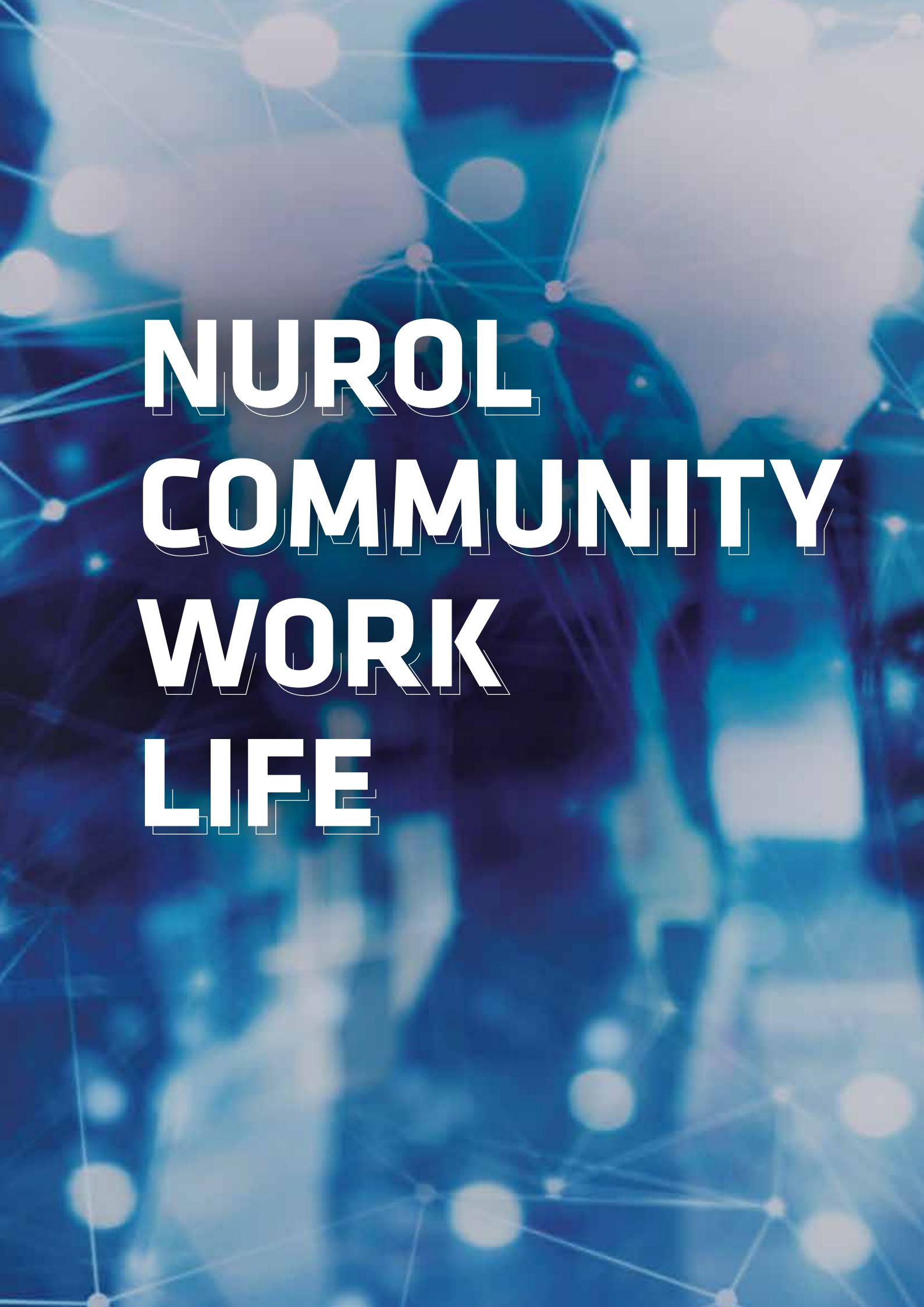
The aim of TÜMAD is to become a prestigious and respected commercial partner that ensures the satisfaction of all stakeholders; including internal customers and suppliers by using transparent, effective communication methods through its Supply Chain Policy. Therefore, we pay attention to the followings basically:

A supply chain management

- Consistent with our corporate core values, strategic objectives and vision,
- Including a contract management in coordination with the legal unit and in compliance with the laws and regulations,
- Ethical, transparent, trackable, reportable, fair, sustainable,
- Including stakeholder engagement and local procurement in the selection process of goods and service suppliers; local suppliers are supported and trained,
- Integrated with Enterprise Resource Planning, where all demand is met in the desired time, price, quantity and quality,
- Customer satisfaction oriented, supported by surveys and interviews,
- All goods and services are directly or indirectly procured on behalf of our Company,
- Able to foster competition between suppliers, when necessary live competition via e-tendering and e-procurement,
- Having emergency purchasing authority for activities can not be performed under normal conditions,
- Consisting the coordination of law, management and communication in itself is aimed.

TÜMAD aims to ensure competition with local and national suppliers as a result of the best technology available, best project financing, compliance with the International Cyanide Management Code (ICMC), local procurement, training of and support to local suppliers. E-procurement, e-tendering and their integration with Enterprise Resource Planning (ERP) system are the works carried out for this purpose.





**NUROL**  
**COMMUNITY**  
**WORK**  
**LIFE**



As **NUROL**  
**GROUP** ;

our basic approach is to create training opportunities to our employees which increase their success and efficiency in their tasks, meanwhile they were shaping their future according to their expectations.

# NUROL COMMUNITY WORK LIFE





**The Master is the person who teaches all his knowledge to his apprentices and is able to create new knowledge to be re-taught next day.**

*Nurettin ÇARMIKLI*



## **HUMAN RESOURCES**

**Even though NUROL Group of Companies serves in different countries and in different sectors, our human resources policy and our perspective on human are common.**

While keeping pace with the developing technology of today, with the awareness that the human is the heart of our business; we have a relationship based on mutual trust, respect for human values, love, justice, fidelity and sharing.

