Our sustainability approach has become an integral part of our corporate strategy for dealing with environmental and social issues which threaten our world by maintaining economical profitability of all of our stakeholders. Our Global Reporting Initiative (GRI) compliant Sustainability Reports which focus on our environmental, social and economical performance, our studies for dealing with climatic change, energy efficiency studies, product life cycle assessments, management systems studies and corporate social responsibility projects are each a reflection of our strategy.

Activities carried or by our Management Systems and Sustainability Directorate which was established in 2016 in order to have sustainability as a permanent value at the focus of our decision making processes, are reported to the Executive Board in regular intervals.

As Polisan Holding, we signed the United Nations Global Compact (UNGC) in 2018 as an important source of information for us.

Sustainability Policy
UN Global Compact CEO’s Commitment Letter
PRINCIPLE: HUMAN RIGHTS and LABOUR

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses.
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: the elimination of all forms of forced and compulsory labour;
Principle 5: the effective abolition of child labour; and
The main drivers of our company’s success include employing the right personnel for the right job, enhancing the knowledge and skills of our employees as required by the changing conditions of competition, advanced technologies and organizational requirements, and creating an organizational structure that is focused on continuous improvement and learning. With our human resources management practices, we develop effective workforce plans, employ talented people, contribute to the career development of our employees and continuously increase our organizational motivation. We utilize “Competency-Based Human Resource Management Systems” that are focused on the improvement of our employees and handle our human resources processes with a holistic approach.

We are wholly respectful of human rights across all our processes including our Training and Development Program, Fair Pricing and Performance and Career Management. These processes are conducted to contribute to the welfare and professional development of our employees. We oppose any discrimination based upon ethnicity, language, religion, race, or gender.
Polisan Holding Ethical Principles

PRINCIPLE: HUMAN RIGHTS and LABOUR

Ethics and Integrity at Polisan Holding

Remaining firmly bound to our values in every aspect of our operations, we, as Polisan Holding aim to

- Ensure sustainable development, which is dynamic, efficient, competitive, and respectful of the natural and cultural environment,
- Contribute to establishing, deploying, and expanding relations based on ethical principles and mutual trust at work and in private life
- Prevent attitudes and behavior that violate ethical principles,
- Contribute to the development and expansion of awareness required for the effective and efficient use of all of the Holding’s and its companies’ resources (financial and non-financial).

We share with our stakeholders the general parameters that will facilitate our life in pursuing our activities, as well as priorities specific to the Corporation, and the attitude and position of our company in the face of all kinds of violations that may be encountered, based upon our Ethical Principles and Rules.

All managers and employees are notified about the employment standards, orientation, ethical principles in the corporate culture, and their responsibilities regarding these principles. Corporate management takes all the required actions or ensures they are taken to set and improve the ethical culture and corporate ethical principles as parts of the corporate culture. They lead, participate to and follow the results of all such actions.

Polisan Holding Ethical Principles Booklet
At our Polisan group of companies, active in the chemicals industry, a high risk sector in terms of occupational health and safety, our core priority is to ensure a safe and healthy working environment for our employees and stakeholders. We consider the occupational health and safety policy adopted as the corporate culture by our HSE team of 50, including seven people in our health department, as well as all employees, a key element of sustainable development. We manage all of our work processes accordingly.

We publish HSE bulletins to substantively contribute to the prevention of occupational accidents, and to share the occupational health and safety agenda, as well as new developments and practices with our employees. In the awareness that “prevention is cheaper than payment”, we strive for all our employees to assume responsibility and become role models. The contribution of our employees to the near-miss events reporting process, vital to the prevention of work accidents, continues at an accelerated pace.

We combined our accident and near-miss processes under the “Event Management” system to increase system integrity, ensuring ease of use and reporting.

With our Subcontractor Management System, we systematically monitor the compliance of our subcontractors with Holding rules and legal regulations, as well as their work performances. We also organize monthly meetings to raise their awareness, ensure information exchange and communication, and to initiate Corrective Actions by identifying failing points during planned site audits.

