



AKSA

**SUSTAINABILITY
REPORT
2013**

AKKÖK

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ABOUT THE REPORT

This report was prepared to present our stakeholders with an illustration of the sustainability performance realized by Aksa Akrilik Kimya Sanayii A.Ş. together with all its affiliates in Turkey, between January 1st, 2013 and December 31st, 2013.

This report, which is the 9th report we have realized with a yearly reporting cycle since 2005 when we had published the first GRI referenced report in Turkey, aims to present to our stakeholders' views the social, economic and environmental performance exhibited by Aksa and its affiliates within the scope of their Turkey operations, in the most comprehensive and balanced manner. Since a significant part of our operations take place in Turkey, we have limited the reporting scope with Turkey operations.

In this reporting practice, we make use of the G3.1 reporting framework of the Global Reporting Initiative (GRI) for the first time, upgrading our practice to Level B. This report, which expresses our commitment to the United Nations Global Compact, of

which we are a signatory, is also featured as a Progress report. In the forthcoming period, we commit to the development of our reporting practice, which is among the most important practices we have actualized in line with our company's principles of transparency, responsibility and accountability, and we aim to enhance our performance in the field of stakeholder communication.

Aksa Akrilik Sustainability Report 2013 was printed in a limited number to minimize environmental effects, while the PDF version of the report is offered to the views of our stakeholders at www.aksa.com.tr. Our stakeholders may contact us at aksa@aksa.com.tr for their demands, suggestions, complaints and all kinds of feedback about our reporting performance.

MESSAGE FROM THE CHAIRMAN OF THE BOARD

Dear Stakeholders,

2013 was a year when the global economic crisis was felt all around the world despite signs of recovery as against the past years. Both the weak growth numbers of the global economy and the lack of consensus on a financial system in the Euro region require us to consider the possibility of a new crisis in the coming period.

We are proud of having remained unaffected by the global economic stagnation in such a sensitive period of transition, through our sustainable financial strategies and innovative marketing understanding. In this reporting period, we have actualized effective practices in the fields of the enhancement of customer affinity in marketing and sales strategies and the preservation of our market share in the domestic market, while also implementing successful initiatives to expand our activities in the foreign market. In line with the strategies we follow, we have continued our sustainable growth, and as a result of our works,

we have raised our profit before interest, tax and amortization to 251,673,000 TL by year-end, thereby recording a 27% increase as against the previous year.

We have continued, in the reporting period, our operational excellence strategy which we have disseminated in all our value chain. We have realized a number of efficiency projects and investments and revised our business processes in line with our objective of producing higher quality acrylic fiber with less cost; we have implemented practices that will improve process efficiency and performance. In this context, we have actualized 205 projects during this period, spending 72,182,000 USD on investments.

We aimed at ensuring customer affinity through effective marketing activities in line with the strategy we formed in order to protect our market share in the domestic market. While continuing to enhance



customer satisfaction with practices such as after sale support and technical advisory service, we have achieved a significant decrease in customer complaints through our activities within the scope of the Center for Learning with the Customer. As a result of our works in the field of customer affinity and a record capacity utilization rate of 98%, we have managed to increase our sales amount during this period.

In the year 2013, 65% of our sales were to the domestic market, while 35% were to the foreign market. During this period, we have considered alternative markets of the Far East; implementing production, quality and strategic business collaborations along the objective of achieving the quality demanded by the market in value-added products in China. As for the Middle Eastern markets where political and economic instability continue, we have sustained our corporate presence in a healthy manner, preserving our customer affinity. In this pe-

riod, we have also continued our works for pursuing new markets, along our strategy of increasing our market share in profitable export markets.

In the reporting period, 18 specialists and engineers joined Aksa Family and 162 people were recruited on the operational level. As a result of the Ak-Tops merger, the number of employees of our company reached 1,220 by year-end. We continued to focus on the issues of leader development, career development models, the completion of succession plans, employee engagement studies and enhancing operational productivity through the practices we implemented under the leadership of our Human Resources Department, in accordance with our long-termed objectives. We continued to contribute to the Turkish economy and employment, in line with our principle of corporate citizenship, while adding value to social development in our operational geography through our social

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Reaching the textile and industrial textile industries of over 50 countries on five continents with our products and services.

”

responsibility projects. We aim to continue the investments we made in our human resources and our society oriented studies without slowing down, in the forthcoming period.

In the time that elapsed since our establishment in 1968, we have reached an annual acrylic fiber production capacity of 308,000 tons, we have extended our market share to 16% through the successful performance we have exhibited in the global markets since 1977 and we have become the world's top acrylic fiber producer. Reaching the textile and industrial textile industries of over 50 countries on five continents with our products and services, today we make a tremendous effort to make the best of the key role we played in the transformation of Turkey into the second largest acrylic market in the world

after China.

I would like to express my gratitude to our employees, who have played the most important role in our success since our establishment with their competence and devotion, our business partners, who give us strength by putting their trust in us, our customers and all our stakeholders.

Sincerely,



Mehmet Ali Berkman

Chairman of the Board of Directors

MESSAGE FROM THE GENERAL MANAGER



Dear Stakeholders,

We have left behind a successful period. In this period when we received the fruits of our 45 years of experience in the sector and our sustainability strategy which we have formed in the light of corporate values which we took over from Akk k Group of Companies, we succeeded in sustaining our steady growth under tough market conditions in the global competitive environment. We continued to create value for all our stakeholders through active stakeholder communication, an understanding of transparent corporate governance, right strategic planning and our sustainable management model which we have generalized in our value chain.

In this period when we have increased our capacity utilization rate from 95% to 98% and raised our operating profit by 21%, we

have further strengthened our solid financial structure while reinforcing our credible image before our stakeholders. We started the year 2013 at Istanbul Stock Exchange at the level of 4.67 TL , we continued to be the choice of investors during the year through our operational performance, solid financial structure and market leadership and we succeeded to close the year with a price level of 8.02 TL. During the year when the BIST 100 index dropped from 78,208 to 67,802, experiencing a 13% loss in value, we managed to raise our stock value from 864 million TL to 1,484 million TL, achieving a 72% increase.

The investment decisions we made in the reporting period were among the primary factors determining our success. It was agreed that Ak-Tops Tekstil Sanayi A. .

¹ Adjusted price after dividend.

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We owe the commercial success and corporate reputation we have today, first and foremost, to being a transparent and accountable corporation and to continuously improving our performance in this field.

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continue its activities under the roof of Akso Kimya Sanayii A.Ş. In accordance with this decision, Akso, following the statement given to the Public Disclosure Platform on November 1st, 2013, the acquiring of necessary permissions and the registration on December 31st, 2013, has taken over Ak-Tops Tekstil Sanayi A.Ş., which has been its affiliate since August 2013, with all of its assets and liabilities. By means of this decision, we have simplified managerial and operational processes, and increased production efficiency. The new investments engaged by Akso in the reporting period, as part of its sustainable growth strategy, brought about the need for continuous, quality and cost-effective energy. Electrical and steam energy are needed at the same time and place. Based on this necessity, Akso has actualized the second phase of its power plant project, in 2013. The plant, which produces 100 MW of electricity and 350 tons/hour of steam, was put into use with all its stages, in June 2013. In the same period, we were included in the Turquali-

ty Program conducted by the Ministry of Economics in order to strengthen our presence in the global market and to support a positive “Made in Turkey” image with our production quality and diversity.

We continued to take sound steps in line with our objective of sustainable growth by supporting our vision of operational excellence with product and process improvement activities. In the year 2013, we have realized the trial production of pigment colored acrylic filament yarn with our own technology, becoming the only producer in the world of this product with such features as excellent brightness of colors, high quality appearance, high imperviousness and self-cleaning ability.

We have continued to look for ways to decrease our environmental impact and to produce added value for the society we live in, with the sustainability policy we follow in environmental, social and common economic issues and with our related practices. While continuing to evaluate the risks



and opportunities brought about by climate change within the context of our sustainability strategy, we proceeded to design projects in order to acquire the energy we need by means of our own resources and to actualize implementations that will increase our control over our carbon footprint. In the reporting period, we have actualized the second phase of the power plant project with the capacity of producing 100 MW of electricity and 350 tons/hour of steam. We continue the preliminary works for the establishment of the ISO 50001 Energy Management System, through the control mechanisms we put in place.

We have continued, in the reporting period, the practices we implement with the aim of providing an equitable, participatory and safe workplace for our employees. In line with our vision of “Continuous Learning and Development”, which is among our most important corporate values, we have provided our employees with an average of 59 man-hour training, and we received 555 suggestions from our employees with-

in the context of the “Suggestion System” that has been in place since 1996. We have realized 191 of these suggestions within our operations.

We continued to support social development through our leading practices in social and economic fields such as local employment, local procurement, exportation and tax. While contributing to the social practices of Akkök Group of Companies in line with our principle of corporate citizenship, we also sought solutions for social problems through our own social responsibility practices based on the voluntary participations of our stakeholders. In the reporting period, we have made donations and provided social relief, primarily in the fields of education, culture, arts and sports, amounting to 1,575,941 TL.

We owe the commercial success and corporate reputation we have today, first and foremost, to being a transparent and accountable corporation and to continuously improving our performance in this field.

We have been improving our sustainability reporting practice since 2005, when we published “Aksa Akrilik Sustainable Development Report 2004”, the first GRI referenced report in Turkey. We consider this practice as a crucial opportunity for effective stakeholder communication. Today, in our 9th sustainability report, we have upgraded our practice to Level B by making use of the Global Reporting Initiative’s (GRI) G3.1 reporting framework. This report, which also expresses our commitment to the principles of the United Nations Global Compact, of which we are a signatory, is also featured as a Progress Report. We

commit to improve our reporting practice in the forthcoming period and we aim to enhance our performance in the field of stakeholder communication.

I would like to express my gratitude and pay my respects to all our stakeholders who accompanied us in our journey of sustainability,



Cengiz Taş

Member of the Board of Directors and General Manager





ABOUT
AKSA

Aksa Kimya Sanayii A.Ş., which was established within the body of Akkök Group of Companies in 1968, to meet the acrylic fiber demand in Turkey, is today the largest producer of acrylic fiber in the world with its annual acrylic fiber production capacity of 308,000 tons and 16% market share. The company, which operates in the production area established in a 502,000 square meter field in Yalova, is the only local producer of acrylic fiber in Turkey.

The company, which is among the pioneers of sustainable growth in Turkey, externalizes in its activities its 45 year experience in the sector and 36 year experience in export, as well as the know-how it has taken over from Akkök Group. The company, which also produces electricity and steam, besides its core production items, namely acrylic-based tow, top and fiber, can meet its own energy need with its energy generation license with a capacity of 142,5 MW.

Aksa, which entered the carbon fiber market with technological infrastructure investments in 2009, has established DowAksa as a 50% joint venture with Dow Europe Holdings B.V., in 2012. DowAksa carries out its activities with an annual carbon fiber production capacity of 3,500 tons/year.

In August 2013, Aksa acquired the remaining 40% stake in Ak-Tops, of which it already owned a 60% shareholding, and

merged the two companies under the roof of Aksa, thereby simplifying administrative and operational processes and increasing productivity.

Aksa, which produces and sells B2B products to all acrylic consuming countries in the world, providing products and services mainly in the sectors of tricot, hand-knitting, carpet, furniture, hosiery, blanket, synthetic fur, textile for outdoor use and filtration.

Aksa, which acts according to its competition policy defined as establishing long-term customer relations in markets that will ensure the continuity of its productivity and profitability, aims to achieve targeted market shares in current markets, to conduct up-to-date studies about world markets and to make sales by determining target markets.



Akkök in Brief

Founded in 1952 by the late Raif Dinçk k and operating today in the chemical, energy and real estate sectors, Akk k Group of Companies is among the most well-established corporations in Turkey. Akk k, which owns a total of 17 commercial and industrial enterprises, one of which is overseas, along with 18 production plants, aims to disseminate its corporate culture and sustainability approach in all its sub-companies and its broadest stakeholder network and to continuously improve its position in the global competition.



MISSION

To become the world's most preferred company in acrylic-based textile and technical fiber production, through an efficient, innovative, environmentally friendly, customer and occupational health & safety oriented business approach.



VISION

To achieve the highest level of operational excellence by investing in technology in order to maintain sustainable profitability and to create new end-uses for acrylic fiber.





CORPORATE VALUES

Business Ethics

We respect ethical values and work with individuals and firms sharing a similar approach.

Customer Orientation

We ensure customer satisfaction by creating added value through new products and services. Our target is to be the best in terms of quality, service, production, price and delivery time.

Teamwork and Cooperation

We encourage harmony and cooperation in teamwork.

Creativity and Innovation

Our business priority is to understand and meet our customers' changing needs in every area, through creati-

ty and innovation in all our processes.

Health, Safety and Environment

Our approach and practices aiming for excellence in occupational health and safety are externalized in our environment, workplace, products and all production processes. Occupational health and safety is our highest priority in all processes from design through to after sales service.

Continuous Learning and Development

Our employees constitute our creative and advancing power. We emphasize the importance of employee participation and empowerment, as well as teamwork. We continuously learn and develop.

AKSA AT A GLANCE



%16

Aksa accounts by itself for 16% of the acrylic fiber produced in the world.

308.000

Aksa has an annual acrylic fiber production capacity of 308,000 tons.

%67

Aksa produces 67% of the acrylic fiber consumed in Turkey at its facilities in Yalova.