Our prior goal is to create a qualified workforce by meeting (gathering) the best walling master and the mortar mixer master together, who believes in team spirit, uses the time well, socially responsible and attached to its company at heart.

With the help of our over 50 years of experience; by internalizing the **“The Master is the person who teaches all his knowledge to his apprentices and is able to create new knowledge to be re-taught next day.”** Principle, our goal is to create an employee profile open to innovations, value creating, attached to its company and bounded to NUROL corporate culture,

For us, the golden key to success is the human factor. We need to produce information for sustainable competition in all sectors in which we operate, share this information, make it available to the Corporation, and ensure that the information is transformed into lore. By using our information sources correctly, it is one of the most important objectives of all our companies to ensure that this information is reflected in the decisions, products and services, attitudes and

behaviors. It is the human, who produces, uses and converts this knowledge into lore. For this reason; to put the human into the center is the way to obtain sustainable competitive advantage.

Considering that the development and the production are made on the basis of human beings, **it will not be possible for us to be an innovative and learning institution without putting the human into the center.** This is also necessary for all our stakeholders to work in peace and for long-term and stable business. **We believe that the happiness of our employees will create happy customers and happy business partners; we value them and strive for their satisfaction.**

We make an important contribution to the motivation of our employees by bringing together employees with different perspectives and experiences, supporting their continuous learning and improvement through their career management conducted in an objective and equal opportunity understanding. In this way, we sincerely believe that we create the intellectual and creative capacity necessary for Our Company to sustain its activities.

**We believe that a human centric approach should be adopted to establish a throne in the hearts of our employees and we are aware that this will bring success in every field.**

# NUROL COMMUNITY WORK LIFE



## WORK LIFE

Within the human centric management approach of Our Group, in addition to the trainings provided to our employees, their career plans are guided by taking their mental abilities, personality traits and self-development levels into consideration. By this way, we ensure our employees' job satisfaction and commitment to our Company. We also welcome internal horizontal or vertical rotations.

**Assignments to key positions are based on our employees' job success, performance level and competency-based selection criteria** within the group they work in. We prepare our employees good management candidates for the future by trainings determined by performance management system.

We sincerely believe in investing in the career goals of our employees and consequently creating the intellectual and innovative capacity vital for Our Company. Therefore, in line with our long-term goals, we support the development of our employees. We provide opportunities for them to promote by a career management with an objective and equal opportunity understanding. By sharing the opportunities arise in Our Group of Companies with our employees first, we indirectly contribute to their career development and reveal our trust.

Each employee under the umbrella of NUROL;

- Acts with mutual respect and love and values the work and time of others; fulfills what is expected of from them in a timely, clear and accurate manner.
- Acts open, honest and sincere to colleagues and

others. Does not discriminate against age, gender, language, race, belief, political thought. Acts in a manner that protects the benefit of the society, organization and the social environment. Acts openly, honestly and directly in all activities. Acts in a transparent, fair, responsible and accountable manner.

- Always prioritizes Our Company's interests, not personal goals. To this end, employees treat each other with understanding, friendliness and encouragement. Promotes and provides an ideal teamwork environment in which a spirit of cooperation is experienced.

**It is under the assurance of NUROL that employees at all levels are regarded as respectable and honorable.**

Each employee is assessed on the basis of personal qualifications, experience, disciplinary understanding and work efficiency, regardless of race, nation of origin, religious belief, age, physical disability, gender or sexual orientation, in accordance with the relevant legislation. Employees are required to notify their managers if they see a situation contrary to NUROL's policy in any of them.

**The rights and obligations of NUROL employees and working conditions are announced in the scope of Personnel Regulation. Within the scope of the Regulation; promotions, wages, benefits and rewarding, working conditions, permits, penalties and social benefits are arranged. Social benefits provided to our employees include food, birth, marriage, death, clothing and transportation.**

## OUR EMPLOYEE PROFILE

Although some basic data on our employee profile are shared hereby; in Our Company's "Performance Indicators Details" section, we presented company-based information on various subjects such as training, occupational health and safety, leave usage and retention rate for our internal stakeholders in details of their age, gender, management level. In some of information, we presented data for the past three years to make the trend observable.

Basic data on Our Human Resources are depicted below. These data refer to our Companies in the boundary of our Sustainability Report in the operating year of 2017.



TOTAL EMPLOYEES

**11.664**



TOTAL TRAINING HOURS

**93.326** HUMAN.HOUR



OHS TRAININGS

**49.082** HUMAN.HOUR



ENVIRONMENTAL TRAININGS

**7.242**



NEW EMPLOYEES

**563**



EMPLOYEE TURNOVER RATE

**11%**



OHS AUDITED SUBCONTRACTORS

**99,5%**



PARENTAL LEAVE

**47**



RETURN RATE AFTER PARENTAL LEAVE

**96%**



WORK-RELATED SERIOUS INJURIES

**0**



WORK-RELATED DEATH AND INJURIES

**0,02**

# NUROL COMMUNITY WORK LIFE



## COMMUNICATION RULES

In NUROL Holding Group of Companies, communication and information exchange with Internal and External Stakeholders is carried out within the framework of determined rules and legislation in order to carry out and improve all corporate communication activities. The aim of corporate communication is to ensure that employees and units work in harmony and coordination with each other, to solve problems as soon as possible, to create creative power and to ensure that all of these are sustainable. Environmental awareness and social benefit are the basic elements of communication policies.

All employees are obliged to pay special attention to respecting the personal and commercial rights of third parties and corporations, protection of personal data and to comply with legal regulations on these issues.

### Internal Stakeholder Communication Activities and Rules:

**Internal Communication is carried out in such a way as to enable NUROL to realize its vision, mission, business strategies and targets and directly affect organizational efficiency. This necessitates; timely, accurate, comprehensible, organized and targeted communication.**

Main communication activities with internal stakeholders include:

- Internal broadcasts, intranet shares and announcements
- Meetings and meeting minutes
- Electronic mails
- Social responsibility activities, non-business social partnerships and social club activities
- Celebrations
- Condolences
- Notifications of joining and leaving the Company

Social activities are carried out by the Public Relations Department with the approval of the Coordinatorship and all notifications regarding these activities are announced to the employees at NUROL intranet and email.