We continuously strive to improve our systems through a preventive approach based on international standards, as well as legal regulations. We create synergy by involving any our subcontractors and suppliers who are in charge on our site in occupational health and safety issues, and by sharing good practices, integrating those applicable to our system.
Our Commitment to Responsible Care
We carry out our activities with a strong sense of responsibility by prioritizing the concepts of environmental sensitivity, occupational health and safety, employee health and social responsibility in line with the Responsible Care Commitment program of the Turkish Chemical Manufacturers Association (TCMA)—a member of the CEFIC (European Chemical Industry Council), which we became a member of in 1997.

Process Safety Management System
We will minimize the risk of major industrial accidents and the harmful effects of potential accidents on human health and the environment and provide high level, effective and continuous protection against accidents through our ongoing activities that we have been carrying out since 2015 based on the SEVESO directives and the Regulation on Prevention of Major Industrial Accidents and Reducing Their Effects as well as through our Process Safety Management System project which has been initiated this year and will continue for approximately 2 years to strengthen the Safety Management Systems.

Workplace Health Department Studies
We ensure the maximum level of our employees’ physical, mental and social well-being, and that they occupy the positions most suitable for their physical and mental abilities, through examinations conducted by the workplace health department. This is done once employment commences and periodically thereafter. For this purpose, we provide our employees urgent treatment and an ambulance service through our competent personnel on a 24/7 basis in the fully-equipped Workplace Health Department established at our Dilovası factory.

Risk Assessments
In routine and non-routine activities, we carry out ergonomic risk assessment studies using work-specific risk assessments and on-the-job observations using the business-specific Rapid Exposure Control Method.
Collective Labor Agreements

As Polisan, we respect our employees’ right to organize and their collective bargaining rights. Therefore, we have created a framework that is based on the legal requirements for leading industrial relations in a fair manner, is able to ensure social justice and labor peace, and enables the employees and company management to mutually and collectively negotiate their own interests and benefits.

Industrial relations at all levels of the organization are important for us. Our blue-collar workers, the union and company management take part in the decision-making processes related to our workplace practices. This approach allows our company management to have stronger relations with the employees and establish trust between the company, employees, and the union, thus making it possible to resolve disputes and create an environment which increases productivity.

The blue-collar workers at Polisan Kansai Boya and Polisan Kimya are members of the Lastik-İş Union. Polisan Kansai Boya and Polisan Kimya have signed the Collective Agreement for the period 01.01.2018-12.31.2019 with the Lastik-İş Union.

As part of the collective agreement, the wages and social benefits of our blue-collar workers are reviewed and adjusted at the intervals specified in the collective agreement.
Reflections on Stakeholder Relations

We expect our dealers, distributors and suppliers, our most important stakeholders, to operate in compliance with the rules below:

- Child Labor Use and Prevention of Forced Labor,
- Business Ethics and Prevention of Discrimination,
- Remuneration and Working Hours,
- Occupational health and Safety.

In this respect, we established “Polisan Holding Code of Conduct for Business Ethics and Conduct” and reflected our expectations in this respect to our Distributorship Agreement.

Assessment of Suppliers and Subcontractors

We evaluate our suppliers and subcontractors according to our integrated management systems standards, business ethics and codes of conduct, and the performance of the products and services we procure. We visit them at our site and/or their own site and offer improvement suggestions for the issues they need and support their development.

<table>
<thead>
<tr>
<th>POLİSAN HOLDİNG 2018 AUDIT PLAN</th>
<th>POLİSAN HOLDİNG 2019 AUDIT PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AUDIT TYPE</strong></td>
<td><strong>PLANNED</strong></td>
</tr>
<tr>
<td>HSE Site Audit</td>
<td>50</td>
</tr>
<tr>
<td>Subcontractor Audit</td>
<td>53</td>
</tr>
<tr>
<td>Supplier Audit</td>
<td>33</td>
</tr>
</tbody>
</table>
Our main activities supporting human rights and labor practices are;

2017-2018 Polisan Education, Culture And Sports Center

As Polisan Holding, we have completed the construction of the biggest sports hall center located in Dilovasi, Kocaeli which we initiated to bring young people together with the magic of sports so that they can lead a healthier life.

