

Corporate Responsibility Report 2013 2014

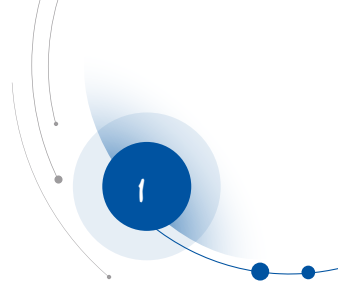


Internalization of Sustainability



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MESSAGE FROM THE CHAIRMAN OF THE BOARD

Being a growing company is an integral
part of being a responsible company...



Dear Stakeholders,

Bilim pharmaceuticals' understanding of values and business ethics has directed us in every phase of our work on sustainability. When upgrading the quality of our operations, we have also developed our respect for nature and our environmental practices are always at the forefront of everything we do. The health and safety of our employees has always been a priority for our company. We provided end users with access to world class products with our commitment to R&D work and the resources that we allocate to R&D.

The Bilim Pharmaceuticals Community Volunteers have carried out a number of very valuable projects to promote social welfare. I am delighted be able to present you, our valued stakeholders, with all applications and results that have been implemented within the framework of this sustainability, through our Corporate Responsibility Report which covers the years 2013 and 2014. At Bilim Pharmaceuticals, the results of the work we have carried out show that being a growing company goes hand-in-hand with being a "responsible" company. Indeed, while we move towards creating a "responsible company", an array of opportunities for material and spiritual gains, primarily savings, are waiting to be assessed. Our commitment to

business ethics is something that is well known among all of our stakeholders. As one of the leading companies in the Turkish pharmaceutical sector, we direct our operations with the aim of protecting not only the reputation of our company, but also the reputation of our country in every step we take. At the same time, as the leader in sustainability of the Turkish pharmaceutical industry, we are aware of our responsibilities. With this awareness, we are expending the utmost efforts to further develop our sustainability work.

As well as providing the highest transparency to all of our stakeholders, including the pharmaceutical sector, with this report we have also conveyed our experience. For this reason, I would like to underline the importance of corporate responsibility/sustainability reporting. We must remember that sharing of experience allows us to transfer valuable information that will carry forward not only our industry, but also all companies in the business world. It is for this reason that I would like to invite all companies to prepare a Corporate Responsibility Report in the Turkish business world.

Bülent Karaağaç

Chairman

BİLİM PHARMACEUTICALS AT A GLANCE...

IN 2014 BİLİM PHARMACEUTICALS...

- Provided a total of 118,883,256 boxes,
- Had total working capital of TL 1,043,000,837.14, Shareholders' Equity of TL338,955,599.99 and total liabilities of TL 704,045,237.15 at the end of the year,
- Recorded Net Sales of TL 516,956,970,
- Recorded a total of 163,912,427 transactions/operations,
- Employed a total of 1,774 people,
- Was the most preferred company for prescriptions, with a 8.7% share,
- Ranked 2nd in the box market with a 6.7% share,
- Was ranked 6th in the Turkish pharmaceutical market, with 3.9% share
- Was ranked 142nd in the ISO 500 list*,
- Was ranked 195th in the Fortune Turkey 500 list,
- Ranked 410th in "Top 1,000 Exporters of Turkey"list**

OUR SOCIAL ACTIVITIES...

- The Bilim Pharmaceuticals Community Volunteers has been active since its establishment in 2005,
- Bilim Pharmaceuticals completed 12 different projects, carried out 420 activities and performed 36,101 hours of volunteer work,
- Achieved access to more than 51,000 children and young people,
- Worked with 1,000 Bilim Pharmaceuticals Community Volunteers...

IN 2014 BİLİM PHARMACEUTICALS...

- Was the most preferred pharmaceutical company among physicians with a 8.3% share,
- Ranked 2nd in the box market with a 6.4% share,
- Ranked in 7th place in the Turkish pharmaceutical market with a 3.4% share,
- Was ranked 289th in the Capital 500 list,
- Had a total of 1,590 employees,
- Conducted a total of 161,665,587 transactions/operations,
- Recorded net sales of TL498,826,638,
- Provided 116,399,622 boxes,
- Had total working capital of TL 946,313,660.64, Shareholders' Equity of TL 261,007,967.14 and total liabilities of TL 685,305,693.50 at the end of the year,
- Produced 17% of the medicines produced in Turkey at its Gebze Plant, which has a production capacity of 250 million boxes,
- Was ranked 11th among the domestic companies which realize Turkey's technology exports ***

* Istanbul Chamber of Industry
 ** Turkish Exporters' Assembly
 *** Turkish Time 2015

ABOUT THE REPORT

We published our work in 2009 in what was the first corporate responsibility report in the Turkish pharmaceutical sector. Our report for 2010 was the first GRI approved level A report in Turkey while our 2011 report was Turkey's first A+ level published report approved by the GRI. We have been transparently sharing our economic, social and environmental impacts and our social responsibility projects with our stakeholders through our corporate responsibility reports.