A customer portfolio comprising
300
 industrial enterprises in
50 countries across
5 continents

Net Sales (Thousand USD)

2012	906.841
2013	923.396

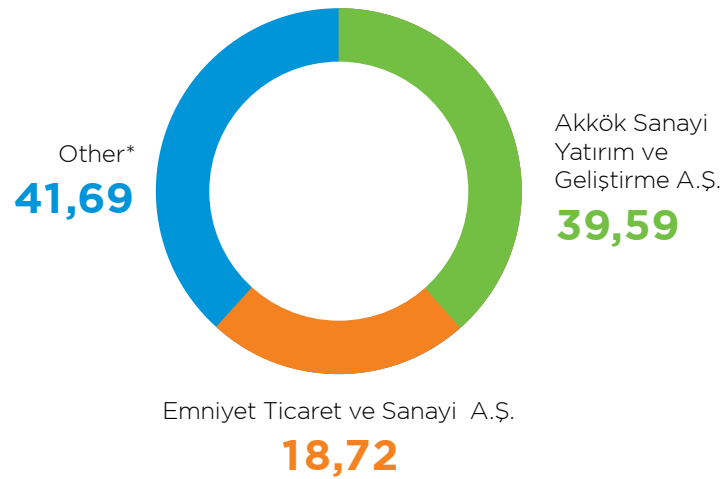
Capacity Utilization Rate (%)

2012	95
2013	98

Operating Profit (Thousand USD)

2012	81.305
2013	98.699

SHAREHOLDING STRUCTURE



As of the reporting period, 39.59% of Akxa Akrilik Kimya Sanayii A.Ş. shares are owned by Akkök Sanayi Yatırım ve Geliştirme A.Ş. and 18.72% by Emniyet Ticaret ve Sanayi A.Ş. The free float rate of the company is 41.69%. In the reporting period, there was no significant change in our capital structure.

* As of December 31st, 2013, 37.24% of Akxa's shares are traded on the BIST.

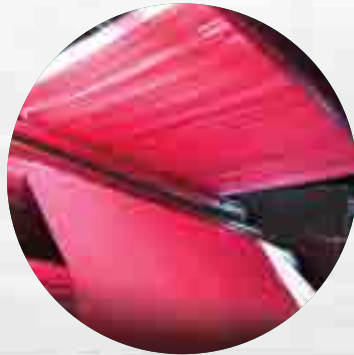
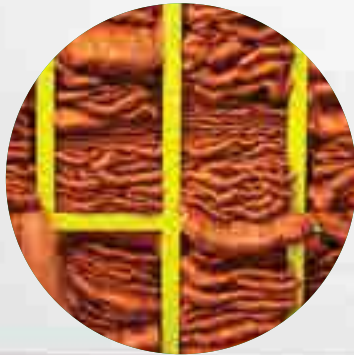


Affiliates, Subsidiaries and Joint Ventures

Title	Country	Nature of Business	Participation (%)
Akpa Tekstil İhracat Pazarlama A.Ş.	Turkey	Foreign Trade	13.47
Fitco B.V.	Holland	Foreign Investment	100.00
Ak-Tops Tekstil Sanayi A.Ş.(*)	Turkey	Textile	100.00
DowAksa Advanced Composites Holding B.V.	Holland	Foreign Investment	50.00
Aksa Egypt Acrylic Fiber Industry SAE	Egypt	Textile	99.57
DowAksa İleri Kompozit Malzemeler San. Ltd. Şti.	Turkey	Chemicals	50
DowAksa Switzerland GmbH	Switzerland	Investment	50
DowAksa US LLC	USA	Chemicals	50
DowAksa Switzerland GmbH	Switzerland	Investment	50
DowAksa US LLC	USA	Chemicals	50

* The company was merged with Aktops Tekstil Sanayi A.Ş., which was already its wholly owned subsidiary, on December 31st, 2013.







GOVERNANCE

The organization and governance structure of Aksa consists of various units, teams and committees based on assignment and voluntariness.

The activity of the organizational structure is continuously controlled through bidirectional audit mechanisms that are structured as top-down and bottom-up, while the dissemination of strategies through communication channels, which have been proven effective by years of business experience, from upper levels to lower levels is ensured by way of processes. Aksa leaders personally attend process improvement studies within formed teams and committees and actively support development works, playing a direct role in the development of the organization.

At Aksa, we comply with Corporate Governance Principles, which prevent conflicts of interest among beneficiaries and stake-

holders and which are formed in line with our objective of creating positive value. We actualize strategic planning practices, which help us foresee industry-specific and macroeconomic risks and opportunities. We rely on globally accepted management systems in all our operations. We implement sustainability management policies and practices to ensure a positive social, environmental and economic impact for our corporate actions. We act in line with our objective to become a reliable corporation through processes concentrating on transparent and active stakeholder communication, and we encourage the voluntary participation of stakeholders in corporate activities.

CORPORATE GOVERNANCE

The corporate and reliable stance of Aksa before its stakeholders, investors, customers, employees and the society is sustained through Corporate Governance Principles adopted for many years. Aksa, which strives to become an equitable company while

creating sustainable value for its stakeholders, aims at consolidating its stakeholders' trust and sustaining its characteristics of being a respectable, innovative, hardworking, creative and sharing organization, by complying with these principles.

The Ethical Rules of Aksa, which are grounded on honesty, trustworthiness, sense of responsibility and respect for rights in its relations with employees, partners, suppliers, customers, dealers, other stakeholders and the public, are an inseparable part of its corporate identity. For more detailed information regarding Aksa's Ethical Rules please visit <http://www.aksa.com/tr-TR/Yatirimcilliskileri/KurumsalYonetim/Sayfalar/EtikKurallar.aspx>

Another significant building stone of our ethical approach is the **"Akkök Group of Companies Business Ethics Principles."** The principles, the preparations of which were started in 2013, formed by the opinions of all group companies and the contributions of the Ethics Committee, determine our essential and indispensable corporate values.



Its active and transparent management structure, shaped by its 45 year business experience, constitutes the ground of Aksa's corporate strength. At Aksa, the duties of General Manager and Chairman of the Board of Directors are executed by different individuals and there are 4 Independent Members in the Board of Directors.

Committees supporting the Board of Directors in the fulfillment of its responsibilities not only contribute to the sustainable growth of Aksa with their knowledge, experience and independent character, but they also underpin all governance processes which look after the benefits of all stakeholders. At Aksa, the chairmen of the Corporate Governance Committee and the Early Risk Identification Committee as well as all members of the Audit Committee are selected among independent members of the Board of Directors.



Audit Committee is also responsible for analyzing complaints and notifications communicated by partners and stakeholders in these fields.

Audit Committee

The Audit Committee, which is the most authorized authority providing suggestions to the Board of Directors in accounting, internal control system and independent audit processes, is also responsible for analyzing complaints and notifications communicated by partners and stakeholders in these fields. The committee takes the necessary precautions for the active, sufficient and transparent application of external auditing, selects the independent audit firm and ensure the tracking of processes. The committee, which also supervises the operation and activity of Aksa's internal control system, revises the works, organizational structure, assignment and working principles of the internal control unit for this purpose; and provides suggestions to the Board of Directors. The committee, which supervises the operation and activity of the accounting system, evaluates the compatibility of financial statements with Aksa accounting principles and their accuracy.

Corporate Governance Committee

The Corporate Governance Committee, which ensures the forming and adopting of Corporate Governance Principles within the Company, determines conflicts of interest arising from noncompliance with the principles and provides remedial suggestions to the Board of Directors, communicates processes conveyed to Aksa by stakeholders, claimed to be contrary to legislation or ethically improper, to the Audit Committee and ensures the necessary coordination.

The Committee, which conducts studies for the structuring of a transparent system in the identification, evaluation and training of suitable candidates for the Board of Directors, and the determination of policies and strategies in this respect, evaluates the selection of independent members. It evaluates the structure and productivity of the Board of Directors regularly and provides suggestions to the Board of Directors on these matters, determines the approach,

principles and practices pertaining to the performance evaluation and career planning of members of the Board of Directors and senior executives, as well as the criterion to be used for remuneration, and conducts their supervision.

Early Risk Identification Committee

The Early Risk Identification Committee, which conducts studies to identify risks that will endanger Aksa's existence, development and permanency, to implement necessary precautions in relation to identified risks and to manage the risks, meets at the frequency considered necessary for the efficiency of its practices, at least once a year, revises risk management systems and provides suggestions to the Board of Directors.

For more detailed information concerning the corporate management structure of Aksa, you can visit our website www.aksa.com, or refer to annual reports which include corporate governance principles and compliance data.





MANAGEMENT SYSTEMS

At Aksa, we make use of management systems, accepted in the sector and worldwide, in a number of fields ranging from ensuring product and service quality to occupational health and safety. Internal audits are planned and carried out periodically to ensure the efficiency and continuity of the systems we comply with, namely TS EN ISO 9001 Quality Management System, TS EN ISO 14001 Environmental Management System, TS 18001 Occupational Health

and Safety Management System, TS ISO 14064-1 Greenhouse Gas Emissions Management System and Safety Management System which is conducted within the scope of the Regulation for Preventing and Reducing the Effects of Major Industrial Accidents. The findings resulting from internal audits are examined during the year, action plans aimed at the continuous improvements of systems are generated and realized.

STRATEGIC PLANNING

At Aksa, strategic planning works concerning the following 5 years are conducted every year between May and September. The Strategic Planning Workshop, which constitutes the first and most important leg of strategic planning processes, is organized under the leadership of the General Manager and with the participation of all directors and managers. At the workshop, where the changing political, economic,

social, technological, industrial, logistic and environmental conditions in the world, Turkey and the industry are reviewed, domestic and foreign markets are analyzed, also making use of feedbacks from the market and customers. With the subsequent SWOT analysis, the strengths and weaknesses of Aksa, as well as the opportunities and threats awaiting the Company are discussed in detail; following all analyses,



the strategies and strategic targets of Aksa are revised and needed strategy issues are updated as necessary. When the action plans, where strategies are transformed into yearly business plans, are formed, the compatibility of Aksa with developments and changes in the fields of market, product, competitor, raw material supply, technology, economics and politics is revised.

The compliance of determined or changing strategies of Aksa with its mission, vision and corporate values constitutes the core principle of strategic planning processes.

Subsequent to the workshop and other planning processes performed in the reporting period, the main strategic themes were determined as follows:

- 1.** Preserving our leading position in the domestic market
- 2.** Maximization of profit and operational excellence
- 3.** Development and enhancement of sources of income
- 4.** Customer affinity
- 5.** Corporateness in management



SUSTAINABILITY MANAGEMENT

Aksa, which has made Turkey into the world's second largest acrylic fiber producer after China through its innovative vision and the investments it made since 1971, owes this success to its sustainability understanding which is part of its corporate culture and is disseminated throughout its stakeholder network. Aksa, which considers creating value through its sustainability policies and practices conducted in parallel with its operational excellence strategy, and improving its positive impact in environmental, social and economic fields as its prime target, continues to be an example for its sector and country with its sustainability practices transcending legal obligations, based on voluntariness.

The principles of transparency and accountability are externalized in all business processes and social activities as a significant part of Aksa's corporate identity, while also serving as an important component of

sustainability policies and practices. We act within an active communication structure with auditing and reporting practices which comprise all company operations; and through the Open Door Policy we ensure both that employees share topics of any nature with managers, customers, suppliers and authorized institutions and that stakeholders observe the processes of Aksa, first and foremost the production.

Aksa, which is among the prominent players of the chemical industry, externalizes its environmental sensitivity in all its business processes, particularly production, and conducts awareness-raising activities in order to disseminate this understanding throughout its stakeholder network. The principle of "working in harmony with the environment", which is observed in all operations from R&D processes to the transportation of products and in time was included in the corporate mission, is seen as



The principles of transparency and accountability are important parts to Aksa's corporate identity.

an expression of our responsibility towards stakeholders, beside enhancing productivity in all processes.

The energy need, which became of key importance to the sustainability of Aksa as a result of the expanding customer portfolio and increasing capacity, was met through the natural gas fuelled power plant taken over from Akenerji in 2009 and the coal fuelled power plant project, the investment for which began in 2010 and the first stage of which was actualized in 2012. In this way, electricity and steam generation was included among Aksa's areas of operation, while reliable, quality and uninterrupted energy sources were reached in the most economical and controllable manner.

The operational model, which evaluates the impact of operations on the local people and society with a learning and producing organizational culture, is among

the main elements ensuring the continuous development of Aksa's social performance. Aksa, which aims at continuously contributing to social developments with its business sense respectful of human and employee rights and its corporate social responsibility approach, actualizes processes which set an example for its sector and country with regards to social sustainability, through pioneering practices in social and common economic fields such as local employment, local procurement, exportation and tax.

All activities of Aksa in the fields of corporate and social sustainability are conducted within the active organizational structure formed in consequence of Aksa's own sector experience and the corporate accumulation taken over from Akkök Group of Companies. We aim to continuously improve sustainability performance within the organizational model, whose activity



At Aksa, sustainability topics are prioritized so as to support operational excellence; corporate main strategy, and corporate reputation and continuity principles.

is continuously controlled through multi-stakeholder (internal control, independent external auditing and the departments' own audits) and bidirectional (from upper levels to lower levels and from personnel to

managers) audits, and whose performance is broached to stakeholders through periodical reporting practices in the most transparent manner.

At Aksa, the General Assembly, held yearly and open to all stakeholders, is the primary process whereby the business and sustainability performance of the senior management is evaluated. Remuneration practices for the 'senior management', which includes the General Manager, directors and the Board of Executives, are realized in accordance with the "Variable Income Principle"; and the variability is determined according to corporate and individual performance targets.

At Aksa, the General Manager is held responsible before the Board of Directors about the company's operational and financial performance, as

well as its sustainability performance. Performances concerning sustainability issues, which are distributed among departments directly dependent on the General Manager in accordance with their areas of expertise, are transmitted from lower levels towards the senior management through reporting practices. Feedbacks and updates regarding performance results of the material sustainability topics are formed following the evaluation meetings attended by the senior management. Stakeholder feedbacks obtained through various communication channels constitute one of the most significant building stones of continuous development in this field.



At Aksa, sustainability issues are prioritized as to support the principles of operational excellence, which is the main corporate strategy, as well as corporate reputation and permanency. The sustainability priorities achieved as a result of the Sustainability Workshop, organized for the first time in the reporting period, reveals the outline of this year's reporting practice and constitutes a road map for sustainability perfor-

mance targets of following periods. Based on the subject system prepared in consequence of an internal stakeholder survey where all departments were represented, prioritized subjects were identified under the main headings of Sustainable Operations, Employees, Environment, Contributing to Community and are presented to stakeholders' views with this report.







STAKEHOLDERS

All individuals, institutions and organizations affected by and having an impact on Aksa's activities are considered as Aksa's stakeholders. Active and transparent communication and participation channels are created for stakeholders, whose right to demand reliable information are protected, and whose suggestions, demands and

complaints concerning corporate activities are of great importance. The corporate and reliable identity of the company is preserved and the requirements of the principle of accountability are met through communication channels which are continuously developed in line with stakeholder feedbacks and technological innovations.