2012 – ... Every Voice One Breath With The Main Theme of "Women’s Issues Are Our Red Linee"

As Polisan Kansai Boya, we led our 7-year "Every Voice One Breath" project with the main theme of "Women’s Issues Are Our Red Line" in 2018 to increase social awareness by bringing attention to social issues concerning women and tragedies related to violence against women in Turkey. As part of the project, we have so far contributed to increasing the capacity and improving the conditions of the Solidarity Center Office and Women’s Shelters of Mar Çatı Women’s Shelter Foundation as well as the Solidarity Center and Young Girls’ Shelters of the Young Girls’ Shelter Foundation. Furthermore, as Polisan Holding, we provided support to the Yeni Başlangıçlar Foundation’s renovation and expansion of the Psychotherapy Center and Atatürk Children’s Support Center (ÇODEM) by meeting some of their needs under the scope of the project.

The Wishes that Connect to Life Project

As Polisan Holding, we supported the “Wishes that Connect to Life” project within the scope of cooperation with the Make a Wish Foundation in the 39th Vodafone Istanbul Marathon. With this Project, we helped realize the wishes of 50 children dealing with the trauma of medical treatment.
Our Performance in Health and Safety - Borsa İstanbul Sustainability Index

As Polisan Holding, we were granted the right to be listed in the Borsa İstanbul Sustainability Index for the second time. Our performance in Occupational Health and Safety, which is one of the evaluation headings, has been examined in the following headings and we have achieved a successful performance by meeting the threshold criteria as a result of index valuation.

- Awards
- Details on health and safety education
- A senior executive in charge of health and safety
- Quantitative data on health and safety record
- Comprehensive quantitative data on health and safety record

(Note: Information about the other evaluation topics of the BIST Research Methodology is included in relation to each principle in order to avoid duplication.)
Examples of Third-Party Assessments in Occupational Health and Safety

Our Performance in Employee Rights, Human Rights, Corporate Social Responsibility - TÜSİAD Sectoral Sustainability Performance Assessment

Under the scope of the "Sectoral Sustainability Research Project" conducted by the TÜSİAD Sustainable Development Forum in cooperation with Özyeğin University, we were selected among 3 companies whose sustainability performance developed the most during the reference period. The sub-components of the sustainability scale in the field of employee rights, human rights and corporate social responsibility are as follows:

<table>
<thead>
<tr>
<th>Employee Rights</th>
<th>Human Rights</th>
<th>Corporate Social Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupational health and Safety;</td>
<td>Child labor / forced labor</td>
<td>ISO 26000 Social responsibility certification</td>
</tr>
<tr>
<td>• Occupational safety trainings</td>
<td>• Gender discrimination / diversity (female employee ratio)</td>
<td>• Budget for social responsibility projects</td>
</tr>
<tr>
<td>• OHSAS 18001 Occupational safety certification</td>
<td>• Age discrimination / diversity (rate of employees 50 years and older)</td>
<td>• Number of social responsibility projects</td>
</tr>
<tr>
<td>• ISO 45001 Occupational safety and health certification</td>
<td>• Disability discrimination / ratio of the number of disabled employees to the total number of employees</td>
<td>• Collaborations with universities, non-governmental organizations and research institutes</td>
</tr>
<tr>
<td>• Number of lawsuits filed</td>
<td>• Compliance with relevant international standards (such as UNDP)</td>
<td></td>
</tr>
<tr>
<td>• Number of accidents</td>
<td>• Number of lawsuits filed</td>
<td></td>
</tr>
<tr>
<td>• Number of fatal accidents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Number of lost workdays per accident</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working conditions;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Personnel turnover speed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Part-time employee rate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Freedom of collective bargaining and unionization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Talent management / career planning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Absence from work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Complaint management system</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Number of strike days</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Examples of Third-Party Assessments in Occupational Health and Safety


Poliport Kimya has been awarded the Silver Recognition Level in Ecovadis Sustainability Assessment, which it participated in 2018. In this assessment;

**Our strengths in the Fair Business Practices criterion are:**
- our information security policy,
- disciplinary sanctions in case of policy violations
- anti-corruption and bribery policies
- GRI sustainability reporting,