### Communication in case of an emergency:

In case of an emergency (accident, fire, flood, sabotage, emergency, dangerous situations in production, etc.); who, how and when to contact, and the processes required for internal and external communication are determined in the Holding and Group of Companies.

In such cases, the Coordinator shall be informed immediately. In addition, periodic "Emergency Analyzes and Risk Assessments" made by Group of Companies are presented at the Board of Directors meetings.



## Rules of Communication with External Stakeholders:

As external communications have a direct impact on the trust and reputation of NUROL, it requires timely, accurate, comprehensible, regular and targeted communication.

The main activities of communication with external stakeholders include all external communication activities, including:

Public disclosures

- Advertisements, sponsorships, social responsibility, donations, adverts, brochures and other introductory printed materials
- Annual Reports
- Correspondences
- Social media
- Fairs, congresses, workshops and activities so on
- Disclosures and denials against false news

Press releases, press conferences, public announcements to be made in accordance with the information and interview requests of NUROL, all kinds of intellectual property rights, trademark and patent rights and applications, disclosures and announcements about NUROL's shareholders, Board of Directors and executives, NUROL's partnerships include information and announcements about mergers, acquisitions, acquisitions, outsourcing, restructuring.

Such statements made on behalf of NUROL must be complete, accurate, understandable, prompt, timely and realistic; NUROL's reputation should be respected at the highest level and should not include statements that may lead to misunderstanding.

Advertising, sponsorship, social responsibility, donations, announcements, brochures and other printed materials are carried out as specified in the NUROL Corporate Identity Guide. In these activities, we act with a sense of social responsibility.

Annual Reports, Sustainability Reports, Human Resources and Public Relations Coordinatorship submitted to the shareholders, investors and the public are prepared under the coordination of the Holding Board of Directors.

In all external communication activities, it is essential to use corporate color samples, brand and logo standards, presentations, bulletins, correspondence samples, which are included in the Corporate Identity Guide, and

to include brand and copyright and warnings in all materials used.

Modern, effective and widespread conduct of social media activities including publications, sharing and magazines distributed through the website are essential; content supply for social media and communication tools is done by the Coordinatorship. NUROL employees may not participate in and share NUROL activities, information, working conditions, brand and logo in social media and communication sites, company or personal blogs, video and photo sharing sites, discussion groups and forums, or in all social media networks including online dictionaries. When participating in the social media networks owned and managed by NUROL, employees comply with the above-mentioned principles.

Employees shall not make any comments against the announcements, explanations and denunciations regarding the news in the visual and written media and gossip, rumors and unfounded news or statements regarding NUROL. However, if deemed necessary for the protection of the interests of NUROL, the Coordination Office shall issue any denial or legal request and prosecution for such false news.

The Code of Conduct covers all NUROL employees and acts contrary to these rules constitute disciplinary offense, including dismissal. Violations are subject to disciplinary action.



# **CORPORATE SOCIAL RESPONSIBILITY**



We always step forward  
to betterment of  
**our employees,  
our country and  
the world.**

# CORPORATE SOCIAL RESPONSIBILITY



## OUR CORPORATE SOCIAL RESPONSIBILITY CONSCIOUSNESS

We have built our reputation for more than 50 years of long-established history on quality and trust. Our unshakable belief in our reliability and brand was another feature that has not changed since the first day. Whatever we did, we always did with human beings and for human beings. We have combined tradition with innovation under this solid roof. We have created our future with contemporary and progressive moves. We have seen that high success is the result of adopting not only local but also global world culture. With this belief, we have signed the United Nations Global Compact, an innovative corporate responsibility approach that proposes universal principles, in the status of Participant. With the awareness that we are a part of the society, we took care to ensure that the Company's objectives and the interests of the country and society are in harmony. We tried to touch the lives of thousands of individuals with the social responsibility projects we took part in. Fortunately for us, we are taking the first steps of the new roads to the next 50 years while handing over the past half century to the past.

As NUROL, we will continue to grow our success areas with our foreign partnerships and representations, and to show our superior performance in national and international markets while guiding the future through corporate governance and ethical and moral values.

NUROL Group of Companies, as a well-established leading company in Turkish private sector that has signed many works both domestically and internationally; is proud to include companies operating in different sectors under its roof, its subsidiaries, the quality of the social and economic value of the subsidiaries and is proud of the quality of its social and economic values created by the strength of its more than ten thousand employees worldwide.

Communication, which is one of the indispensable elements of social life, varies as much as its means in terms of its objectives. We take care of evaluating our corporate communication programs as wide as possible, because we believe that this is the only way we can only reach individuals who are interested in different fields. In addition to education, culture, sports, environmental protection; art is another communication channel we use.



## NUROL EDUCATION, CULTURE AND SPORTS FOUNDATION

The NUROL EDUCATION, CULTURE and SPORTS FOUNDATION was established by the ÇARMIKLI FAMILY in 1996, with the goal of contributing to the efforts aimed at promoting and improving our national culture while protecting its connection with the past, as well as contributing to the endeavors aimed at enabling our country to reach the level of contemporary civilizations, and at securing its well-deserved place at an international level.

The three ÇARMIKLI brothers, Nurettin, Erol and Mehmet Oğuz, carry out their activities in this regard with the returns from the assets held by the NUROL FOUNDATION portfolio, which is structured in Ankara and comprises real estate assets and cash donations given by the brothers as real capital, and with the financial support provided annually by the companies in the Group of Companies. NUROL continues its tradition of supporting contemporary education, sports, culture and the arts in order to create a better future, engaging in activities aimed at increasing quality of life in society, as a natural part of the corporate culture of more than half a century, and the values it possesses.

As for the management of the FOUNDATION, decisions are taken by the members of the Board of Trustees, subject to the approval of the Board of Directors, which consists of five members.