Aksa considers its strong communication with stakeholders and the participation of stakeholders in corporate activities one of the building stones of its sustainable success. By conducting communication activities with varying frequency and methods for every stakeholder group, it promotes itself and its products in the best possible way, fulfills its social responsibilities

and makes better and more accurate investments. In consequence of reputation surveys realized by Akkök Group of Companies through independent institutions, target stakeholder groups are identified, improvement areas regarding communication are asserted and action plans are developed.



Stakeholder Group	Communication Methods
Customers	Fiscal Reports, Sustainability Reports, Customer Satisfaction Surveys, Corporate Website, Activities
Employees	Sustainability Reports, Open Door Practices, E-mail, Employee Loyalty Surveys, Trainings, CSR Projects, Aksa HR Portal, Organizations of AKEK and AKSET, Representative Committee, Suggestion System, OHS Committee, Corporate Publication (Aksa Haber)
Suppliers	Face-to-face Meetings, Auctions, Corporate Website, Audits
Investors	Annual Reports, Sustainability Reports, Investor Relations Line, Corporate Website
Public Institutions	Annual Reports, Official Correspondence, Audits, Sustainability Reports, Corporate Publication (Aksa Haber)
Local Authorities	Annual Reports, Official Correspondence, Sustainability Reports, Open Door Practices, Corporate Publication (Aksa Haber)
NGOs	Corporate Website, Joint CSR Projects, Sponsorships, Sustainability Reports, Corporate Publication (Aksa Haber)
Local Community	Open Door Practices, Sustainability Reports, Face-to-face Meetings, CSR Projects, Corporate Publication (Aksa Haber)
Industrial Associations	Sectoral Association Memberships at Different Levels, Industrial Meetings
Education and Research Institutions	SANTEZ, TEYDEB, Research Projects, Contribution to MS and PhD Studies, Face-to-face Meetings, Visits
Akkök Group of Companies	General Assemblies, Portakal Portal, Periodical Reporting Practices, Corporate Publication (Aksa Haber)
Media	Corporate Website, Press Releases, Press Conferences, Sustainability Reports, Corporate Publication (Aksa Haber)
Competitors	Corporate Website, Sustainability Reports, Annual Reports, Sector Researches

CORPORATE

Acrylic Based Composite, Advanced Material and Technology Producers' Association

Undersecretariat of Maritime Affairs

Turkish Marine Environment Protection Association (Turmepa)

Foreign Economic Relations Board (DEİK) - American Council (Mehmet Ali Berkman)

Foreign Economic Relations Board (DEİK) - European Council (Ahmet Dördüncü)

İMEAK Chamber of Shipping

Istanbul Chamber of Industry

Istanbul Chamber of Commerce

Turkish Textile and Apparel Exporters' Association (ITKIB)

Ltd. Eskişehir Gebze Water Products Cooperative

Turkish Quality Association Kalder

Yalova Chamber of Commerce and Industry

Turkish Chemical Industrialists Association

Turkish Statistical Institute(TÜİK)

Turkish Port Operators

CIRFS - European Man-Made Fibers Association

Turkish Textile Employers' Association

Yalova Industrialists' Association

Yalova Sanayiciler Derneği

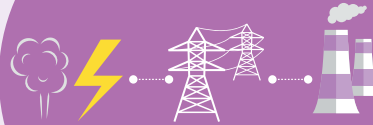


SUSTAINABLE
OPERATIONS

OPERATION CHART

SUPPLY

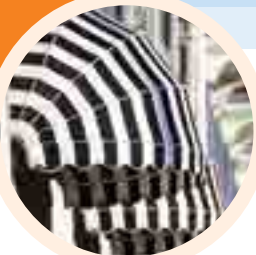
Land Route & Sea Route
Raw Material Supply

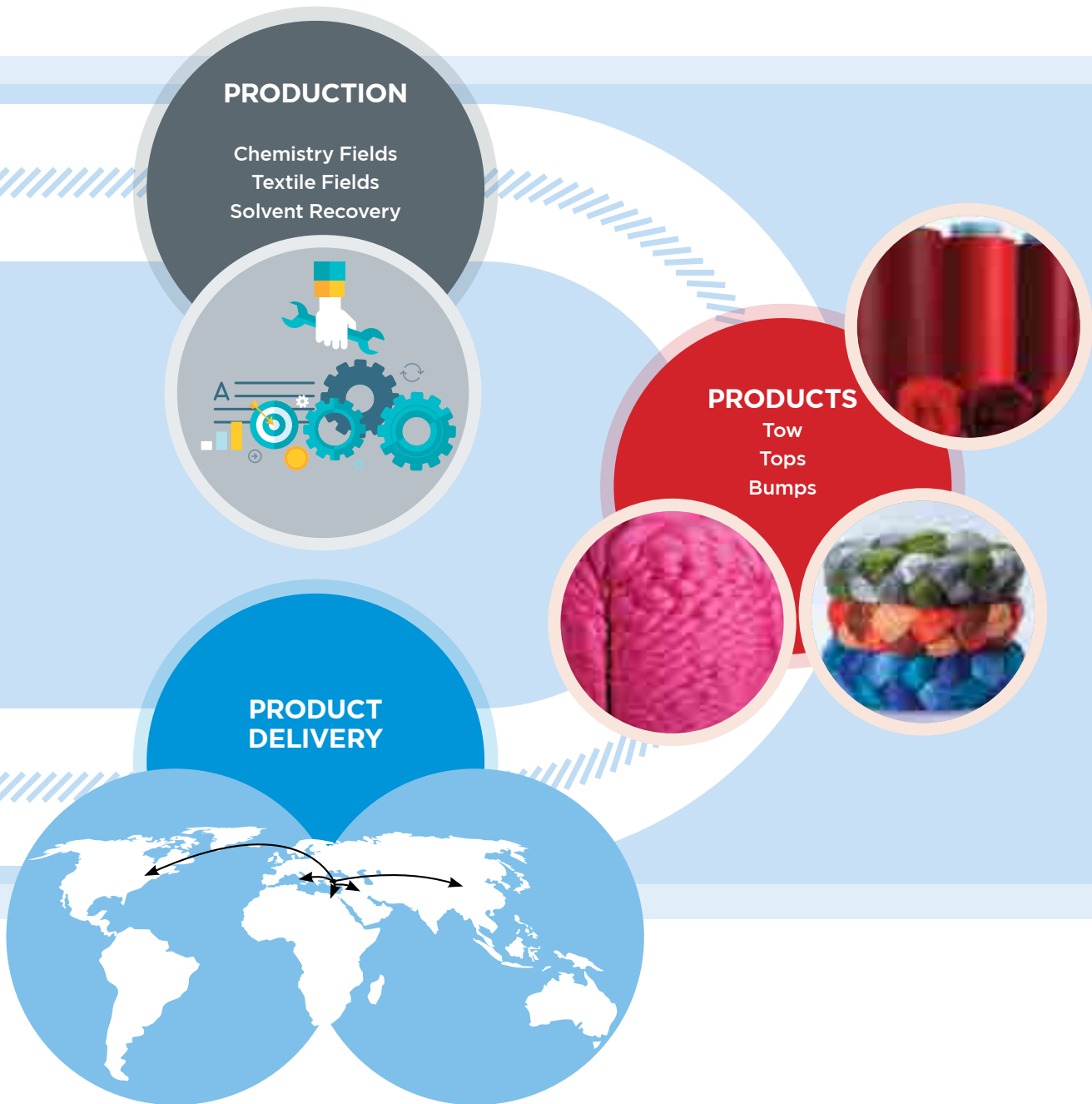


Energy Supply
to Sister
Companies
and Grid
Circuit

PRODUCT USE AREAS

Clothing
Household Linens
Outdoors
Industrial Use







SUSTAINABLE OPERATIONS

Aksa has continued its operational excellence strategy, adopted and extended in all its operations, in 2013. Aksa, which aims for better quality acrylic fiber with less cost, focused in 2013 on efficiency projects and investments devoted to this end. In this context, business processes were revised, and studies that will enhance process efficiency and productivity were conducted.

Business continuity is an important element for Aksa in all studies aimed at increasing productivity. Aksa makes use of the data centers in Istanbul and Yalova, belonging to Aktek Bilgi İletişim ve Teknoloji A.Ş., an Akkök group company. A total of

about 500 users, in both Istanbul and Yalova, connect to the network on related servers for applications such as ERP, Office and Mail. The data centers in Istanbul and Yalova back each other up, for this large a structure not to be interrupted in case of a predicament. In 2013, the data centers were arranged so that in case any of the data centers is unavailable, the other would step in with a 30 second delay. Studies for business continuity were started in 2013 and still continue. Corporate information is kept in servers located in the data centers rather than user computers and this data is regularly backed up as Daily/Weekly and Monthly.

What is Acrylic Fiber?

Acrylic fiber is the wooliest among synthetic fibers. There are two kinds of acrylic fibers, namely textile and technical. Textile fibers are used in clothing and home textile, and technical fibers are used in industrial machines and materials, as well as outdoors.

Characteristics of Acrylic Fiber

- Easily washable and shape retaining
- Resistant against moths, oil and chemicals
- Excellent dye affinity for bright colors
- High fastness against sunlight
- Wooly naturalness and warmth in appearance and feel

Latest Areas of Usage for Acrylic Fiber

Clothing: Slipovers, hosiery, plush, circular knitting, sportswear and children's wear

Household Linens: Carpets, blankets, rugs, furnishings and corduroy clothes

Outdoors: Car tops, boat covers, canvas, outdoor furniture

Industrial: Dust filter, strengthening fill material in building construction, car batteries





QUALITY

Aksa, which passed to quality management from quality control in the early 1990's, acquired the ISO 9002 Quality Management System Certificate in 1993, switched to 9001 in 1999 and has ensured the continuity of the certificate by updating its scope as necessary for over 20 years.

Processes and activities (transferring raw material from the port facility to the storage area as part of the port operations, the packaging of all products within the scope summarized as "design and production of Acrylic Ecu and Dyed Tov, Tops and Staple" dispatched from the factory finished product storehouse in order to be shipped

to customers) realized at the Headquarters in Istanbul and the production facilities in Yalova are within the scope of TS EN ISO 9001:2009.

Aksa has formed its mission and vision in 1998 by revealing its common purpose which is one of the basic concepts of Total Quality Management. In 1999, it has joined the National Quality Movement. In 2008, it has crowned its studies towards quality with the National Grand Prize of Quality, and in 2010, it has acquired the Competitiveness Award as well as the Hall of Fame Award given to the most successful companies in realizing strategies.

Operational Excellence at Aksa

Aksa has secured its sustainable production through its operational targets supporting its "Operational Excellence Strategy", set forth at a higher standard every year. With the Operational Excellence strategy



Aksa, which adopts continuity in improvement as a principle, plans to identify new projects to be realized with the 6 Sigma methodology and to raise new Green Belts in its ever growing team.

put into practice in 2011, we have controlled losses by systematically implementing “Planned Maintenance” practices in the production system, reached our targets for efficiency and quality indicators and raised our Capacity Utilization Rate from the average levels of 86% in the past, to the level of 98% by minimizing unplanned interruption losses. In line with these principles aiming to ensure the continuity of production, it has actualized improvements up to 90% in important indicators threatening production in terms of quality and quantity.

The 6 Sigma methodology, practiced by leading firms, was used in continuous improvement studies starting in 2003, and it continues with the 8th Wave practices, in 2013. Aksa, which conducts studies in the 8th wave, aimed at the philosophy of ‘lean’, also within the 6 sigma method; has revised the processes of all departments focused on waste and determined the long-termed improvement opportunities to be realized by Aksa.

It has realized improvements with a limit-

ed budget and in a short time through 14 short-term projects selected among these opportunities. The results of long-termed projects conducted by the newly raised 6 Sigma Green Belts are expected to be seen in 2014. Aksa, which adopts continuity in improvement as a principle, plans to identify new projects to be realized with the 6 Sigma methodology and to raise new Green Belts in its ever growing team.



6σ

PROCESS/PRODUCT **INNOVATION**

Our general policy is to create new end-uses for acrylic fiber. Our aim is to increase our market share through these products and to fulfill customers' expectations. As part of being an environmentally friendly producer, we work for designing new products according to this understanding. During studies for new products, the hazard

and impact classes of the chemicals to be used are determined, these are controlled against internationally recognized banned chemicals lists and studies are continued in case there are no problems. The R&D investment budget for the year 2013 is 3,369,197 TL. A 102,038 TL grant was received from TÜBİTAK.



Aksa Akrilik in the Turquality Programme

Aksa Akrilik, which is the largest acrylic fiber producer in the global acrylic fiber industry with its 16% market share, joined in the Turquality Programme in order to subsist in the international competition environment, ensure the continuity of its development and contribute to a positive “Made in Turkey” image overseas.

Aksa Akrilik, which was evaluated within the scope of the program according to 10 criteria, namely strategic planning and corporate performance management, brand management, new product development, corporate management, information systems, human resources, marketing, customer and trade management, as well as supply chain management, financial performance and human resources management, qualified to be included in the Turquality Programme as a result of the report presented to the Ministry of Economics, in July 2013.





“

In Aksa, official projects are pursued within the scope of business plans. In the upcoming periods, we plan to maintain our market leadership in acrylic fiber, as well as to launch new products in special fiber and we realize our investments in this regard.

”

Harmonization with International Standards in Product Safety

We act in compliance with European Union Directives, REACH and national legislation in the use of chemicals. For this purpose, methods and substances, aimed at taking increased precautions about human health and environment in the stages of product development and production, are researched.

Aksa products are produced compatibly with Oeko-Tex 100, an internationally accepted standard concerning the consistence of textile products with human and environmental health. Since 1995, products are passing Category 1 compliance tests, and their Oeko-Tex 100 certificates are renewed. Within the context of these practices, the production of Aksa products without any harm to human health and the environment is ensured through certificates and auditing.





SUPPLY CHAIN

Aksa is constantly in communication with its suppliers and dealers within the principle of transparency. Various meetings and trainings are organized in order to understand the expectations of stakeholders in the supply chain. Besides, suppliers and dealers are expected to manage business processes with an ecological approach.