**Our strengths in the Labor Force and Human Rights criterion are:**
- Standard policy on the majority of labor or human rights issues,
- Special responsibility for labor practices,
- Our Responsible Care Commitment,
- Training on health and safety issues for subcontractors working within the Company,
- OHSAS 18001 Occupational Health and Safety Management System,
- Additional permits beyond standard holidays,
- Health care coverage of employees,
- Emergency preparedness plan for all affected employees (eg. fire drills),
- Detailed risk assessment of employee health and safety,
- Accident frequency reporting,
- GRI sustainability reporting,
- Average safety training hours reporting.
## Linking our Performance to Global Compact Principles with our GRI Sustainability Report

<table>
<thead>
<tr>
<th>Principles of the UN Global Compact</th>
<th>Place of Performance Information in 2018 GRI Sustainability Report</th>
</tr>
</thead>
</table>
| Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and | Human Resources,  
Our Sustainability Policy,  
Occupational Health and Safety,  
We Became a Signatory to the UN Global Compact,  
Ethics and Integrity,  
Polimevzuat Tracking System,  
3rd Party Inspections, |
| Principle 2: make sure that they are not complicit in human rights abuses. | Ethics and Integrity,  
Our Sustainability Policy,  
Polisan Holding Code of Business Ethics and Conduct for Supplier,  
Our Social Responsibility Projects and Sponsorships,  
Anti-Bribery and Anti-Corruption Program,  
Irregularity and Security Violations Evaluation Committee,  
Polimevzuat Tracking System,  
3rd Party Inspections. |
### Linking our Performance to Global Compact Principles with our GRI Sustainability Report

<table>
<thead>
<tr>
<th>Principles of the UN Global Compact</th>
<th>Place of Performance Information in 2018 GRI Sustainability Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</td>
<td>Collective Labor Agreements, Polievzuet Tracking System,</td>
</tr>
<tr>
<td>Principle 4: the elimination of all forms of forced and compulsory labour;</td>
<td>Ethics and Integrity, Our Sustainability Policy, Polisan Holding Code of Business Ethics and Conduct for Supplier, Polievzuet Tracking System, 3rd Party Inspections,</td>
</tr>
<tr>
<td>Principle 5: the effective abolition of child labour; and</td>
<td>Ethics and Integrity, Polisan Holding Code of Business Ethics and Conduct for Supplier, Polisan Holding General Purchasing Conditions, Polievzuet Tracking System, 3rd Party Inspections,</td>
</tr>
</tbody>
</table>
PRINCIPLE: ENVIRONMENT

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

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

Principle 9: encourage the development and diffusion of environmentally friendly technologies.
For a Liveable Environment

We act in the awareness that the receiving environment should be evaluated as a whole, and that in order to minimize industrial pollution, it must be prevented at source. We systematically apply our holistic and preventive environmental strategy to our products and processes, reducing our risk to society and the environment.
**PRINCIPLE: ENVIRONMENT**

**Environment Management at Polisan Holding**

**Waste Management**

We classify 100% of waste from our facilities in compliance with legislation and eliminate it through recycling, recovery, incineration and other disposal methods. We monitor the volume of waste generated based on unit production amount on a monthly basis, and realize our waste management planning accordingly.

**Water and Wastewater Management**

In our water management applications, we focus on those projects that reduce water consumption, and on the recovery of waste water, and remain abreast of technological research and investment opportunities in the reduction and reuse of wastewater.

In line with the principle of continuous improvement, we have increased our physical and chemical treatment unit capacity, efficiency and sewage sludge dewatering performance and made automation aided by our investment and improvement projects we have made in 2016.

**Energy Management**

In parallel to our strategy of tackling climate change, we work to minimize the energy intensity of our operations, and design our energy management process in step with national and international standards. In completing our ISO 50001 Energy Management System certification process in 2015, we took our attention to energy management a step further.

**Management of Chemicals**

We effectively manage chemicals by meeting the requirements of the applicable legislation in Europe and Turkey in order to protect human health and the ecosystem and to support the development of alternative methods for assessing the harmful effects of chemicals.
Examples of Third-Party Assessments in Environment

Our Environmental Performance—Borsa İstanbul Sustainability Index

As a result of the evaluations, we became

- one of the 44 companies which were entitled to be listed in BİST Sustainability Index in the period of November 2017 - October 2018 and
- one of the 50 companies which were entitled to be listed in BİST Sustainability Index in the period of November 2018 - October 2019.