As part of its assumed duties in regard to social responsibility, the NUROL FOUNDATION attaches great

importance to providing sustainable benefits through its contributions in support of education and cultural development of youngsters. In this regard, the foundation provides scholarships at various educational levels to successful students who have limited financial means, and their educational status is closely monitored.

As part of its efforts in support of education, NUROL FOUNDATION has constructed various cultural facilities, including school buildings, libraries, sports halls, training and congress centers, cinemas and theater buildings, providing also furnishings and landscapes, all over the country, and donated these to the Ministry of National Education. In this way, the FOUNDATION continues to render services to the Turkish Nation.

Having provided financial support for the publication of books and documentary films aimed at raising social awareness of our cultural heritage, and at protecting, promoting and improving national values, NUROL FOUNDATION has taken an active role in the dissemination of these publications and films to large number of people. The FOUNDATION is proud to mediate the sharing of its activities in different circles through its artistic and cultural projects.

With the continuous support of the NUROL FOUNDATION, Emre Aracı, the Ottoman history researcher, author and musicologist, continues to represent our country through his albums and concerts all over the world.

# CORPORATE SOCIAL RESPONSIBILITY



Our Publications



Kilimanjaro Mountain Climbing sponsorship



April 23<sup>rd</sup> celebrations



Musicologist Emre Aracı CDs



Dost Yaşam Foundation volunteer visits

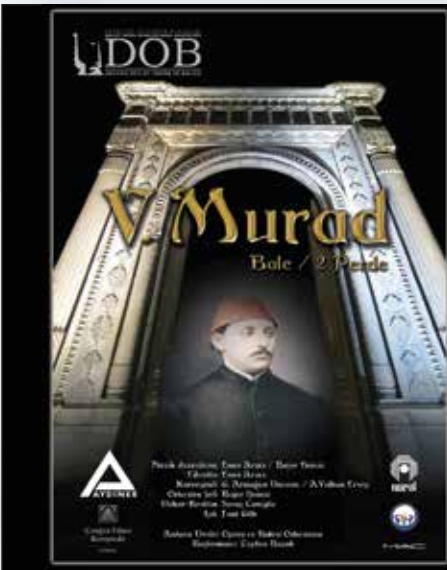
**DOST YAŞAM VAKFI**  
DOST YAŞAM DOWN SENDROMU VAKFI



Çalılıkusu Ballet



Sevda Cenap And International Ankara Music Festival sponsorships



Murad Ballet



"UN UNITE" campaign support

Her yıl uluslararası çapta yapılan **Cinsiyete Dayalı Şiddete Mücadelede 16 Günlük Aktivizm** kampanyasına binlarımızı buruncu şikândirarak ve Nurof Plaza çalışanları ile tununcu gylîyeneek katılım gösterdik.



Universities Solar Car Competitions team sponsorship

# CORPORATE SOCIAL RESPONSIBILITY



Exhibition in aid of street animals



Tomurcuk Foundation volunteer visits



NUROL Theater Community



NUROL Theater Community



Runtalya - TOFD support



Arhavi Çarmıklı Education and Culture Center



## NUROL EDUCATION, CULTURE AND SPORTS FOUNDATION



METU Sports Teams sponsorship



Sevda Cenap And International Ankara Music Festival



Presidential Symphony Orchestra Concerts



Ağrı Mountain Climbing sponsorship



School building in various cities to support education

# CORPORATE SOCIAL RESPONSIBILITY



Toygun Orbay



Adnan Turani



Nuri Abaç



Mahmut Karatoprak



Devrim Erbil



Işıl Özışık



İsmail Acar



Hikmet Çetinkaya



Duran Karaca



Nuri İyem



Jale Yılmazbaşar



Ayhan Türker



## NUROL ART GALLERY

As NUROL Art Gallery, we have been serving the Ankara art lovers at our Kavaklıdere Hall since April 2002. While doing this, we are fully aware of how important the function of an art gallery is. Galleries are the meeting points for the viewers, art and the artists. It is important for you to do your job in the right way so that the art lovers who take you seriously and come to visit would not be disappointed, and make their time worthwhile and make sure that the time they spend at the gallery makes some sort of a contribution to themselves. Within the structure of NUROL Art Gallery, NUROL Education Culture and Sports Foundation which has set out to make a conscious contribution to the cultural and art life in Ankara is staying the course along the path to realize this objective by acting with great care.

Our Gallery program includes eight or nine exhibitions on average in every art season and in addition it makes happen talks, signing and promotion days. Naturally, the organization of an exhibition is not only to send out invitations and throw an opening cocktail party. Our exhibition plans start one year in advance, and exhibition preparations two months in advance.

The most important work to be done in the process is the preparation of the exhibition catalog. Our Gallery, by putting together a comprehensive catalog for every exhibition, forms a lasting document for both our gallery and the artist. In addition to the catalogs, for the purpose of making a contribution to the culture until today with Bihret Mavitan ve Mehmet Gülerüz taking the lead we have prepared art publications. It is one of our objectives in the upcoming years to increase the number of our art books. Besides the catalogs, invitations, press releases, and other written and video materials are also prepared with great care. For us; an effective announcement of an exhibition, establishing of good relations with the art lovers and the press and to ensure the permanency of this situation are among

the most important tasks of the gallery. You may open exhibitions, but the most important thing is to be able to attract as many person as possible, and to ensure that the art lover visits the gallery as many times as possible by blending with the warm atmosphere you create...

And at the end of the exhibition, if your artist leaves your gallery happily to come back and work again then you have become successful!

At our gallery, we organize talks and different works every month. These talks may be realized with the artist of the exhibition or with someone from a different walk of life. For example in the past seasons, we have organized functions like Hasan Pekmezci print painting application and Nazlı Eray Signing and Chatting". By doing this, we think that the viewers do not only come to the gallery for only the exhibitions but also for different purposes like to be informed, to have a good time, and this way to provide them with the opportunity for art and culture to have a larger place in their life. In short, NUROL Art Gallery is not only a gallery, we are also making every effort to make sure that it is not only perceived as a gallery but also a quality culture and arts environment. In this season again we will spend one Saturday afternoon every month just doing that.