Aksa's criteria for the selection of suppliers and performance tracking include environmental approach and policies, ethical values, institutionalism, reference, reputation, etc. Ethical values always have an important role in the determination of supplier competences. Along with all these approaches, suppliers are expected to have management systems certificates. This matter is an important criterion for supplier selection and performance tracking.

Aksa systematically evaluates the perfor-

mances of supplier firms, which procure products or services for Aksa, as part of purchasing processes and makes choices in accordance with these evaluations, in product and service purchases. In this way, it contributes to the quality of the final product, business profitability and production planning. In this scope, companies are chosen through an examination of their policies and approaches in terms of the environment and OHS, and their certificates. Besides, Aksa shares the product usage safety guide it has prepared with all its customers and transporters, informing them in relevant matters.

In line with the understanding of contributing to society, Aksa aims to contribute to the development of the local communities. As Aksa operates in Yalova, the suppliers in Yalova occupies a significant share in its supplier portfolio.

* During the reporting period, the total purchase rate from suppliers in Yalova, where our production facility is located, was realized at 31%.



OUR CUSTOMERS

Aksa emphasizes the importance attributed to ensuring customer satisfaction with its understanding of Customer Oriented Approach, which is included in its mission. We ensure the satisfaction of our customers by providing them with new products and services which add value to our customers, with our principle of Customer Orientation which is among our corporate values. Being the best in quality, service, production, price and delivery time is our permanent target. In line with our main objective in our quality policy, we aim for unconditioned customer satisfaction with an understanding of continuous development.

This awareness was raised in the whole organization in order to ensure compliance with the specified policies. In this respect, there is, in our organization, a Customer Services unit only responsible with replying to the needs, demands and complaints of customers. Customer Satisfaction Committee meetings, attended by authorities in all the organization, are realized period-

ically under the management of this unit. At these meetings, all demands and complaints from customers are discussed.

The technical team pays regular visits to our customers. All complaints received from customers are dealt with individually, they are examined by concerned experts and response letters are composed. These complaints are statistically examined and every year, targets regarding rates and number of complaints are set on a departmental and individual basis.

Also, we regularly conduct Customer Satisfaction Surveys, every two years, among our domestic and foreign customers through an independent surveying institution. The customer satisfaction evaluation result for domestic customers was determined as 75%. The customer satisfaction evaluation result for foreign customers was determined as 74%. All issues regarding development in the survey reports were reported. We are taking actions for the improvement of these issue.

Always Stand By Our Customers



Aksa pays regular visits to its customers in order to provide technical support. In line with our Technical Advisory Service, we investigate the operating conditions of our customers on site, compose detailed reports including recommendations and present it to them.

Customer Learning Center (CLC)

Our customers have the opportunity to visit Aksa on site, get acquainted with processes and pursue their research and development studies together with the technical team of Aksa. This practice we call Center for Learning with the Customer aims for problematic and emerging issues to be discussed with customers in order to create a synergy. 90 visits were realized by 2013 year-end, as part of the practice continuing since 2008.



Complaints about our products, communicated to us by our customers, are examined in detail and individual responses are composed. We make visits about the complaints, in order to make investigations on site. All sample sent by our customers for us to research are analyzed and shared. We also provide technical support in this sense. In 2013, we made 104 Complaint/Technical Support visits to our customers.

There are many new products we have actualized in line with customer demands. Besides this, we also conduct studies for the development of our existing products. Also, process changes, variations in packaging, changes in tags and warning labels are also made by taking customer demands and suggestions into account.

Our Objectives for Customer Relations in the Next Period



Entering new markets



Reducing customer complaint rates



Increasing sales volume



Developing special products and preparing launching files specifically for these products



Increasing CLC practices



Increasing the number of routine visits

During the reporting period, no complaints regarding breaches of customer privacy were received. Works for the installation of ISO 27001 Information Safety Management System, which started in the reporting period and is planned to continue in the next years, continue. We plan to complete

the ISO 27001 ISMS works in the next reporting period, thereby installing a system in compliance with international standards, with no effect on business continuity, taking the maximum precautions for information belonging to stakeholders with whom we cooperate and our company to be safe.





ENVIRONMENT



The understanding of “being an employee in harmony with the environment” is one of the significant aspects of operational sustainability as far as Aksa is concerned. Due to the importance attached to this understanding, the studies for environmental quality protection were committed as part of the “Quality Policy” prepared in

1995. The importance attached to environment is not limited to fulfilling legal obligations and therefore includes practices implemented through efficiency studies undertaken within the scope of operational excellence strategy and stakeholder expectations along with practices based on volunteering.

Our Quality, Environmental, OHS and Energy Management Policy is available on <http://www.aksa.com/en-US/Corporate/Pages/ManagementSystemPolicy.aspx>

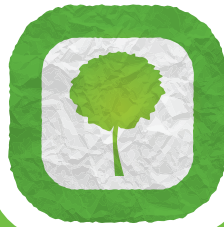
The Environmental Management Unit is responsible for environmental impact supervision, protection and efficient use of natural resources during all business processes at Aksa. The issues related to this responsibility are constantly monitored by the related unit and are effectively managed with the support and under the supervision of the higher management at the “Management Review” meetings chaired by the General Manager and held every three months in addition to the weekly meetings held by the directorates and managers. Moreover, internal and external audits implemented within the scope of the “Integrated Management Systems” and Environmental Internal Inspections constantly monitor the process of compliance with the environmental aspects.

Apart from the Environmental Management practices implemented within the company, Aksa is active on the “AKÇEVRE Board” (AKEnvironmental Board) started by the sister organizations affiliated with AKKÖK Holding, namely Ak-Kim ve DowAksa companies, in an effort to create synergy in coordinating environmental operations and come up with common solutions. At the monthly meetings held within the scope of the board studies, the board exchanges information on issues such as environmental practices, legal obligations, relations with the local authorities and improvement studies underway while also undertaking joint studies. All Aksa facilities and locations boast ISO 14001 Environmental Management System certificate.

During the reporting period, we provided 762,5 man*hour of environmental training for our employees.

762,5
manXhour

Aksa has been continuing ISO 14001 Environmental Management System certificate practices within the scope of ISO 14001 external audits held by the Turkish Standards Institute (TSE). Our performance, which has been an immaculate success with “zero non-compliance” level since 2002, continued in 2013.



Environmentally Friendly Information Technology Practices

We support the Environmental Management practices of Aksa through our environmentally friendly information technology practices. For instance, in 2013 Aksa replaced the old printers at the company with printers using new technology and are more sensitive to the environment. Within the scope of this practice, the number of printouts taken was reduced too while printers using less energy and fewer toners were introduced. As for servers, they were consolidated through VM (Virtual Machine) as much as possible thereby saving on energy and cooling. In the period ahead, thin clients are planned to replace the desktop computers wherever possible in order to save more on energy.



ENERGY MANAGEMENT

Energy Management is vital for Aksa to operate with a high performance. In order to ensure operational continuity and meet its need for reliable, quality and uninterrupted power, Aksa produces electricity and steam. Aksa has the license to generate 142.5 MW of electric power. Using the electric power and steam it produces in all its own processes, Aksa also provides them for Ak-Kim and Dow Aksa while selling the excess energy generated to the network. Energy Management is dealt as a process

at Aksa and all Aksa employees take part in “Energy Management” process.

The Energy Management Board comes up with projects to increase efficiency and reduce the environmental impact while taking energy consumption under control. Process efficiency is reviewed at the Energy Management Meetings held every two weeks along with at the weekly held Energy Coordination meetings and the necessary actions are taken.

Aksa implemented the second phase of the energy power plant project in 2013. Producing 100 MW electricity and 350 ton/hour steam, the power plant became functional with all its phases during the reporting period.

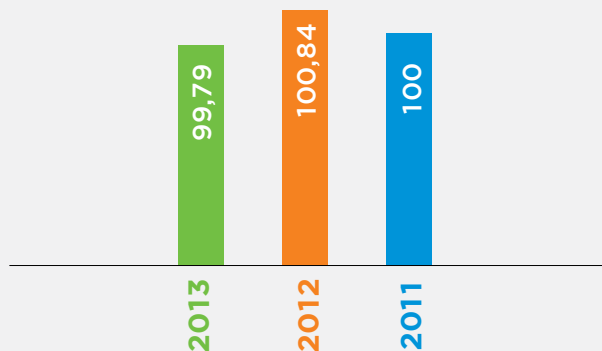
**100 MW
ELECTRICITY**
**350 ton/hour
STEAM**

Within the scope of energy management, steam and electric power consumption goals of the company and the main production processes are set on an annual basis and are monitored daily. The total energy consumption amounts and per product consumption amounts are monthly reported while the consumption goals are reviewed every three months. These practices implemented take the goals set as ba-

sis and check compliance with those goals. Meanwhile, as far as all main processes are concerned, energy consumption goals are included among the individual goals of those responsible for the processes.

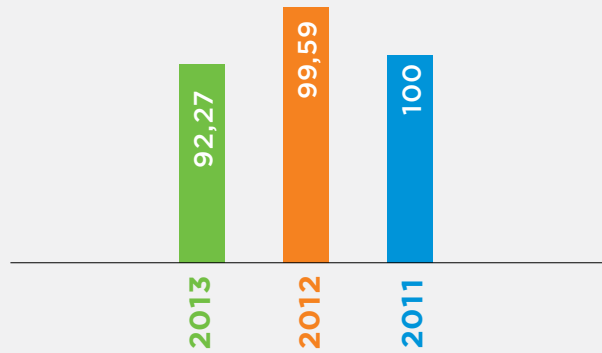
Aksa seeks to obtain ISO 50001 Energy Management System Certificate during the next reporting period thanks to all these practices.

**Specific Electric Power Consumption (Index,
Basis, 2011, 100) kWh/ton tow)**

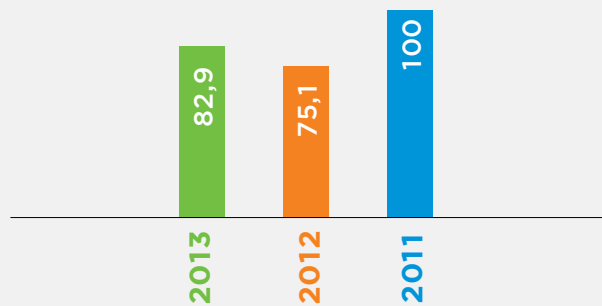


When compared with 2011, specific heat energy consumption between 2011 and 2013 declined by 2.73%. The decline achieved in the waste heat generation implies the true economy enjoyed goes in fact beyond 2.73%.

Specific Heat Energy Consumption
(Index, Basis: 2011, 100)



Waste Heat Generation Amount
(Index, Basis: 2011, 100)



The increase in the direct energy use amount during the reporting period stems from the increase in the current capacity use when compared with the previous periods. 3% transfer loss is estimated in the energy required for the generation of the energy generated from a primary non-renewable source and consumed indirectly.

During the reporting period, the electric power received from the network to meet the energy need of the campus, whereby sister companies Akkim, Aktops and DowAksa also reside, has decreased by

35,60% with regards to basis year 2011. Aksa has continued its operational excellence practices in energy efficiency in 2013. With the energy efficiency studies conducted in energy production units and subsystems, 100,000 GJ of energy and 8,000 tons of water saving were realized on an annual basis. In a similar fashion, the studies carried out to make up for the shortcomings of insulation, and optimization of the monomer recovery colons on the polymerization unit led to saving 65.478 GJ on heat energy.



Energy Power Plant Optimization through Advanced Process Control Solutions

In 2014 all the units located within in the energy power plant will be optimized through advanced process control solutions controlling many variables. The project seeks to enhance the boiler efficiency by optimizing the combustion air while increasing the steam temperature thanks to the ability to control the steam pressure and temperature, hence increasing efficiency in electricity generation and maximizing the power production at the plant.



EMISSION MANAGEMENT

Aksa acts with the awareness of its responsibility regarding climate, which is a global problem. In line with this understanding, Aksa monitors its greenhouse gas emissions, which cause climate change, and their control in a strict fashion. The greenhouse gas emissions amounting to the energy used by Aksa for its own processes and sold to sister companies as well as to the network are tracked and calculated ac-

cording to the international standards.

The fact that Aksa is the very first industrial organization to obtain the ISO 14064-1 Standard for Quantification and Reporting of Greenhouse Gas Emissions reinforces the emphasis we place on this issue. An independent audit company certifies our greenhouse gas emissions with a reasonable assurance.

Greenhouse Gas Emissions (ton CO₂-e)

	2012	2013
Direct Greenhouse Gas Emissions	806.943	857.737
Indirect Greenhouse Gas Emissions	27.455	20.507
TOTAL	834.398	878.224



The reason for the increase in the greenhouse gas emissions during the reporting period when compared with 2012 is due to the fact that the second phase of the coal power plant became active. The CO₂-e greenhouse gas emission generated equals to the energy provided for Aksa, the sister companies and sold to the network. In 2014 September the related implementations are planned to be audited within the scope of ISO 14064-1.

Thanks to a project undertaken in cooperation with Aktek in 2012, inventory calculations were taken to a digital environment thereby ensuring regular data feed and security. As a result of this practice, greenhouse gas emissions can be calculated on product and department basis at desired periods of time. Consequently related reduction goals could be set and projects focused on these goals could be developed.

Parameters such as CO₂, SO₂, NO_x and

dust are monitored online constantly because of the coal power plant introduced in 2012. As a result of the flue gas purification systems on the coal power plant and the water injections systems on the natural gas power plant, our flue gas emissions remain considerably below the limits set by the regulations.

During the reporting period, the emission values from the coal and natural gas flues remained below the legal limits set by the regulations and were as follows:

VOC*	0,84 kg/saat
SO₂**	140 mg/m ³
NO_x**	137,5 mg/m ³
Toz**	5 mg/m ³
CO**	8,73 mg/m ³

*Emissions caused by acrylic fibre process

** Emissions caused by the power plants



WATER MANAGEMENT

Ensuring efficient use of natural resources to ensure environmental sustainability as well as sustainability of our business is one of the indispensable priorities for Aksa. In line with this understanding, water management performance is monitored in a sensitive fashion just like the other environmental issues. The use of municipal and licensed well water are monitored daily and the related goals are set.

Aksa operations do not exert a negative impact on the sites qualified because of their biodiversity value as well as wetlands, water resources etc. to a disruptive nor a diminishing scale. An environmental im-

pact report is prepared for all the investment projects materialized.