Assessment In the environmental theme, our performance in the fields of Environmental Policy and Environmental Management System, Reporting of Environmental Issues, Biodiversity, and Climate Change Management Declaration were examined and we achieved a successful performance by meeting the threshold criteria as a result of index valuation.

Our Environmental Performance—TÜSİAD Sectoral Sustainability Performance Assessment

Özyeğin University-TÜSİAD Sustainable Development Forum (SKF) evaluated the sustainability performance of BİST companies and their public reports on the topics of “Environment, Product and Supply Chain, Employee Rights, Human Rights, Corporate Social Responsibility and Corporate Governance”.

In the TÜSİAD panel where the results of the successful project were shared with the sector representatives, we shared our projects and the value created by our sustainability journey.
Our Climate Change and Water Security Performance - Carbon Disclosure Project

In 2017 and 2018 CDP Climate Change Program; we have disclosed our work in the categories of governance, risk management processes, risk disclosure, opportunity disclosure, commercial impact assessment and financial planning assessment, scenario analysis, emission reduction initiatives and low carbon products, emissions 1 and 2, coverage 3 emissions, verification and value chain participation.

2018 CDP Water Security Program; we have disclosed our work in the categories of water accounting, value chain participation, operational impacts, water risk assessment, water-related risk exposure, water-related opportunities, water policies, management, business strategy, integrated approaches, objectives and targets.

According to the results of the evaluation made by Sabancı University Corporate Management Forum and Deloitte

Click for Polisan Holding Carbon Disclosure Project 2017 Summary
Click for Polisan Holding Carbon Disclosure Project 2017 Evaluation Result.
Click for Polisan Holding Carbon Disclosure Project 2018 Climate Change Program Evaluation Result.
Our Climate Change and Water Security Performance – Carbon Footprint Management

We have reduced our emissions by 53% per unit from 2012 to 2018.

With the work we commenced to raise the transparency, integrity, and reliability level in our reporting processes, our 2017 Corporate Carbon Footprint Report has been verified as having “reasonable assurance” within the framework of ISO 14064-3 international standard by an independent third-party-accredited institution.

Polisan Holding 2017 Carbon Footprint Verification Certificate

We completed the greenhouse gas emissions calculation, reporting, risk assessment and uncertainty analysis studies of Polisan Kimya, whose activities are covered by the related regulation. Our monitoring plans for the years 2015, 2016, 2017 were verified by the 3rd party independent verification organization and submitted to the Ministry of Environment and Urbanization.

Polisan Kansai Boya GEBKİM Facility Awarded Low Carbon Hero Award

Polisan Kansai Boya GEBKİM Facility, which is expected to be one of the 12 LEED Green Building Certified production facilities was awarded at the 6th Istanbul Carbon Summit.
Examples of Third-Party Assessments in Environment

Our Environmental Performance - Ecovadis Sustainability Assessment

In April 2018, Poliport Kimya received an invitation to participate in the EcoVadis Sustainability Assessment through the TFS (Together for Sustainability) initiative and was assessed through 21 criteria under the titles of Environment, Social, Ethics and Sustainable Procurement.

In the first assessment made this year, our company was awarded the Silver Recognition Level. It is the best 30% among the companies evaluated in the platform and the best 10% in the sector.

In the Ecovadis assessment, our strengths in the environmental criterion are;