Our Gallery was established by NUROL Education Culture and Sports Foundation but our existence, and permanence will be realized through the support and the interest of the artist and the art lovers as much as our institution.

The works exhibited in the gallery are then presented to the art lovers in our Art Gallery in Bodrum OASIS. In addition to the exhibitions it has opened, the gallery has become the capital's preferred and preferred culture and art scene with artistic workshops, interviews, signature days and panels.

# PERFORMANCE INDICATORS





# PERFORMANCE INDICATORS

## NUROL HOLDING SUSTAINABILITY GOALS

Focus Area	Targeted Year	Goal
Sustainability Management	2018	Establishing of NUROL Holding Sustainability Committee with the decision of the Board of Directors
		Forming Sustainability Teams within NUROL Group Companies
Governance	2018	Updating and publishing Nuro Holding Governance Principles and delivering it as its booklets
		Transiting to Entegrated Resource Planning (ERP) system
		Revising of Anti-Corruption and Bribery Procedure
		Updating Nuro Code of Ethics and Discipline Committee Working Principles and Procedures
		Updating the Internal Audit Procedure
		Updating the Internal Audit Reporting Standards Directive
		Updating the Corporate Communication Rules
		Updating the Education Rules
Human Resources	2018	Providing minimum 800 human*hours of training in total to Holding employees

**NUROL CONSTRUCTION SUSTAINABILITY GOALS**

Focus Area	Targeted Year	Goal
<b>Sustainability Management</b>	2018	Signing a contract with a consultancy firm for the preparation of the Sustainability Report in the UNGC and GRI Standards for the year 2018
<b>Governance Systems</b>	2018	Parallel to the revision of the OHSAS 18001 standard, the transiting to ISO 45001: 2018 standard in its first year of publication
		Using of document software system in all projects taken in 2017
<b>Governance Rules</b>	2018	Publicizing of Governance Rules and conducting employee awareness raising activities
<b>Training (OHS)</b>	2018	30 min/month training for Nurool Construction personnel throughout the project
<b>Training (OHS-E)</b>	2018	Minimum 100 min/month training per Headquarters personnel on Quality, Environment and OHS
<b>OHS Training</b>	2018	Increasing the competency of project personnels in examining case studies
<b>OHS Operational Audits</b>	2018	Filling at least 50 warning notification cards in projects
		Making at least 20 near-miss cards filled in projects
		Carrying out 12 occupational safety field tours with the representatives from Project Management
<b>Work-related Accidents</b>	2018	Not exceeding 2 as Accident Weight Ratio
		(Accident Weight Ratio = Total Working Day Losses * 1.000 / Total Working Hours)
		Not exceeding 20 as Accident Frequency Rate
		( Accident Frequency Rate = Total Loss Day Incidents /Total Working Hours x 1.000.000)
<b>Emergency Management</b>	2018	Practicing at least 2 emergency drills
<b>Communication</b>	2018	Preparing and publishing Communication, Participation and Consultation Procedure
		Preparing "Nurool Construction Family Conversations Organization" guide to ensure more effective participation of employees in engagement and consultation processes
<b>Subcontractor Management</b>	2018	Developing Subcontractor OHS-E Evaluation Form within the scope of Project Subcontractor Tender Packages to make OHS and environmental topics more effective in the selection of subcontractors

# PERFORMANCE INDICATORS

## NUROL TECHNOLOGIES SUSTAINABILITY GOALS

Focus Area	Targeted Year	Goal
Management Systems	2018	Preparing Ergazi Ballistic Test Laboratory for TURKAK accreditation
Process Management	2018	Restructuring processes and initiating SAP design studies
Training	2018	Minimum 15 hours of training per employee
		Providing trainings on ISO 9001 Quality Management System
Training (Environment)	2018	Training to increase the environmental awareness of our employees and to ensure the efficient use of recycling waste storage area
Energy Management	2018	Setting energy analyzers and remote monitoring systems to the equipments such as furnace for efficient energy management and calculating the unit cost
Emission Management	2018	Establishing a burner system to furnaces without burners to eliminate the hazardous gases released in the air
		Calculating greenhouse gas emissions
Water Management	2018	Minimizing water loss by using closed system
		Re-structuring of water lines to prevent contamination and rusting
Waste Management	2018	Reducing wastes of plastic, paper and cardboard by 10% compared to the last year
Work-related Injuries	2018	"0" work-related accident
Frequency of Accident	2018	Keeping the accident frequency below 4.0
Performance Management Systems	2019	Establishing performance management system
Development Planning	2018	For Masters degree education; supporting more employees than last year
Talent Management	2020	Updating job descriptions
		Generating career maps
Employee Satisfaction Survey	2019	Conducting employee satisfaction survey
Employee Loyalty	2018	Increasing employee loyalty by organising activities
Supplier Management	2018	Increasing the number of approved suppliers by 10% compared to last year



**FNSS SUSTAINABILITY GOALS**

<b>Focus Area</b>	<b>Targeted Year</b>	<b>Goal</b>
<b>Training</b>	2018	Keeping annual training plan realization rate over 90%
<b>Employee Development (Training)</b>	2018	Carrying out activities to improve leadership culture
		Preparing technical competency matrix for technical improvement of blue collar employees
		Providing opportunities for blue collar employees to improve their English level
		Initiating the coaching program with our white collar employees
		Supporting blue collar employee improvement
<b>Renewable Energy Use (Energy and Emission Management)</b>	2018	Instaling solar panel with daily hot water capacity of 15m <sup>3</sup>
	2019	Establishing of a Solar Power Unit of 50 kWp
<b>Management Systems</b>	2018	Transiting to AQAP 2110 Rev D
	2019	Transiting to Integrated Management System on Quality, Occupational Health and Safety and Environment
<b>Process management</b>	2019	Restructuring processes and improving performance management
<b>Risk and Opportunity Management</b>	2018	Institutionalizing risk and opportunity management
<b>Nationalization Management</b>	2018	Systematically supporting of domestic and national industries