Wastewater is another important issue monitored within the scope of water management. The water collected at the Aksa Wastewater Treatment Facilities is constantly monitored and are kept under control. The facility treats all the domestic and industrial wastewater in line with the regulations and the related obligations and discharges the treated water to the Marmara Sea without harming the environment in line with the related regulation and within the scope of the Environmental Permission obtained.



The main reasons for the increase both in water consumption and wastewater amount in 2013 are the increase in the capacity of the power plant along with the increase in production capacity usage ratio. Assessments are planned to be made within the scope of the Life Cycle Assessment studies in the next reporting period to bring down this rate.

The Joint Wastewater Treatment Facility project launched during the reporting period seeks to treat all the domestic and in-

dustrial wastewater from the Aksa, Ak-Kim and Aktops production facilities, which are located in the same region, and treat and manage the wastewater from them in the same facility. Before that, those three companies each had their own wastewater treatment facilities.

Wastewater Discharge by Years (m3)

2011	2012	2013
2.445.500	2.463.750	2.950.507

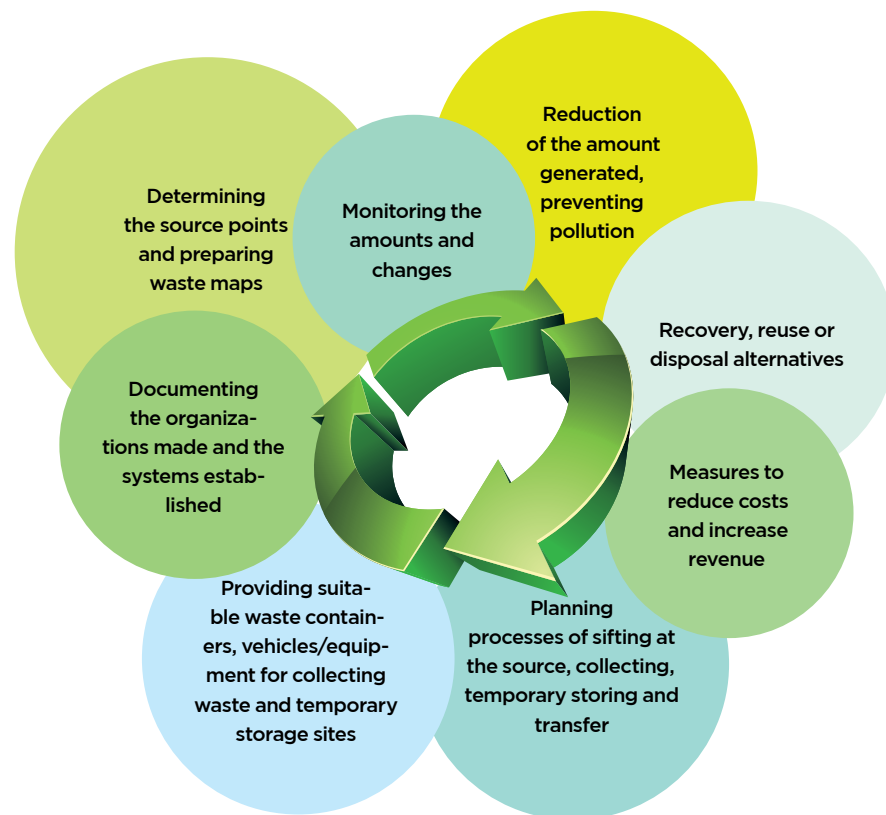
Located in Yalova region, the Aksa production facility is selected for a pilot project called “KIYITEMA” (Determining Harmful Substances in Coastal and Transitional Waters and Ecological Coastal Dynamics). Implemented in cooperation with the Ministry of Forestry and Water Affairs besides Scientific and Technological Research Council of Turkey (TÜBİTAK), the project includes Aksa, Akkim and İpek Paper companies. Samples are taken periodically from the wastewater treatment facility entry and exit points as part of the project. The project is predicted to last for five years and seeks to set new environmental quality standards for discharging wastewater.

WASTE MANAGEMENT

Waste management is crucial for Akso in terms of reducing our environmental impact. The main goal of Akso in the related processes is to reduce waste at the source and dispose of the waste in line with the regulations. In that context the waste gen-

erated is periodically monitored and improvements are implemented according to the goals set. Moreover, the related disclosures about the waste are made to the related public organizations regularly.

Our waste management system is based on the following aspects:





The waste is separated as hazardous and non-hazardous waste and as household junk at Aksa in line with the regulations. The domestic waste from office uses and cafeterias are sent to the sanitary landfills of the municipality. The waste that could be recycled such as packaging, paper etc. are collected according to their types in different waste containers in the offices and

on the field and then sent to the recycling company. Our waste from the processes is delivered to the disposal facility so that they are incinerated to generate energy for they have high calorific values. The other types of waste are transferred over to the waste disposal companies authorized by the official agencies.

During the reporting period, the waste information depending on the waste type and disposal method are as follows:

	Hazardous (kg)	Non-Hazardous (kg)	Total (kg)
Sent for recycling (packaging waste, electronic waste etc.)	7.690	269.841	277.531
Waste incinerated to generate power	1.138.077	6.184.460	7.322.537
Waste disposed by incineration	2.047.160	-	2.047.160
Waste re-used as raw material additive	6.070	32.163.880	32.169.950
Waste sent to sanitary landfills	-	1.778.770	1.778.770
TOTAL (kg)	3.198.997	40.396.951	43.595.948

91% of our total waste generated during the reporting period is disposed with recycling, energy production and reusing practices.





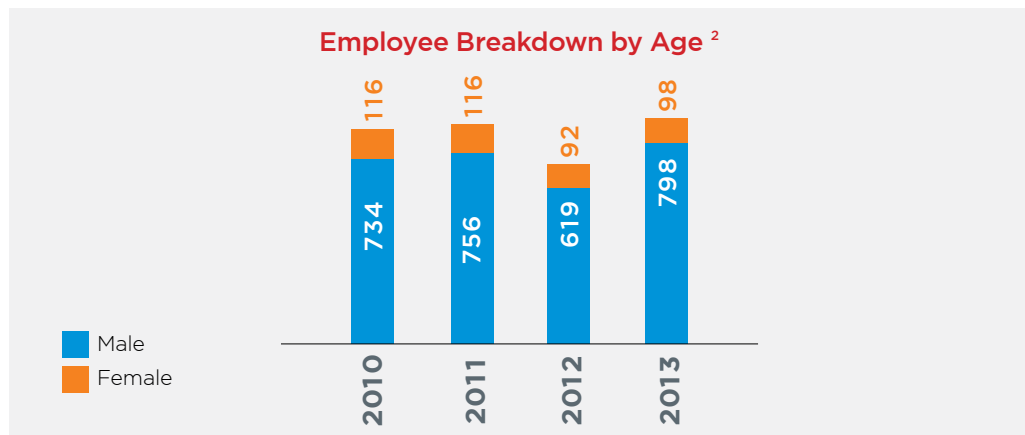
EMPLOYEES



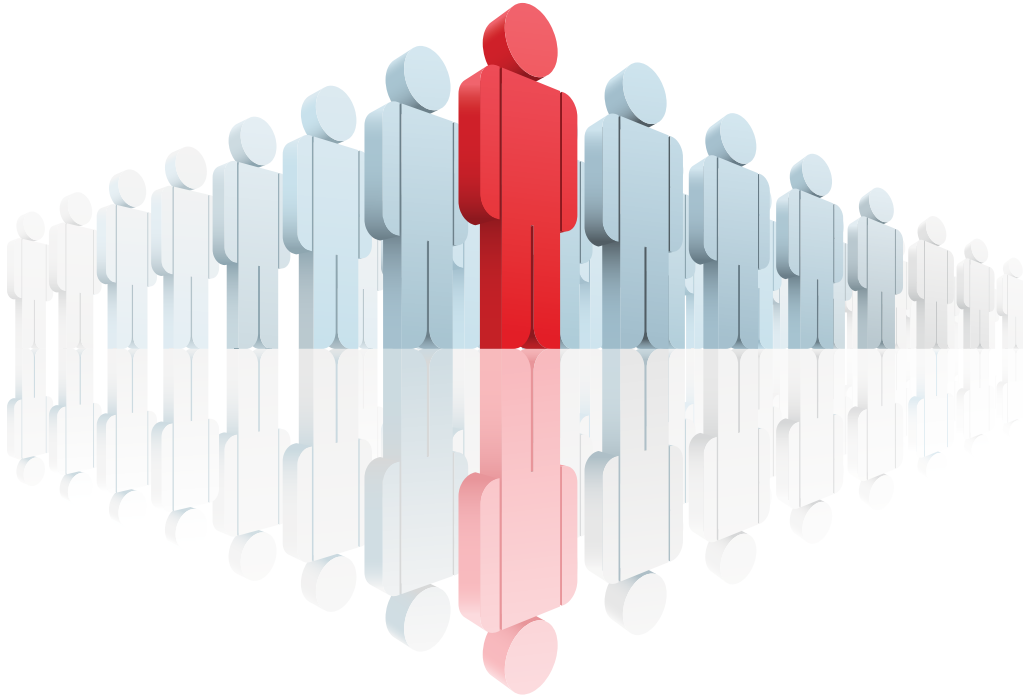
We invest in people at Aksa and, in an attempt to achieve our goals, seek to gain responsible, creative, engaged, self-confident, self-development oriented and happy employees for our organization. We pursue our efforts to spread our developing and productive organization culture among all our internal stakeholders and continue our activities with competent human resources composed of talents that can contribute to our future successes.

At Aksa, we strive to recruit a creative, innovative and qualified workforce, open to continuous learning and development, adopting customer-oriented behaviour,

and believing in teamwork and cooperation. For this purpose, we utilize efficient recruitment practices and support our employees' occupational and personal development via the right choice of career development practices. The goal of establishing a healthy and safe workplace pushes us to pursue a vision of improving the working conditions consistently. Apart from creating communication channels whereby our employees can participate in corporate activities, we aim to raise employee satisfaction continuously through a human resources policy respectful of human rights and employee rights.



² As of the end of 2013, the number of employees working directly at Aksa is 896 and the employees working for Aksa through sub-contractor operations is 123.



HUMAN RIGHTS AND EMPLOYEE RIGHTS **MANAGEMENT**

It is our main task to provide our employees with a working environment respecting and protecting human dignity. In that respect, we act as a corporation respectful of human rights and employee rights, and carry out operations, which are exemplary for our sector and country, through our practices going far beyond legal obligations. We do not allow discrimination in any of our work processes from the recruitment process to career development practices, from the evaluation and remunera-

tion models to the supplementary benefits given to the employees, making an effort to spread the same approach throughout our whole value chain.

In order to fulfil our commitment to respect human rights as a corporation by putting our tenets into practice, we provide a discrimination-proof workplace for our employees and implement practices to raise their awareness in that respect. In accordance with the United Nations Glob-



al Compact we signed, we do not conduct any operations bearing the risk to employ child labour or forced labour, and we take the necessary steps to establish this principle in the whole of our value chain. In the reporting period, no discriminatory events occurred during Aksa operations and 1,792 man*hours of human rights training was given to all our internal stakeholders.

Aksa complies with an objective and transparent pay and supplementary benefits model, based on the principle of work-based remuneration and the principle of equality and justice, in line with the reality of the national and international business world. In the scope of the system we call Job Evaluation and Remuneration Model, gender or other differences are deemed irrelevant in the remuneration process, in-

stead, the criteria such as the responsibility assumed in the scope of the work definition, seniority status and employee performance form the basis of pay determination.

All our employees benefit from private health insurance besides the health services provided by the health units at the workplace. Casual leaves are sanctioned in cases of birth, marriage, death etc, and also financial support, specifically defined for each force majeure, is made available for our employees. Apart from those benefits provided for all the employees, the employees working at specific positions are offered special supplementary benefits such as company-supplied vehicles, cell phones or notebook computers in line with the definition of the tasks they assume.

Aksa conforms to legally defined notice periods when important operational changes, affecting the employees in a direct manner, are concerned.

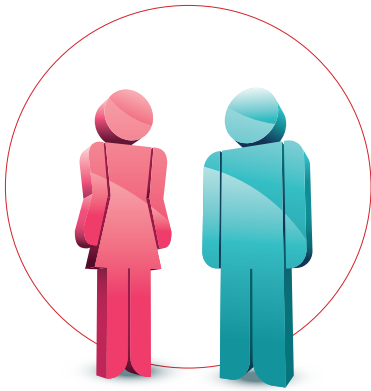


TALENT MANAGEMENT

Employing qualified workforce at Aksa is one of our primary business goals. This is why we always abide by the right-person-for-the-right-job principle, implement practices to support all the employees' occupational and personal development after recruitment, and utilize the most objective modern evaluation systems throughout the recruitment and placement processes, which ensure that our corporate interests are followed in decision-making processes in the best possible way. Through the efficient performance evaluation practices, we measure the knowledge, skill, competency and experience level of each person in our workforce and give him feedback apart from devising career development processes our employees actively participate in. This process is managed together with Akkök Group. Moreover, in 2013, the requirements for critical positions were identified in cooperation with Hay Group. Specialists and those in higher positions

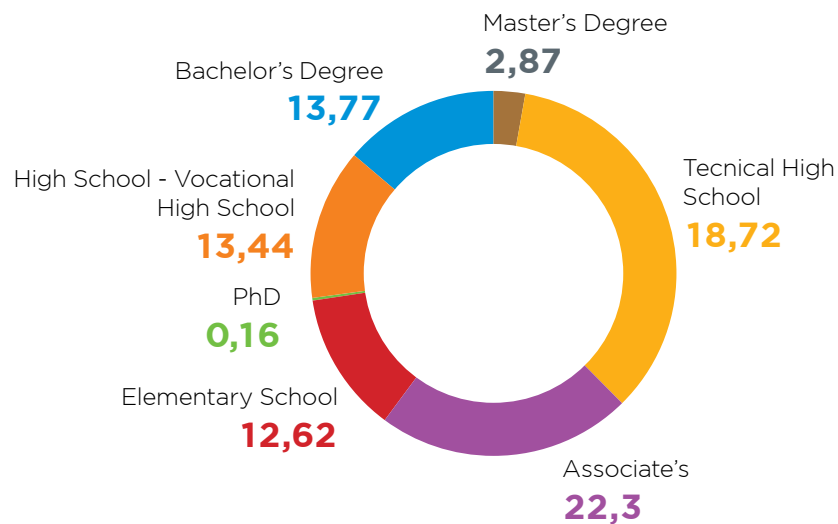
were offered 360-degree feedback and evaluation centre practices. One-to-one feedback was given in the light of the results.