- Environmental policy on some relevant issues,
- Dedicated responsibility for environmental issues,
- Endorsement of the Responsible Care Global Charter,
- ISO 14001 certified,
- Formalized procedure related to materials / chemicals management,
- Regular training on work processes for labeling, storing, handling and transporting hazardous goods,
- Company-specific emergency preparedness & response procedure,
- Measures for handling hazardous substances,
- CSR Report follows GRI guidelines at parent level, [i.e. In accordance – Core]
- Reporting on electricity consumption
<table>
<thead>
<tr>
<th>Principles of the UN Global Compact</th>
<th>Place of Performance Information in 2018 GRI Sustainability Report</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Environment</strong></td>
<td>Our Commitment to Responsible Care,</td>
</tr>
<tr>
<td></td>
<td>Our Certificates,</td>
</tr>
<tr>
<td></td>
<td>Our Quality, Health, Safety and Environment Policy,</td>
</tr>
<tr>
<td>Principle 7: Businesses should support a precautionary approach to environmental challenges;</td>
<td>Our Sustainability Policy,</td>
</tr>
<tr>
<td></td>
<td>Environmental Dimension Analysis,</td>
</tr>
<tr>
<td></td>
<td>Waste Management at Polisan Holding,</td>
</tr>
<tr>
<td></td>
<td>Water and Wastewater Management at Polisan Holding,</td>
</tr>
<tr>
<td></td>
<td>Management of Chemicals,</td>
</tr>
<tr>
<td></td>
<td>Polimevzuat Tracking System,</td>
</tr>
<tr>
<td></td>
<td>3rd Party Inspections,</td>
</tr>
<tr>
<td>Principle 8: undertake initiatives to promote greater environmental responsibility; and</td>
<td>Our Sustainability Journey,</td>
</tr>
<tr>
<td></td>
<td>Our Management Systems,</td>
</tr>
<tr>
<td></td>
<td>Our Sustainability Policy,</td>
</tr>
<tr>
<td></td>
<td>Our Memberships,</td>
</tr>
<tr>
<td></td>
<td>Environmentally Responsive Applications,</td>
</tr>
<tr>
<td></td>
<td>Cooperation with ÇEVKO in Waste Management,</td>
</tr>
<tr>
<td></td>
<td>Tracking of Greenhouse Gas Emissions from Transportation,</td>
</tr>
<tr>
<td></td>
<td>Thermal Insulation,</td>
</tr>
<tr>
<td></td>
<td>Polimevzuat Tracking System,</td>
</tr>
<tr>
<td></td>
<td>3rd Party Inspections,</td>
</tr>
</tbody>
</table>
Linking our Performance to Global Compact Principles with our GRI Sustainability Report

<table>
<thead>
<tr>
<th>Principles of the UN Global Compact</th>
<th>Place of Performance Information in 2018 GRI Sustainability Report</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Environment</strong></td>
<td>Digitalization and Sustainable Production,</td>
</tr>
<tr>
<td></td>
<td>R&amp;D and Innovation At Polisan Kansai Boya,</td>
</tr>
<tr>
<td></td>
<td>Our Efficiency Focused Projects and Investments,</td>
</tr>
<tr>
<td></td>
<td>LEED Green Building Applications at GEBKİM Factory,</td>
</tr>
<tr>
<td></td>
<td>Transition from Hexagonal Packaging to Round Packaging,</td>
</tr>
<tr>
<td></td>
<td>Recycled Material,</td>
</tr>
<tr>
<td>Principle 9: encourage the</td>
<td>Responsible Use of Resources in Production,</td>
</tr>
<tr>
<td>development and diffusion of</td>
<td>Improvement of Environmental Impacts in R&amp;D Laboratories,</td>
</tr>
<tr>
<td>environmentally friendly</td>
<td>System Support Management,</td>
</tr>
<tr>
<td>technologies.</td>
<td>Mix Center, p. Polimevzuat Tracking System,</td>
</tr>
<tr>
<td></td>
<td>3rd Party Inspections.</td>
</tr>
</tbody>
</table>
 Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.
As Polisan Holding, we continue to maintain our activities against bribery and corruption, in compliance with legal regulations and respecting our ethical values.

In 2018, we improved our current Anti-Bribery and Anti-Corruption Program. We have determined a risk assessment methodology specific to our institution by utilizing national and international approaches.

In the following, we conducted risk assessments in the categories determined by the members of the Committee against Anti-Bribery and Corruption, and initiated actions on additional control activities and measures;


In order to raise awareness on combating bribery and corruption and ensure that this culture is internalized, we have organized 132 person-hour trainings in 2 sessions total for our managers. Furthermore, we shared our research on the Corruption Perceptions Index published by Transparency International to draw attention to these issues via our sustainability bulletin in the company.

We expect our suppliers to work in accordance with the “Polisan Holding Code of Business Ethics and Conduct for Suppliers” which is included rules about anti-corruption and anti-competitive.