# PERFORMANCE INDICATORS

## NUROL MAKİNA SUSTAINABILITY GOALS

Focus Area	Targeted Year	Goal
Management Systems	2018	Obtaining "NATO CONFIDENTIAL" facility security clearance by passing relevant audits
		Renewing "NATO CONFIDENTIAL" facility security clearance by passing relevant audits
Water Management	2018	Live monitoring of energy consumption at locations determined throughout our factory
Talent Management	2018	Implementing an Executive Training Program (ETP)
		Establishing of Talent and Career Management System
Training	2018	Creating an in-house training plan with the Excellence Center staff and providing at least 30 hours of training on continuous improvement activities
		Increasing internal training hours by 20% compared to 2017
		Increasing external training hours by 10% compared to 2017
Training (OHS)	2018	Increasing OHS trainings to minimum 12 human/hour per year
OHS Management	2018	Determining and sharing of OHS targets through departments to integrate the OHS perspective into Company culture. Preparing posters and visuals on this topic
		Preparing and using posters and visuals in the context of OHS
		Reducing accident frequency and accident weight ratios by 15% compared to 2017
Employee Satisfaction Survey	2018	Increasing employee satisfaction by 3% compared to 2017

### TÜMAD SUSTAINABILITY GOALS

Focus Area	Targeted Year	Goal
<b>Sustainability Management</b>	2018	Developing sustainability policy
<b>Social Compliance Standard (SA8000)</b>	2018	Completing awareness trainings and certification documentation and consequently obtaining SA8000 certification
<b>International Cyanide Management Code (ICMC)</b>	2020	Completing ICMC trainings, conducting gap analysis and consequently obtaining certificate by ensuring compliance with code
<b>Integrated Management Systems</b>	2018	Obtaining ISO 9001 Quality Management System certificate
		Obtaining ISO 14001 Environmental Management System certificate
		Obtaining ISO 45001 Occupational Health and Safety Management System certificate
<b>Water Management</b>	2018	Preparing operational water budget and reducing raw water use
<b>Work-related Accidents</b>	2018	"0" work-related accident
<b>Accident Frequency</b>	2018	Ensuring an accident frequency under 8.0
<b>Supplier Social Assessment</b>	2018	Auditing our 2 suppliers including social compliance criteria

# PERFORMANCE INDICATORS

## OHS Indicators

Employees Involved in Standardized OHS Management *		Number**	Ratio in Total
NUROL Holding	Employees included in the system	105	82%
	Those included in the system and audited by the Institution	105	82%
	Those included in the system and externally audited	105	82%
	<b>Total employee number</b>	<b>128</b>	<b>100%</b>
NUROL Construction	Employees included in the system	2.191	100%
	Those included in the system and audited by the Institution	2.191	100%
	Those included in the system and externally audited	1.941	89%
	<b>Total employee number</b>	<b>2.191</b>	<b>100%</b>
NUROL Makina	Employees included in the system	488	100%
	Those included in the system and audited by the Institution	488	100%
	Those included in the system and externally audited	488	100%
	<b>Total employee number</b>	<b>488</b>	<b>100%</b>
FNSS	Employees included in the system	1.055	100%
	Those included in the system and audited by the Institution	1.055	100%
	Those included in the system and externally audited	1.055	100%
	<b>Total employee number</b>	<b>1.055</b>	<b>100%</b>
NUROL Technologies	Employees included in the system	281	100%
	Those included in the system and audited by the Institution	281	100%
	Those included in the system and externally audited	281	100%
	<b>Total employee number</b>	<b>281</b>	<b>100%</b>
TÜMAD	Employees included in the system	365	100%
	Those included in the system and audited by the Institution	365	100%
	Those included in the system and externally audited	365	100%
	<b>Total employee number</b>	<b>365</b>	<b>100%</b>

\* OHS management is based on recognized standards (such as ISO) or legal requirements.

\*\* The number of employees in the table also includes subcontractors.

OHS Performance Indicators	Annual Total Working Hours	Work-related Injuries				Serious Injuries				Work-related Deaths			
		Employee (integer)	Subcontractor (integer)	Total (integer)	Total Ratio	Employee (integer)	Subcontractor (integer)	Total (integer)	Total Ratio	Employee (integer)	Subcontractor (integer)	Total (integer)	Total Ratio
NUROL Holding	299.520	0	0	0	0,00	0	0	0	0,00	0	0	0	0,00
NUROL Construction	6.345.623	30	59	89	2,81	0	0	0	0,00	0	1	1	0,03
NUROL Makina	1.254.160	29	0	29	4,62	0	0	0	0,00	0	0	0	0,00
FNSS	1.670.977	12	0	12	1,44	0	0	0	0,00	0	0	0	0,00
NUROL Technologies	280.800	1	2	3	2,14	0	0	0	0,00	0	0	0	0,00
TÜMAD	1.564.282	7,00	17	24,00	3,07	0	0	0	0,00	0	0	0	0,00
<b>Total</b>	<b>11.415.362</b>	<b>79</b>	<b>78</b>	<b>157</b>	<b>2,75</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0,00</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0,02</b>

\* 200.000 value was used as the ratio coefficient.

OHS Performance Indicators	Annual Total Working Hours	Work-related Injuries			Deaths due to work-related injuries				
		Subcontractor (integer)	Total (integer)	Total Ratio	Employee (integer)	Subcontractor (integer)	Total (integer)	Total Ratio	
NUROL Holding	299.520	0	0	0	0,00	0	0	0	0,00
NUROL Construction	6.345.623	0	0	0	0,00	0	0	0	0,00
NUROL Makina	1.254.160	0	0	0	0,00	0	0	0	0,00
FNSS	1.670.977	0	0	37	0,00	0	0	0	0,00
NUROL Technologies	280.800	0	0	0	0,00	0	0	0	0,00
TÜMAD	1.564.282	0	0	0	0,00	0	0	0	0,00
<b>Total</b>	<b>11.415.362</b>	<b>00</b>	<b>0</b>	<b>37</b>	<b>0,00</b>	<b>0,00</b>	<b>0</b>	<b>0</b>	<b>0,00</b>

\* 200.000 value was used as the ratio coefficient.