The recruitment processes at Aksa are managed pursuant to the five-year and annual Workforce Needs Plans we create. Among the criteria we take into consideration while evaluating the job candidates are behavioural and technical competencies defined in diverse ways for various levels, and compliance with our corporate culture apart from possessing the necessary infrastructure for the position. We use different recruitment tools, which we have developed over many years, to consider the candidates applying for engineering and specialist positions, on the one hand, and operational positions, on the other hand. We follow the local employment policy in all job openings at the corporation starting with operational vacancies.



Those employees who are recruited for a job and residing in a different city are given the possibility of accommodation up to 6 months. Induction activities are organized for the newly recruited personnel throughout the whole corporation apart from the orientation programs held with the guidance of the Human Resources department. The employees who obtain positive results at the end of their first line managers' performance evaluation in the 2nd and 6th month after they start work are recruited as regular employees on a continuing basis at Aksa.

Employee Distribution by Education Level



The performance evaluation practices we perform with a focus on the business results our employees achieve and the competencies they possess ensure that personal goals are evaluated in an integrated manner with department, directorship and company goals, enabling us to attain the expected business results through continuous development. Our employees and first line managers can monitor the goals and competencies defined personally and on the team level, organizing periodic meetings in that regard, with the help of the Revision and Feedback processes managed by our Human Resources unit.

We reward the employees and teams financially when the targets set for a related calendar year are met, and relate to the Performance Management System results as a fundamental reference point during promotion, job vacancy and other career planning processes. We identify training needs simultaneously with system results, helping our employees to take more sound decisions regarding their careers through the feedback we provide.

During the reporting period, 864 employees, comprising 96% of our workforce, went through a performance evaluation.



We reward our successful employees through practices such as the Manager of the Year, the Most Active Environment Health and Safety Supervisor of the Year, the Exemplary Staff Member of the Year, the Seniority Plaque and Aksa School Awards for their performance, introducing the awarded employees to the rest of the organization via internal communication channels.



We plan training and personal development activities and implement the most efficient practices to enhance the skills and talents of the self-confident and engaged workforce working in line with our policies and strategies while accommodating them to developing new technologies and business models. Among the issues taken into consideration while identifying the training and development needs of all our employees are legal obligations, voluntarily committed practices, Aksa policies and strategies, personal development areas, HR strategies and technical development areas specific to different functions. We pursue efforts to continuously improve the training processes developed in the light of our corporate experiences.

The principal body of organization supporting the Human Resources department in carrying out training processes is the Aksa Training Council (AKEK) composed of the members of the Representative Committee and a member from each department at Aksa. Holding a meeting every three months, AKEK evaluates the demands and suggestions made for particular training activities and confirms the training needs

Aksa Training Process Flowchart



Average amount
of training hours per
employee was

59

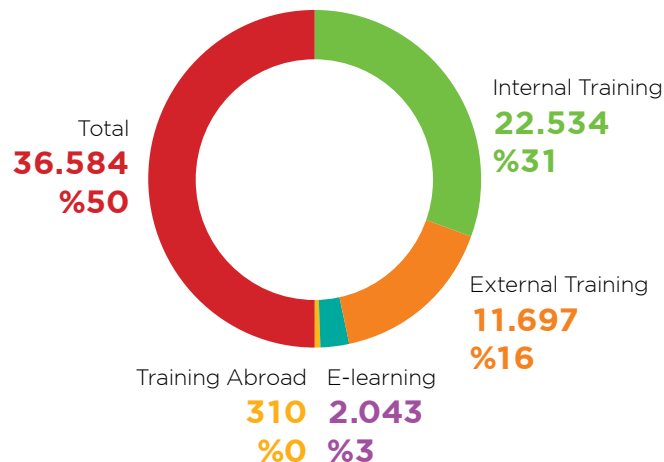
Man X Hours

with a potential to contribute to the development of our employees' behavioural and technical competencies. The Human Resources unit, on the other hand, prepares an annual training plan in the light of these facts and submits the plan to the annual budget approval. All training processes are revised and continuously improved in consideration of the feedback obtained from AKEK, the Representative Committee and our employees apart from the training activity evaluation results.

The training activities for Aksa employees,

which are delivered by internal or external trainers, also include overseas training events and e-learning training packages formed in order to provide our employees with the possibility of training at more flexible hours and in a more comfortable environment. After each training event, training activity evaluation surveys are organized which are effective in deciding whether the same training will ever be repeated again. In the reporting period, the average amount of training hours per employee was 59 man*hours.

Employee Training Activities Held during the Reporting Period by Source (manXhours)





The portal, which ranks first among our most important employee communication tools, includes the annual plan, calendar, demands, reports and records regarding the training activities; the information and performance results concerning the trainers; the calendar and the minutes of AKEK meetings; and the information regarding

the induction training program, forms, announcements, e-learning training packages, the training catalogue, the qualities of the training classrooms and the relevant training visuals apart from the other functions it serves. Apart from the portal, our employees benefit from the library, archives and periodicals available at BBTM.

Aksa School

The aim of Aksa School, which we established in 1982 and conduct a part of our training activities in, is to enhance the competencies, technical knowledge and personal development of our employees working at lower than specialist positions. The trainers of the program are selected out of our company personnel and the activities are carried out in accordance with a certain curriculum in the scope of the program. The employees who successfully complete the program are handed their certificates.

We consider it important for our employees to follow current developments in their specialties, encouraging them to participate in congresses, panels, seminars, exhibitions, workshops and other similar events in that regard. In an attempt to assist their occupational development, we enable them to take part in matrix-like organizational structures such as project teams, and, through interdepartmental rotations, we ensure that they become familiar with

the practices and bodies of knowledge available in different business areas. While providing performance feedback to our employees who take part in teamwork as required by the definition of the tasks they assume, we also evaluate their teamwork skills, urging them to participate in team and council activities on a voluntary basis. We deliver leadership training to high-potential employees, helping them to get prepared for managerial positions.



Leadership Training

Being a Team, Developing a Team, The Leader's Guide to Management, Competency-based Interviewing Techniques, Stress and Time Management, Emotional Intelligence and Effective Communication, Effective Presentation Techniques.



INTERNAL COMMUNICATION AND EMPLOYEE SATISFACTION

We acknowledge that creating media whereby our internal stakeholders can give direction to company operations has an important impact on our corporate sustainability and employee satisfaction at Aksa and, therefore, we strive to establish the most active communication and engagement channels for our human resources.

The innovative communication channels used by our employees to convey their suggestions, demands and complaints not only enables us to listen to the valuable views of our employees, who have the best knowledge of our business, but also helps us lay the foundation for practices to develop the social life at the workplace.

“AKSA HABER” (AKSA NEWS) - The corporate publication of Aksa Akrilik

Aksa Haber is the corporate internal communication publication through which Aksa Akrilik gives news on the implemented projects, future company targets and Aksa employees. Aksa Haber is composed of 12 pages in total and is published every three months. The interviews carried out by professional correspondents for the publication focus on the views of two Aksa employees every month. Apart from Aksa employees, Aksa Haber is regularly distributed to the public agencies as well as the non-governmental organizations in Yalova.





Besides the AKEK (Aksa Training Council) and AKSET (Aksa Social Activities Team) Meetings through which Aksa employees can directly communicate with the senior management, we utilize structures such as the Representative Committee, the Suggestion System and the OHS Council in order to facilitate our internal stakeholders'

participation in corporate governance. The Open Door Policy we implement helps our employees share all kinds of issues with the managers, customers, suppliers and public authorities. We organize social activities to build communication and cohesion among the employees as well.

What is AKSET (AKSA Social Activities Team)?

The activities to boost employee motivation and attachment at AKSA are conducted by voluntary AKSA employees. AKSET (AKSA Social Activities Team) consists of 21 AKSA employees volunteering to organize parties, concerts, trips, courses, seminars and other similar activities. A special budget for AKSET is determined by the General Manager annually and the activities to be held during the year are organized by the AKSET members in accordance with the employee demands received. The activities carried out by AKSET in 2013 included diving, tennis and model airplane training events in addition to the various theatre performances, concerts, trips and parties organized.

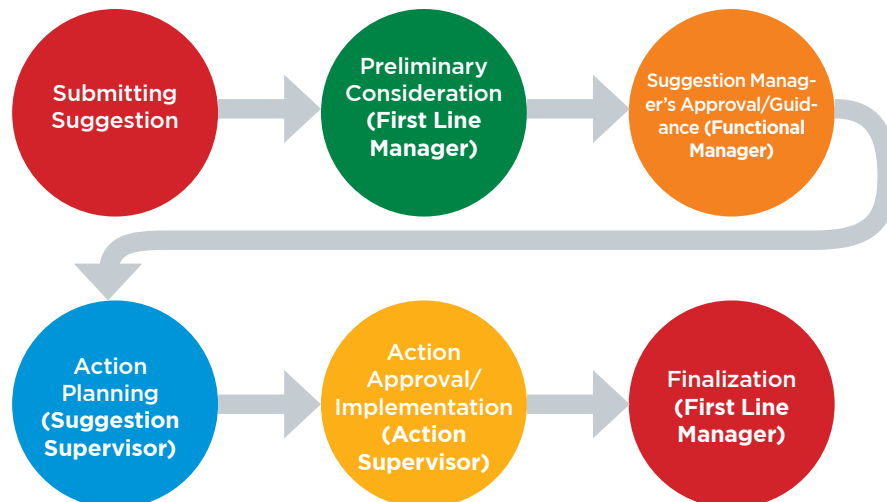
An employee attachment survey is carried out at Aksa every two years, measuring our internal stakeholders' attachment, satisfaction and eagerness levels. The previous attachment survey was conducted in 2012 and the next one will be held in 2014.



Our main internal communication tools include the intranet platform named “Portakal” serving AKKÖK group companies, AKSA HR Portal, bulletin boards, monthly e-bulletins, daily news and our corporate periodical “Aksa Haber” which we started to publish in 2013. The Suggestion System has been effective at Aksa since 1996, delivering our employees’ suggestions regarding every issue including the operations they take part in particular, and assisting in the implementation of good suggestions after relevant evaluation processes are carried out.

Thanks to the innovation we introduced in the reporting period by switching to the Electronic Aksa Integrated Management System, suggestions are now transferred to the electronic environment via kiosks instead of being recorded on paper. In the scope of the training activities organized for entering the suggestions into the system, we also offer Lean Manufacturing - 7 Wastes training to our employees, seeking to bring them new opportunities for improvement in the course of their routine tasks.

Evaluation Steps in the Suggestion System





Number of Employee Suggestions by Year

	2011	2012	2013
Number of Suggestions	817	605	555
Average Number of Employees	954	789	854
Number of Suggestions Accepted	325	215	191

With the objective to assist our employees in achieving work-life balance, we protect employee and work balance through annual workforce plans we prepare, monitor overtime work on a monthly basis, and ensure that the workforce is distributed evenly throughout the operations by conducting permanent staff studies if necessary. The cocktail parties we organize for those who start work and the exemplary staff members apart from the social activities we hold on special days are aimed at bring-

ing our employees together outside of the workplace. Furthermore, AKSET (Aksa Social Activities Team) members, composed of volunteering Aksa employees, organize activities such as trips, theatre performances, parties, concerts, picnics apart from conducting diving, tennis, photography and other similar courses throughout the year. A New Year's Party is held with all Akkök companies while Welcome to Summer and Farewell to Summer Parties are organized at Aksa.



OCCUPATIONAL HEALTH AND **SAFETY**

We consider occupational health and safety to be the top priority in all our operations from the design phase to the sales point delivery, and implement the relevant practices to ensure that all the elements of our value chain act responsibly in that regard. Striving to create a healthy and safe working environment for our human resources, which make up the fundamental capital of our corporation, we deliver a performance beyond the legal requirements and standards, analyse the potential dangers and risks that can arise during our operations, take the necessary measures to prevent accidents, evaluate the possible states of emergency and prepare the necessary action plans.

The main practices coming to the forefront in the scope of the OHS processes we carry out in an integrated manner with

Environment and Quality Management are risk evaluation studies (HAZOP, Bow-Tie, FMEA, FTA, ETA etc), training activities, EHS (Environment, Health and Safety) meetings, OHS Council meetings, change management and internal/external audits. We constantly monitor our OHS performance and identify the necessary measures to enhance it, including the measures in our business plans and implementing them. We also utilize studies such as suggestion development and improvement systems in an attempt to encourage our employees' participation in these processes. The periodic maintenance and control of our production area is conducted by the accredited bodies through the processes managed by the Directorate of Maintenance. We guarantee our performance in that regard through the EHS Directorate audits.

There have been no incidents of work-related fatalities and occupational diseases during the reporting period.

Aksa is identified as a “top level organization” according to the Regulation Regarding the Control of Large Scale Industrial Accidents published by the Ministry of Environment and Urban Planning in line with the European Union SEVESO II Directive. As of 2011, studies were launched to fulfil the requirements of the aforementioned regulation. Among the practices covered by the studies were enterprise safety, process safety, maintenance safety, preparation for states of emergency through

modelling practices, planning for drills and maintaining their continuity.

In the reporting period 3,447 man*hours of training was delivered in the scope of the SEVESO II Directive practices. One of the aims of all the Directorates is to fulfil the requirements of the related regulation with the help of the knowledge and skills acquired thanks to the SEVESO II training activities, and to complete the Safety Report by the end of the year.

A fire started in the Manufactured Goods Warehouse where our acrylic fibre products were stored at Aksa Yalova Plant on 27 January 2013. The plant’s fire crew immediately responded to the fire, at the same time calling the fire brigades in the neighbourhood. The fire was taken under control when it was finally put out at night time on the same day. The most important source of consolation for us is the fact that all kinds of precautions were successfully taken during the fire incident to avoid any negative effects both on Aksa personnel and on the fire fighters. During the following day, the site was cooled down and the production line was put into use in a controlled manner, transferring to the normal production routine. Aksa overcame the incident with the least impacts in the shortest span of time thanks to its emergency state management as a corporation and the knowledge it has accumulated over many years.