This year, we have added “no tolerance to bribery and corruption” article to our Polisan Distributorship Agreement.
**PRINCIPLE: ANTI-CORRUPTION**

**Examples of Third-Party Assessments in Anti-Corruption**

---

**Our Anti-Corruption and Anti-Bribery Performance - Borsa İstanbul Sustainability Index**

Our performance has been evaluated in Anti-Bribery and Anti-Corruption category, and as a result of the index valuation, we have successfully performed by meeting the relevant threshold criteria;

- Prohibition of giving and receiving bribes,
- Obeying laws and regulations,
- Restriction of facilitation payments,
- Restriction of giving and receiving gifts,
- Prohibition of political donations
- Transparency of political donations,
- Prohibition of facilitation payments,
- The issue of no detriment to employees for refusing to pay bribes,

**Our Corporate Governance Performance - TÜSİAD Sectoral Sustainability Performance Assessments**

In the project where our performance is evaluated quantitatively, the sub-components of the sustainability scale in the field of corporate governance are; ISO 37000 Anti-bribery management system certification, vision, mission, ethical values, risk management, anti-bribery and anti-bribery practices.
## Linking our Performance to Global Compact Principles with our GRI Sustainability Report

<table>
<thead>
<tr>
<th>Principles of the UN Global Compact</th>
<th>Place of Performance Information in 2018 GRI Sustainability Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.</td>
<td><strong>Anti-Corruption</strong></td>
</tr>
<tr>
<td></td>
<td>Our Anti-Bribery and Anti-Corruption Policy,</td>
</tr>
<tr>
<td></td>
<td>Our Anti-Bribery and Anti-Corruption Procedure,</td>
</tr>
<tr>
<td></td>
<td>Anti-Bribery and Anti-Corruption Program,</td>
</tr>
<tr>
<td></td>
<td>Anti-Bribery and Anti-Corruption Risk Assessment,</td>
</tr>
<tr>
<td></td>
<td>Anti-Bribery and Anti-Corruption Trainings,</td>
</tr>
<tr>
<td></td>
<td>Authorized Economic Operator Certification,</td>
</tr>
<tr>
<td></td>
<td>Our Sustainability Journey,</td>
</tr>
<tr>
<td></td>
<td>Polimevzut Tracking System,</td>
</tr>
<tr>
<td></td>
<td>3rd Party Inspections.</td>
</tr>
</tbody>
</table>
Annex: GRI Content Index of the Global Reporting Initiative (GRI) with the 10 Principles of the U.N. Global Compact for Polisan Holding 2018 Sustainability Report

<table>
<thead>
<tr>
<th>GRI Content</th>
<th>Principles</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-8 Information on employees and other workers</td>
<td>UNGC 6</td>
</tr>
<tr>
<td>102-14 Statement from senior decision-maker</td>
<td>UNGC 1, 2, 3, 4, 5, 6, 7, 8, 9, 10</td>
</tr>
<tr>
<td>102-16 Values, principles, standards, and norms of behavior</td>
<td>UNGC 10</td>
</tr>
<tr>
<td>205-2 Communication and training about anti-corruption policies and procedures</td>
<td>UNGC 10</td>
</tr>
<tr>
<td>302-1 Energy consumption within the organization</td>
<td>UNGC 7, 8</td>
</tr>
<tr>
<td>302-3 Energy intensity</td>
<td>UNGC 8</td>
</tr>
<tr>
<td>303-1 Water withdrawal by source</td>
<td>UNGC 7, 8</td>
</tr>
<tr>
<td>303-3 Water recycled and reused</td>
<td>UNGC 8</td>
</tr>
<tr>
<td>304-3 Habitats Protected or Restored</td>
<td>UNGC 8</td>
</tr>
<tr>
<td>305-1 Direct (Scope 1) GHG emissions</td>
<td>UNGC 7, 8</td>
</tr>
<tr>
<td>305-2 Energy indirect (Scope 2) GHG emissions</td>
<td>UNGC 7, 8</td>
</tr>
<tr>
<td>305-4 GHG emissions intensity</td>
<td>UNGC 8</td>
</tr>
<tr>
<td>305-5 Reduction of GHG emissions</td>
<td>UNGC 7, 8</td>
</tr>
<tr>
<td>306-1 Water discharge by quality and destination</td>
<td>UNGC 8</td>
</tr>
<tr>
<td>306-2 Waste by type and disposal method</td>
<td>UNGC 8</td>
</tr>
<tr>
<td>306-3 Significant spills</td>
<td>UNGC 8</td>
</tr>
<tr>
<td>307-1 Non-compliance with environmental laws and regulations</td>
<td>UNGC 8</td>
</tr>
<tr>
<td>308-1 New suppliers that were screened using environmental criteria</td>
<td>UNGC 9</td>
</tr>
<tr>
<td>401-1 New employee hires and employee turnover</td>
<td>UNGC 6</td>
</tr>
<tr>
<td>401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees</td>
<td>UNGC 6</td>
</tr>
<tr>
<td>401-3 Parental leave</td>
<td>UNGC 6</td>
</tr>
<tr>
<td>404-1 Average hours of training per year per employee</td>
<td>UNGC 6</td>
</tr>
<tr>
<td>406-1 Incidents of discrimination and corrective actions taken</td>
<td>UNGC 6</td>
</tr>
<tr>
<td>408-1 Operations and suppliers at significant risk for incidents of child labor</td>
<td>UNGC 2-5</td>
</tr>
<tr>
<td>413-2 Operations with significant actual and potential negative impacts on local communities</td>
<td>UNGC 1</td>
</tr>
</tbody>
</table>
Polisan Holding 2017 GRI Sustainability Report with UN Sustainable Development Goals Index