### Board of Directors Age Distribution

Board of Directors Age Distribution	Below 30			Between 30-50			Above 50		
	2017	2016	2015	2017	2016	2015	2017	2016	2015
NUROL Holding	0%	0%	0%	44%	40%	33%	56%	60%	67%
NUROL Construction	0%	0%	0%	19%	10%	5%	19%	24%	24%
FNSS	0%	0%	0%	25%	25%	25%	75%	75%	75%
NUROL Makina	-	-	-	50%	50%	50%	50%	50%	50%
NUROL Technologies	0	0	0	50%	50%	33%	50%	67%	67%
TÜMAD	-	-	-	43%	-	-	57%	-	-

# PERFORMANCE INDICATORS

## Employee Profile Breakdown

The values under 'Employee Profile Breakdown' are compiled only from the data which are directly employed and belong to 4 projects of NUROL Construction included in the report.

Number of Employees by Year	Men			Women			Total		
	2017	2016	2015	2017	2016	2015	2017	2016	2015
<b>NUROL Holding</b>	80	79	74	48	47	42	128	126	116
<b>NUROL Construction</b>	2.119	2.853	2.153	72	94	57	2.191	2.947	2.210
<b>NUROL Makina</b>	414	443	352	41	32	29	455	475	381
<b>FNSS</b>	792	660	534	148	120	90	940	780	624
<b>NUROL Technologies</b>	84	81	58	20	14	11	104	95	69
<b>TÜMAD</b>	166	44	19	31	9	2	197	53	21
<b>Total</b>	<b>3.655</b>	<b>4.160</b>	<b>3.190</b>	<b>360</b>	<b>316</b>	<b>231</b>	<b>4.015</b>	<b>4.476</b>	<b>3.421</b>

Number of Employees	White Collar		Blue Collar	
	Men	Women	Men	Women
<b>NUROL Holding</b>	80	48	-	-
<b>NUROL Construction</b>	175	48	1.944	24
<b>NUROL Makina</b>	146	41	268	-
<b>FNSS</b>	482	147	310	1
<b>NUROL Technologies</b>	48	16	36	4
<b>TÜMAD</b>	68	22	98	9
<b>Total</b>	<b>999</b>	<b>322</b>	<b>2.656</b>	<b>38</b>

Number of Employees	Full-time		Part-time	
	Men	Women	Men	Women
<b>NUROL Holding</b>	77	43	3	1
<b>NUROL Construction</b>	2.118	72	1	-
<b>NUROL Makina</b>	414	41	-	-
<b>FNSS</b>	787	147	5	1
<b>NUROL Technologies</b>	82	20	2	-
<b>TÜMAD</b>	166	31	-	-
<b>Total</b>	<b>3.644</b>	<b>358</b>	<b>11</b>	<b>2</b>

Disabled Personnel Number	Men			Women			Total		
	2017	2016	2015	2017	2016	2015	2017	2016	2015
<b>NUROL Holding</b>	2	2	2	1	1	1	3	3	3
<b>NUROL Construction</b>	8	0	4	1	1	0	9	1	4
<b>NUROL Makina</b>	4	5	7	0	0	0	4	5	7
<b>FNSS</b>	23	19	16	1	0	0	24	19	16
<b>NUROL Technologies</b>	2	2	2	0	0	0	2	2	2
<b>TÜMAD</b>	6	0	0	0	0	0	6	0	0
<b>Total</b>	<b>45</b>	<b>28</b>	<b>31</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>48</b>	<b>30</b>	<b>32</b>

Number of Employees	Turkey		Foreign Operations	
	Men	Women	Men	Women
<b>NUROL Holding</b>	80	48	-	-
<b>NUROL Construction</b>	1.881	60	238	12
<b>TÜMAD</b>	166	31	-	-
<b>FNSS</b>	792	148	-	-
<b>NUROL Technologies</b>	84	20	-	-
<b>NUROL Makina</b>	414	41	-	-
<b>Total</b>	<b>3.417</b>	<b>348</b>	<b>238</b>	<b>12</b>

Number of Employees	Temporary		Permanent	
	Men	Women	Men	Women
<b>NUROL Holding</b>	-	-	80	48
<b>NUROL Construction</b>	188	6	1.931	66
<b>TÜMAD</b>	-	-	166	31
<b>FNSS</b>	38	4	754	144
<b>NUROL Technologies</b>	2	-	82	20
<b>NUROL Makina</b>	-	-	414	41
<b>Total</b>	<b>228</b>	<b>10</b>	<b>3.427</b>	<b>350</b>

# PERFORMANCE INDICATORS

## Recruitment and Employee Turnover Rates

New Employee Recruitment Number	Men			Women		
	Below 30	Between 30-50	Above 50	Below 30	Between 30-50	Above 50
<b>NUROL Holding</b>	7	9	2	-	2	1
<b>NUROL Construction</b>	16	17	6	3	5	1
<b>NUROL Makina</b>	16	42	5	8	7	-
<b>FNSS</b>	82	85	3	31	6	-
<b>NUROL Technologies</b>	12	6	-	4	1	-
<b>TÜMAD</b>	67	89	5	12	13	-
<b>Total</b>	<b>200</b>	<b>248</b>	<b>21</b>	<b>58</b>	<b>34</b>	<b>2</b>