The incident occurred only in the warehouse where the acrylic fibre products were stored and did not spread to the other storage and production parts of the facility. The Aksa lab and an independent accredited environmental lab simultaneously carried out measurements on the ecosystems inside the facility and around the residential areas with the purpose of identifying the possible negative impacts on the atmosphere, soil, plants, surface water and groundwater during and after the incident in the area where the facility is situated. The measurements have demonstrated that the limits set by the regulation were not violated and no evidence of a threat against human and environmental health was found because of the fire. In that regard, the scientific reports regarding environmental and human health prepared by the public authorities after handling the measurement results and the fire incident as a whole were shared with all our related stakeholders.



The Environment, Health and Safety Managers (EHS) and the OHS Council are the main committees assisting in monitoring the employee health and occupational safety programs at Aksa. The EHS Man-

agers assume the operational responsibility for the OHS-related activities at the company and ensure that on-site practices comply with the OHSAS 18001 Standard and Safety Management System. While the practices led by the OHS Specialty and the Workplace Medicine Department enable to distribute all related responsibilities among all level employees, the proper training is delivered to the personnel to help them fulfil their responsibilities pursuant to the OHS policy.

The OHS Council consists of 20 people in total including the 5 employee repre-

sentatives elected by our employees and they represent the whole of our blue-collar workforce. The founding members of the council are the employer representative, occupational safety specialist, workplace doctor, Human Resources Manager, civil defence expert, Administrative Affairs Manager and foreman while all the managing directors of the company are classified as honorary members of the council.

As Aksa, we especially pay attention to the issue of states of emergency preparation due to safety concerns. With the objective to ensure the continuity of our business and prepare our personnel for various force majeure incidents, we hold emergency drills and exercises and pursue efforts to develop our performance continuously in that regard. In the reporting period, we organized 49 fire crew drills, 4 general evacuation drills for each shift, 4 general fire training events and fire fighting drills, 1 ISPS drill and 1 Port Drill in line with the Act No. 5312.

The OHS audits are implemented on the contractors on the basis of the related laws and regulations. While general employee audits take place every three months, document and SSI (Social Security Institu-

tion) audits are carried out as required by the Act No. 5510 every two months. Apart from these practices, a meeting with the contractor and sub-contractor company representatives is held once every month.

Our OHS Performance by Numbers³

	2010	2011	2012	2013
Accident Frequency Rate	5,9	6,5	3,2	4,87
Accident Severity Rate	116,7	223,8	254,7	125,25
Injury Rate	43,6	42,66	26,44	19,49
Absence Rate	905,8	1217,9	.933,2	1.484
Number of Days Lost	1002,3	1.390,3	2.187,9	1.609

³ **Accident Frequency Rate** = Number of Work Accidents / (Total Number of Days with Accrued Premium *8)*1.000.000

Accident Severity Rate = Total Number of Days Lost Due to Work Accidents / ((Total Number of Days with Premium *8)*1.000.000

Total Number of Days Due to Work Accidents = (Temporary Incapacity Durations) + (Amount of Permanent Incapacity Levels*75) + (Number of Fatality Cases *7500)

Injury Rate = Number of Work Accidents *1.000.000 /Total Work Hours



Targets 2013

- To achieve 20% improvement in the accident frequency rate on company level in comparison with 2012.
- To achieve 40% improvement in the accident severity rate on company level in comparison with 2012.

Achievements 2013

- We have not been able to realize our target regarding the accident frequency rate on company level. We aim to achieve the aforementioned improvement through the risk evaluation studies, audits and training activities to be conducted in the next period.
- We have achieved a 50% improvement in the accident severity rate on company level in comparison with 2012.

OHS Training

The Occupational Health and Safety training activities are implemented in the framework of the integrated studies covering the environment and quality issues as well. In the scope of the OHS Training, we provide the personnel, who carry out different tasks, with operation-specific training opportunities through basic awareness-raising training activities such as regulations training, risk evaluation training, fire and emergency response training. In the reporting period, our employees benefited from 28,630 man*hours of training.



CONTRIBUTING
TO
COMMUNITY



Apart from assessing the impact of our operations on the local people, community and acting accordingly, Aksa also seeks ways to create added value for our corporate social responsibility activities going on under the main titles of education, culture and arts. We develop solutions to the problems of all individuals besides the local people in our operation geography through our active communication strategy. We design our practices in ways to increase the participation of volunteers and implement the projects, which we shape up within the framework of a conscious community dream, in way sensitive to people and the environment.

While supporting the CSR projects undertaken by our parent Akkök Group of Companies, we also implement a series of practices that focus on the local people in our operation geography too. Believing firmly in the significance of acting in a transparent fashion in all our business processes, we strive to create direct and indirect communication channels that will inform our stakeholders in our operation geography on our

activities. We seek to implement practices that will set an example to Turkey while our CSR strategy is focused on increasing awareness of the local people and protecting the environment.

Support for Education

Thanks to the long-term support we have provided for education, we contribute to raising individuals that will be the future of our country, and try to create and active, transparent dialogue educational organizations, which are one of our key stakeholders, through our cooperation with university and research institutes.

Aware of the fact that sustainability in community development could only be achieved through educated, well-equipped, cultured generations that can take initiative and are sensitive to environment as well as to the community, Aksa feels the responsibility of this and in 1992 established Aksa Technical and Industrial Vocational High School in Taşköprü - a town located in Çiftlikköy, a borough in Yalova.



As of 2013, the school has 30 teachers and 350 students in total and educates qualified technical employees who can work in the industrial areas. The “Process” department of the high school, which seeks to meet the technical employee needs of the plants around, is only available at Aksa Technical and Industrial Vocational High School among all the other vocational and technical education organizations.

During the reporting period we continued our support for Aksa Technical and Industrial Vocational High School, which we started in 1992, through library support

and various organizations apart from the constant maintenance, repair and graduation ceremony organization support we lend for the school. In the same period, we also supported the Yalova Lightning Bug Mobile Education Unit, started in co-operation between AKKÖK and Education Volunteers Foundation of Turkey (TEGV). While meeting the demands for donations and assistance received from various schools, we have opened the doors of our production facility to certain schools within the scope of the Open Door Visits.

Open Door Visits

Organized in line with our principle of trans-



parency, Open Door Visits enable us to welcome NGOs, local people, schools, families of our workers, customers, benchmarking teams and visitors from Turkey and abroad to our production site. Enabling our various stakeholder groups to observe Aksa operations and enjoy the opportunity of being informed onsite, the practice is held at various times every year and we also get significant data for devising our improvement strategies through the surveys we hold following the visits paid by our stakeholders. During the reporting period, 420 of our stakeholders visited our production site within the scope of the Open Door Visits organized.

Since 1999, over 19.000 visitors have visited AKSA as part of the Open Door Visits and are informed on our operations.

Cooperation with the Red Crescent

Regarding social responsibility as an essential part of our corporate culture, we strive to make this understanding become widespread among all our stakeholders.

Organized two times every year in cooperation with Yalova Red Crescent Branch, the “Blood Drive Campaign” is held with the voluntary participation of our employees.

Support for Yalova Orthopedically Disabled Sports Club

Within the scope of a practice started by Akkök Group of Companies in 2012 and continued during the reporting period, we kept lending our support for the Yalova Orthopedically Disabled Sports Club (YOSK). The sponsorship practice we do in line with our commitment to community development has brought us the pride of witnessing the successful sports performance of the club not only in Turkey but also in Europe.

Akkök Children’s Festival

We support Akkök Children’s Festival in line with our corporate culture attaching great value to arts, and we seek to help children in Yalova have fun in different activities while producing a collective work of art every year during the festival.



Reforestation Studies

Apart from implementing effective practices to minimize our environmental impact during our production processes, we undertake reforestation studies and regard this practice as an opportunity for communicating with the stakeholders. We have distributed the plants and saplings we grow in our own greenhouse since 1968 to our volunteering stakeholders visiting our facilities for free. During the reporting period, 2,470 saplings were distributed to the lovers of nature while our employees have planted 5,000 saplings in Hasanbaba Çınarcık within the scope of the Energy Power Plant Project in 2013.



Donations and Social Aid

We seek to create value everywhere our name is mentioned and organize donation and social aid campaigns in an effort to give more educational opportunities for the local people and increase their cultural capital. Believing firmly in the fact that social development is only possible through generations that can take initiative and are educated, equipped, cultured, sensitive to the environment and community, we strive to increase our investments made for achieving that purpose to a higher level every year. In that respect, during the reporting period Aksa spent 1,575,941 TL in total for "Donations and Social Aid, composed mostly of educational, cultural, arts and sports activities.

	Amount (TL)
Associations, Foundations and Municipalities	71.666
Education	1.504.275
Total	1.575.941





PERFORMANCE
TABLE

Key Financial Indicators

KCONSOLIDATED BALANCE SHEET SUMMARY ([1])	31.12.2013 (Thousand US\$)	31.12.2012 (Thousand US\$)
ASSETS	848,805	873,419
Current Assets	401,625	388,342
Cash and Cash Equivalents	109,267	79,363
Trade Receivables	171,202	178,657
Inventories	86,77	92,525
Other Current Assets	34,386	37,797
Non-Current Assets	447,18	485,077
Trade Receivables	*-	2,519
Financial Investments	1,103	744
Investments Accounted for by the Equity Method	114,842	127,758
Property, Plant and Equipment	317,908	346,704
Intangible Assets	4,653	2,704
Good Will	2,806	3,36
Other Non-Current Assets	5,867	1,287
LIABILITIES	848,805	873,419
Short Term Liabilities	288,879	240,994
Financial Liabilities	105,824	95,589
Trade Payables	159,821	137,141
Taxes on Income	4,89	3,311
Other Short Term Liabilities	18,343	4,953
Long Term Liabilities	69,14	87,759
Financial Liabilities	58,387	72,437
Derivative Financial Instruments	*-	967
Provision for Employment Termination Benefits	7,186	9,063
Deferred Tax Liabilities	3,395	4,736
Other Long Term Liabilities	171	556
Shareholders' Equity	490,787	544,665

[1] US\$ currency conversions shown in the consolidated financial statements are provided for informational purposes only; the closing exchange rate TL 2.1343 (December 31, 2012: TL 1.7826) was used in calculating the balance sheet items

Human Resources Performance Tables

Employee Distribution by Gender

	2010	2011	2012	2013
Men	734	756	619	798
Women	116	116	92	98
Total	850	872	711	896

Employee Distribution by Status

	2010	2011	2012	2013
Blue Collar	719	734	591	727
White Collar	131	138	120	169
Total	850	872	711	896

Employee Distribution by Age Groups

	2010	2011	2012	2013
<30	349	358	257	277
30-50	509	539	476	584
50<	52	53	44	35
Total	910	950	777	896

Employee Distribution by Contract Type and Region⁴

	İstanbul	Yalova	Toplam
Board of Directors	8	0	8
Regular	30	825	855
Regular Retired	2	7	9
Contract	1	12	13
Contract Retired	3	8	11

⁴All employees are citizens of the Turkish Republic.

Employee Distribution by Employment Type and Region

	İstanbul	Yalova	Total
Full Time	44	850	894
Part Time	0	2	2

Employee Distribution by Education Level

	Total
Associate Degree or Lower	721
Undergraduate Degree or Higher	175

Total Number of Employees Recruited and Who Left the Job by Age Groups

	Staff Recruited	Staff Who Left Job
<30	94	27
30-50	90	35
50<	5	12

Total Number of Employees Recruited and Who Left the Job by Gender

	Staff Recruited	Staff Who Left Job
Men	181	62
Women	8	12

Total Number of Employees Recruited and Who Left the Job by Region

	Staff Recruited	Staff Who Left Job
İstanbul	6	7
Yalova	183	67

Top-Level Managers⁵

	2010	2011	2012	2013
Men	16	23	19	14
Women	3	4	1	1
Total	19	27	20	15

	2013
30-50	7
50<	8

Mid-Level Managers⁶

	2010	2011	2012	2013
Men	36	38	38	34
Women	5	8	9	7
Total	41	46	47	41

	2013
<30	2
30-50	27
50<	12

	2013
Associate Degree or Lower	1
BA	32
MA	8

⁵Board of Directors, GM and Directors are categorized as top-level managers. All top-level managers are citizens of the Turkish Republic.

⁶Managers are categorized as medium-level managers. All medium-level managers are citizens of the Turkish Republic.