1. **No Poverty**
   - Messages from Our Senior Executives
   - About Polisan Holding

2. **Good Health and Well-Being**
   - Occupational Health and Safety
   - For a Liveable Environment
   - The Management of Chemicals
   - Innovation at Polisan Kansai Roys
   - Innovation at Polisan Kimya

3. **Gender Equality**
   - Our Social Responsibility Projects and Sponsorships
   - Ethics and Honesty

4. **Clean Water and Sanitation**
   - Our Sustainability Journey
   - Waste Management at Polisan Holding
   - Innovation at Polisan Kansai Roys
   - Innovation at Polisan Kimya
   - Supply Chain Management at Polisan Kimya

5. **Decent Work and Economic Growth**
   - Messages from Our Senior Executives
   - About Polisan Holding
   - Supply Chain Management at Polisan Kimya

6. **Industry Innovation and Infrastructure**
   - Messages from Our Senior Executives
   - About Polisan Holding
   - New Production and Storage Facility at Global Standards
   - Innovation at Polisan Kansai Roys
   - Innovation at Polisan Kimya

7. **Reduced Inequalities**
   - Ethics and Honesty
   - Human Resources

8. **Responsible Consumption and Production**
   - Messages from Our Senior Executives
   - New Production and Storage Facility at Global Standards
   - Innovation at Polisan Kansai Roys
   - Innovation at Polisan Kimya
   - For a Liveable Environment
   - Our Sustainability Journey
   - Our Efficiency Focused Projects
   - Our Projects and Investment

9. **Climate Action**
   - Our Sustainability Journey
   - For a Liveable Environment
   - Our Efficiency Focused Projects
   - New Production and Storage Facility at Global Standards
   - Innovation at Polisan Kansai Roys
   - Innovation at Polisan Kimya
   - Supply Chain Management at Polisan Kimya

10. **Life Below Water**
    - Our Sustainability Journey
    - Wastewater Management at Polisan Holding

11. **Life on Land**
    - Our Sustainability Journey
    - Ethics and Honesty
    - Our Ethical Values
    - Human Resources

12. **Peace and Justice Institutions**
    - Our Sustainability Journey

13. **Partnerships for the Goals**
    - The Global Goals for Sustainable Development
POLİSAN HOLDİNG
UNITED NATIONS GLOBAL COMPACT
PROGRESS DECLARATION (COP)
2019

Headquarters
İçerenköy, Ali Nihat Tarlan Street
No: 8634752 Ateşhîr-İstanbul
P: +90 216 578 56 00

Factory
Polisan Holding Dilovası Facilities
Dilovası Organized Industrial Zone
1st Section Liman Street No: 7
Dilovası- Kocaeli
P: +90 262 679 71 00

For More Information, Comments and
Suggestions About The Report:
Polisan Holding Management Systems and
Sustainability Department
Dilek SARIASLAN d.sariaslan@polisan.com.tr
P: +90 262 679 71 00