Employee Turnover Rate*	Men						Women						Average Employee Number
	Below 30		Between 30-50		Above 50		Below 30		Between 30-50		Above 50		
	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio	
<b>NUROL Holding</b>	2	2%	7	5%	8	6%	-	0%	1	1%	1	1%	<b>128</b>
<b>NUROL Construction</b>	40	2%	143	7%	50	2%	5	0%	11	1%	-	0%	<b>2.191</b>
<b>NUROL Makina</b>	35	8%	41	9%	10	2%	3	1%	4	1%	-	0%	<b>455</b>
<b>FNSS</b>	11	1%	23	3%	4	0%	3	0%	4	0%	2	0%	<b>903</b>
<b>NUROL Technologies</b>	10	10%	10	10%	5	5%	3	3%	-	0%	-	0%	<b>104</b>
<b>TÜMAD</b>	10	5%	24	12%	5	3%	1	1%	2	1%	-	0%	<b>197</b>
<b>Total</b>	<b>98</b>	<b>2%</b>	<b>224</b>	<b>6%</b>	<b>77</b>	<b>2%</b>	<b>14</b>	<b>0%</b>	<b>20</b>	<b>1%</b>	<b>3</b>	<b>0%</b>	<b>3.978</b>

\* Employee Turnover Rate = Number of Employees who Leave the Employment / Average Employee Number



Training Indicators

Average Training Hour per Employee (Hour)	Men			Women			Total		
	2017	2016	2015	2017	2016	2015	2017	2016	2015
<b>NUROL Holding</b>	1,00	1,00	1,00	1,00	1,00	1,00	2,00	2,00	2,00
<b>NUROL Construction</b>	32,89	-	-	4,82	-	-	37,72	-	-
<b>NUROL Makina</b>	14,25	10,38	5,69	7,67	2,48	1,53	21,92	12,86	7,22
<b>FNSS</b>	43,49	51,45	39,16	52,84	56,80	47,86	96,33	108,25	87,02
<b>NUROL Technologies</b>	-	-	-	-	-	-	0,00	0,00	0,00
<b>TÜMAD</b>	16,00	-	-	16,00	-	-	32,00	-	-
<b>Total</b>	<b>108</b>	<b>63</b>	<b>46</b>	<b>82</b>	<b>60</b>	<b>50</b>	<b>190</b>	<b>123</b>	<b>96</b>

Average Training Hour per Employee (Hour)	White Collar						Blue Collar					
	Men			Women			Men			Women		
	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015
<b>NUROL Holding</b>	1,00	1,00	1,00	1,00	1,00	1,00	-	-	-	-	-	-
<b>NUROL Construction</b>	13,00	-	-	-	-	-	25,00	-	-	-	-	-
<b>NUROL Makina</b>	11,13	6,67	5,28	7,67	2,48	1,53	3,12	3,71	0,42	-	-	-
<b>FNSS</b>	48,28	52,31	50,71	52,99	56,80	47,86	36,05	49,99	21,90	30,50	-	-
<b>NUROL Technologies</b>	13,48	13,19	6,83	11,30	24,86	7,64	24,78	38,05	14,47	-	-	-
<b>TÜMAD</b>	1.024,00	-	-	306,00	-	-	1.714,00	-	-	132,00	-	-
<b>Total</b>	<b>1.111</b>	<b>73</b>	<b>64</b>	<b>379</b>	<b>85</b>	<b>58</b>	<b>1.803</b>	<b>92</b>	<b>37</b>	<b>163</b>	<b>-</b>	<b>-</b>

# GRI CONTENT INDEX



This report includes the information about sustainability performance and implications of NUROL Holding and Companies covered by the Report between 1 January 2017 - 31 December 2017.

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The service was performed on the Turkish version of the report.

## GRI 101: Foundation 2016

## GRI 102: General Disclosures 2016

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	103-2	The management approach and its components	Governance, Our Corporate Profile, Sustainability Approach 36-39, 60-65, 74, 76-77, 82, 92-93, 103-104, 113, 123, 131
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## UNGC CONTENT INDEX

The UN Global Compact is an initiative that encourages companies to operate responsibly and support society. With this scope, the UN Global Compact strives to ensure that companies add value not only to their financial resources but also to people, communities and the planet. UN Global Compact is the world's largest voluntary corporate sustainability initiative with 12,000 signatories in 145 countries.

Area	Global Principles	Page Number
Human Rights	<b>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and</b>	69-71, 139-140
	<b>Principle 2: make sure that they are not complicit in human rights abuses.</b>	69-71
Labour	<b>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</b>	No collective bargaining
	<b>Principle 4: the elimination of all forms of forced and compulsory labour;</b>	81-83, 139-140
	<b>Principle 5: the effective abolition of child labour; and</b>	81-83, 93, 139-140
	<b>Principle 6: the elimination of discrimination in respect of employment and occupation.</b>	139-140
Environment	<b>Principle 7: Businesses should support a precautionary approach and environmental challenges;</b>	83, 94-96, 105-106, 115-117, 124-126, 132-133
	<b>Principle 8: undertake initiatives to promote greater environmental responsibility; and</b>	83, 94-96, 105-106, 115-117, 124-126, 132-133
	<b>Principle 9: encourage the development and diffusion of environmentally friendly technologies.</b>	83, 94-96, 105-106, 115-117, 124-126, 132-133
Anti-Corruption	<b>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.</b>	69-71, 92-93, 113-115, 123-124, 130-131







Arjantin Caddesi No: 7 Gaziosmanpaşa  
06680 Çankaya / ANKARA - TURKEY  
MERSİS No: 0632004250100014  
Ticaret Sicil: Ankara - 74588

**T:** +90 312 455 10 00

**F:** +90 312 455 10 60

[www.nurol.com.tr](http://www.nurol.com.tr)  
[info@nurol.com.tr](mailto:info@nurol.com.tr)

**For communication about  
NUROL Holding Sustainability Report;**

**Bahar KOVALI**  
Press and Public Relations Senior Manager  
[bahar.kovali@nurol.com.tr](mailto:bahar.kovali@nurol.com.tr)

**Reporting Consultancy and Design  
ESG Turkey Consultancy**

[www.esgturkey.com](http://www.esgturkey.com)  
[esg@esgturkey.com](mailto:esg@esgturkey.com)





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