Employee Trainings Provided during the Reporting Period (man*hour)

	2013
Internal Training	22.534
External Training	11.697
E-learning	2.043
Trainings Abroad	310
Total	36.584

Number of Employees Receiving Performance Feedback by Employee Categories

	Blue Collar	White Collar
Regular Retired	4	5
Regular	708	147

Our OHS Performance in Numbers⁷

	2010	2011	2012	2013
Accident Frequency Rate	5,9	6,5	3,2	4,87
Accident Severity Rate	116,7	223,8	254,7	125,25
Injury Rate	43,6	42,66	26,44	19,49
Absentee Rate	905,8	1.217,90	1.933,20	1.484
Number of Days Lost	1.002,30	1.390,30	2.187,90	1.609

⁷**Accident Frequency Rate** = Number of Work Accidents / (Total Number of Days with Premium *8)*1.000.000

Accident Severity Rate = Total Number of Days Lost Due to Work Accidents / ((Total Number of Days with Premium *8)*1.000.000)

Total Number of Days Due to Work Accidents = (Temporary Incapacity Durations) + (Amount of Permanent Incapacity Levels*75) + (Number of Fatality Cases *7500)

Injury Rate = Number of Work Accidents *1.000.000 / Total Work Hours

Environmental Performance Tables

Greenhouse Gas Emissions (ton CO₂e)

	2012	2013
Direct Greenhouse Gas Emissions	806.943	857.737
Indirect Greenhouse Gas Emissions	27.455	20.507
TOTAL	834.398	878.224

Emissions

	2013
VOC*	0.84 kg/hour
SO ₂ **	140 mg/m ³
NO _x **	137.5 mg/m ³
Toz**	5 mg/m ³
CO**	8.73 mg/m ³

Water Consumption Amounts by Years (m³)

	2011	2012	2013
Municipal Water and Well Water	2.724.455	2.983.616	3.847.412

Wastewater Discharge by Years (m³)

	2011	2012	2013
	2.445.500	2.463.750	2.950.507

Waste by Type and Disposal Method (kg)

	Hazardous	Non-Hazardous	Total
Sent for Recycling (Packaging Waste, Electronic Waste etc.)	7.690	269.841	277.531
Waste Incinerated to Generate Power	1.138.077	6.184.460	7.322.537
Waste Disposed by Incineration	2.047.160	-	2.047.160
Waste Re-Used as Raw Material Additive	6.070	32.163.880	32.169.950
Waste Sent to Sanitary Landfills	-	1.778.770	1.778.770
TOTAL	3.198.997	40.396.951	43.595.948



GRI INDEX

Profile Disclosure

Indicator	Location of Disclosure	Page	Notes	Level of Reporting
1. Strategy and Analysis				
1.1	Message from the Chairman of the Board	4-5		Fully
1.2	Message from the General Manager	4-5		Fully
1.3	Message from the Chairman of the Board	7-10		Fully
1.4	Message from the General Manager	7-10		
2. Corporate Profile				
2.1	Contact	Back Cover		Fully
2.2	About Aksa	11-19		Fully
2.3	Corporate Governance	22-25		Fully
	Affiliates, Subsidiaries and Joint Ventures	19		
2.4	Contact	Back Cover		Fully
2.5	About the Report	3		Fully
	Affiliates, Subsidiaries and Joint Ventures	19		
2.6	Shareholding Structure	18		Fully
2.7	Aksa at a Glance	16-17		Fully
	Quality	42-43		
2.8	About Aksa	11-19		Fully
	Performance Tables	94-97		
2.9	Shareholding Structure	18		Fully

Indicator	Location of Disclosure	Page	Notes	Level of Reporting
	Affiliates, Subsidiaries and Joint Ventures	19		
	About Aksa	11-19		
2.10	GRI Indicators Table	103	No awards have been received during the reporting period.	Fully
3. Report Parameters				
3.1	About the Report	3		Fully
3.2	About the Report	3		Fully
	GRI Indicators Table	103	Date of publication for the previous report was February 2013.	
3.3	About the Report	3		Fully
3.4	Contact	Back Cover		Fully
3.5	About the Report	3		Fully
	Sustainability Management	28-32		
3.6	About the Report	3		Fully
3.7	About the Report	3		Fully
3.8	About the Report	3		Fully
3.9	About the Report	3		Fully
3.10	About the Report	3		Fully
3.11	About the Report	3		Fully
3.12	GRI Indicators Table	102-114		Fully
3.13	GRI Indicators Table	103	The content of this report has not been subject to independent external audit	Fully
4. Governance, Commitments and Engagement				
4.1	Corporate Governance	22-25		Fully
4.2	Corporate Governance	22-25		Fully

Indicator	Location of Disclosure	Page	Notes	Level of Reporting
4.3	Corporate Governance	22-25		Fully
4.4	Stakeholders	33-35		Fully
4.5	Sustainability Management	28-32		Fully
4.6	Corporate Governance	22-25		Fully
	Aksa Ethic Rules	-	http://www.aksa.com/tr-TR/Yatirimcilliskileri/KurumsalYonetim/Sayfalar/EtikKurallar.aspx	
4.7	Corporate Governance	22-25		Fully
	Annual Report	44-46	http://www.aksa.com/en-US/InvestorRelations/FinancialStatementsAndReports/Lists/AnnualReports/Attachments/9/FR%202013%20Eng.pdf	
4.8	Corporate Governance	22-25		Fully
4.9	Sustainability Management	28-32		Fully
	Corporate Governance	22-25		
4.10	Sustainability Management	28-32		Fully
4.11	Process and Product Innovation	44-47		Fully
4.12	About the Report	3		Fully
	Corporate Memberships	36		
4.13	Corporate Memberships	36		Fully
4.14	Stakeholders	33-35		Fully
4.15	Stakeholders	33-35		Fully

Indicator	Location of Disclosure	Page	Notes	Level of Reporting
	GRI Indicators Table	105	We consider all private and legal entities have an impact directly or indirectly on our activities and affected by our activities as a part of our stakeholder network. Through creating the most correct communication channel for each stakeholder group, we make efforts for the purpose of forming an efficient and transparent decision-making mechanism.	
4.16	Stakeholders	33-35		Fully
	GRI Indicators Table	105	We realize a vast number of stakeholder participation practices with varying frequencies depending on their types. We realize practices which are a part of a particular system or process like surveys, researches and applications in specific periods. Statements announced to public are performed per quarter or annually. In some special cases, we also use instant communication tools. Other participation practices are performed for moment when the need arise	
4.17	Stakeholders	33-35		Fully
	Our Customers	49-52		
	Open Door Visits	89-90		
	Internal Communication and Employee Satisfaction	78-81		

Disclosure on Management Approach

Indicator	Location of Disclosure	Page	Notes	Level of Reporting
DMA EC				
Economic performance	Key Financial Indicators	94		Fully
	Annual Report	56-59, 90, 91, 97		
	Message from the Chairman of the Board	4-5		
	Message from the General Manager	7-10		
	Emission Management	60-61		
	Human Rights and Employee Rights Management	69-70		
Market presence	Supply Chain	48		Fully
	GRI Indicators Table	110		
Indirect economic impacts	Contributing to Community	87-91		Fully
	Our Customers	49-52		
	Support for Education	88-89		
DMA EN				
Materials	About Aksa	11-19		Fully
	Quality	42-43		
Energy	Energy Management	56-59		Fully
Water	Water Management	62-63		Fully
Biodiversity	Water Management	62-63		Fully

Indicator	Location of Disclosure	Page	Notes	Level of Reporting
	Contributing to Community	87-91		
Emissions, effluents and waste	Emission Management	60-61		Fully
	Water Management	62-63		
	Waste Management	64-65		
	GRI Indicators Table	111		
Products and services	Process and Product Innovation	44-47		Fully
Compliance	GRI Indicators Table	111		Fully
Transport	Emission Management	60-61		Fully
Overall	Environment	53-55		Fully
DMA LA				
Employment	Employees	68		Fully
	Performance Tables	95-96		
	Human Rights and Employee Rights Management	69-70		
Labor/ management relations	GRI Indicators Table	112		Fully
	Human Rights and Employee Rights Management	69-70		
Occupational health and safety	Performance Tables	98		Fully
	Occupational Health and Safety	82-86		

Gösterge	Bulunduğu Bölüm	Sayfa	Açıklama	Raporlama Seviyesi
Training and education	Talent Management	71-77		Fully
	Performance Tables	98		
Diversity and equal opportunity	Performance Tables	97		Fully
Equal remuneration for women and men	Human Rights and Employee Rights Management	69-70		Fully
DMA HR				
Investment and procurement practices	Human Rights and Employee Rights Management	69-70		Fully
Non-discrimination	GRI Indicators Table	112		Fully
Freedom of association and collective bargaining	GRI Indicators Table	112		Fully
Child labor	Human Rights and Employee Rights Management	69-70		Fully
Prevention of forced and compulsory labor	Human Rights and Employee Rights Management	69-70		Fully
Security practices	GRI Indicators Table	112		Fully
Indigenous rights	Contributing to Community	87-91		Fully
Assessment	Corporate Governance	22-25		Fully
Remediation	GRI Indicators Table	112		Fully

Gösterge	Bulunduğu Bölüm	Sayfa	Açıklama	Raporlama Seviyesi
DMA SO				
Local communities	Contributing to Community	87-91		Fully
Corruption	Corporate Governance	22-25		Fully
Public policy	GRI Indicators Table	113		Fully
Anti-competitive behavior	GRI Indicators Table	113		Fully
Compliance	GRI Indicators Table	113		Fully
DMA PR				
Customer health and safety	GRI Indicators Table	113		Fully
Product and service labelling	Process and Product Innovation	44-47		Fully
	GRI Indicators Table	113		
	Our Customers	49-52		
Marketing communications	GRI Indicators Table	113		Fully
Customer privacy	GRI Indicators Table	113		Fully
Compliance	GRI Indicators Table	114		Fully

Performance Indicators

Indicator	Location of Disclosure	Page	Notes	Level of Reporting
Economic				
EC1	Key Financial Indicators	94		Fully
	Annual Report	56-59, 90	http://www.aksa.com/en-US/InvestorRelations/FinancialStatementsAndReports/Lists/AnnualReports/Attachments/9/FR%202013%20Eng.pdf	
EC2	Message from the Chairman of the Board	4-5		Partially
	Message from the General Manager	7-10		
	Emission Management	60-61		
EC3	Human Rights and Employee Rights Management	69-70		Fully
	Annual Report	90	http://www.aksa.com/en-US/InvestorRelations/FinancialStatementsAndReports/Lists/AnnualReports/Attachments/9/FR%202013%20Eng.pdf	
EC4	Annual Report	91, 97	http://www.aksa.com/en-US/InvestorRelations/FinancialStatementsAndReports/Lists/AnnualReports/Attachments/9/FR%202013%20Eng.pdf	Fully
EC5	GRI Indicators Table	110	The lowest wage is equal to minimum wage within Aksa operations.	Fully
EC6	Supply Chain	48		Fully
EC7	GRI Indicators Table	110	All mid-level and senior managers are T.R. Citizens.	Fully
	Talent Management	71-77		
EC8	Contributing to Community	87-91		Fully
EC9	Our Customers	49-52		Fully
	Support for Education	88-89		

Indicator	Location of Disclosure	Page	Notes	Level of Reporting
Environmental				
EN3	Energy Management	56-59		Partially
EN4	Energy Management	56-59		Partially
EN5	Energy Management	56-59		Fully
EN6	Energy Management	56-59		Fully
EN7	Energy Management	56-59		Fully
EN8	Water Management	62-63		Fully
EN11	Water Management	62-63		Fully
EN12	Water Management	62-63		Fully
EN13	Contributing to Community	87-91		Partially
EN16	Emission Management	60-61		Fully
EN20	Emission Management	60-61		Fully
EN21	Water Management	62-63		Fully
EN22	Waste Management	64-65		Fully
EN23	GRI Indicators Table	111	No incident of spill has taken place within our operations during the reporting period.	Fully
EN25	GRI Indicators Table	111	There is no water body or natural habitat affected by water discharge occurred through our operations.	Fully
EN26	Process and Product Innovation	44-47		Fully
EN28	GRI Indicators Table	111	There has been no sanctions for noncompliance with environmental regulations during the reporting period	Fully

Indicator	Location of Disclosure	Page	Notes	Level of Reporting
Labor Practices and Decent Work				
LA1	Employees	68		Partially
	Performance Tables	95-96		
LA2	Performance Tables	95-96		Fully
LA3	Human Rights and Employee Rights Management	69-70		Fully
LA4	GRI Indicators Table	112	There are no unionized employees working at Aksa	Fully
LA5	Human Rights and Employee Rights Management	69-70		Fully
LA6	Occupational Health and Safety	82-86		Fully
LA7	Performance Tables	98		Fully
LA8	Occupational Health and Safety	82-86		Partially
LA10	Talent Management	71-77		Partially
	Performance Tables	98		
LA11	Talent Management	71-77		Fully
LA12	Talent Management	71-77		Partially
LA13	Performance Tables	97		Fully
LA14	Human Rights and Employee Rights Management	69-70		Fully
Human Rights				
HR3	Human Rights and Employee Rights Management	69-70		Fully
HR4	GRI Indicators Table	112	No incidents of discrimination have taken place during the reporting period.	Fully
HR6	Human Rights and Employee Rights Management	69-70		Fully
HR7	Human Rights and Employee Rights Management	69-70		Fully

Indicator	Location of Disclosure	Page	Notes	Level of Reporting
HR8	GRI Indicators Table	112	In accordance with the legislation, trainings on human rights are provided to all security staff.	Fully
HR11	GRI Indicators Table	112	No grievances related to human rights have been received during the reporting period.	Fully
Society				
SO1	Contributing to Community	87-91		Partially
SO2	Corporate Governance	22-25		Partially
SO5	GRI Indicators Table	113	Aksa does not contribute to lobbying activities.	Fully
SO6	GRI Indicators Table	113	Aksa does not make donations to or support political parties.	Fully
SO7	GRI Indicators Table	113	No legal actions for anticompetitive behavior, anti-trust, and monopoly practices have taken place during the reporting period.	Fully
SO8	GRI Indicators Table	113	There has been no significant non-monetary penalty fined due to failure to comply with the laws and regulations during the reporting period.	Fully
Product Responsibility				
PR2	GRI Indicators Table	113	There have been no incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during the reporting period.	Fully
PR3	Process and Product Innovation	44-47		Fully
PR4	GRI Indicators Table	113	There have been no incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during the reporting period.	Fully
PR5	Our Customers	49-52		Fully
PR7	GRI Indicators Table	113	There have been no incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during the reporting period.	Fully

Indicator	Location of Disclosure	Page	Notes	Level of Reporting
PR8	GRI Indicators Table	113	No complaints have been received regarding breaches of customer privacy and losses of customer data during the reporting period.	Fully
PR9	GRI Indicators Table	114	There have been no incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during the reporting period.	Fully

UN Global Compact Progress Statement

Human Rights

Principle 1: Businesses should support and respect the protection of international-ly proclaimed human rights; and 69-70

Principle 2: make sure that they are not complicit in human rights abuses. abuses. 69-70

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; 112

Principle 4: the elimination of all forms of forced and compulsory labour; 69-70

Principle 5: the effective abolition of child labour; and 69-70

Principle 6: the elimination of discrimination in respect of employment and occupation. 112

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges; 53-55

Principle 8: undertake initiatives to promote greater environmental responsibility; and 53-55

Principle 9: encourage the development and diffusion of environmentally friendly technologies. 53-55

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery. 22-25



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Sustainability Report ("Report") is prepared by Aksa Akrilik Kimya Sanayii A.Ş. ("Aksa", "Company" or "Aksa Akrilik"). This report is prepared for information purposes only and is not intended for constituting basis for any

investment decision. As of the period comprised by this report, all the contained information and the related documents are believed to be accurate and the information is disclosed in good faith and based on reliable sources.



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