Bilim Pharmaceuticals' Corporate Responsibility Report was prepared in compliance with the GRI G4 Core Level and in accordance with the United Nations Global Compact Communication on Progress criteria; the information in the content covers the period from 1 January, 2013 to 31 December, 2014.

Bilim Pharmaceuticals published Corporate Responsibility Reports annually until 2012. However, with effect from 2013, the reporting period was changed to two years. Our previous report covering the period from 1 January to 31 December, 2012 may be accessed from our website at <http://www.bilimilac.com.tr/tr/kurumsal-sorumluluk/kurumsal-sorumlulukraporlari.html>. We would welcome your views, proposals and questions on all reports at the surdurulebilirlik@bilimilac.com address.

CORPORATE PROFILE

About us

BİLİM PHARMACEUTICALS, which is proud to be 100% owned by Turkish capital, began operations in 1953 and is headquartered in Istanbul, carrying out its production at two plants. Approved by the German Ministry of Health, the Bilim Çerkezköy Processing Facility is one of Turkey's most important penicillin production plants. Bilim Gebze, approved by the UK Department of Health, is the largest, newest and the most environmentally sensitive drug manufacturing plant in Turkey. It houses the largest R&D center in the Turkish pharmaceutical industry, with 4,500 m² of laboratory space.

With a presence outside Turkey since 1998, sales of Bilim Pharmaceuticals products continue to evolve as a result of the company's search for potential partners in the target countries we determined based on the country selection criteria in line with the strategic plan, which covered 56 countries as of 2013 and 58 countries as of 2014. After gaining experience by accessing regional markets through local partners, in line with our strategy of setting up our representative office based on market potential, Bilim Pharmaceuticals established Representative offices in Moldova and Albania in 2009, and finally in Bosnia and Herzegovina in 2010.

Detailed information about Bilim Pharmaceuticals may be found on the corporate web page www.bilimilac.com.tr

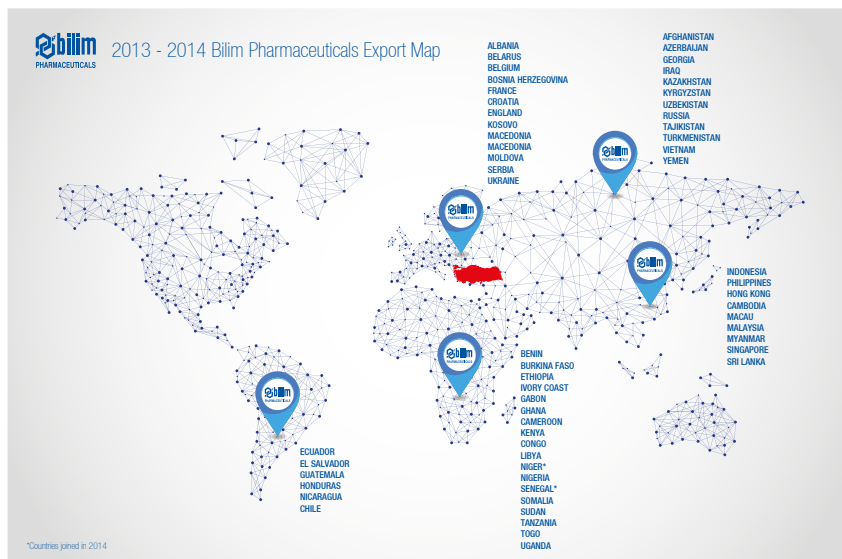


Figure 1

Our mission and vision

As a deeply rooted corporation, Bilim Pharmaceuticals places people and human health above everything, adopts quality as a philosophy of life, is open to continuous improvement, makes use of advanced technology, carries out production at international standards, is customer-oriented and develops economic products in line with its mission. Bilim Pharmaceuticals' mission includes preserving the environment and natural resources with a sense of social responsibility, placing importance on ethical values and contributing to the welfare of the community. Being in a sensitive sector due to the presence of direct concern to human health, the foundation of the vision of Bilim Pharmaceuticals comes from both keeping quality at the forefront of what it does and while also respecting future generations. The Vision: 2014, created with this basis, consists of two main elements;

- To be one of the top three companies in the Turkish pharmaceutical market
- To achieve the highest level of exports of any domestic producer of medicines

OUR PRODUCTINO FACILITIES

Bilim Pharmaceuticals is headquartered in the Bilim Plaza in Istanbul, with production taking place in two separate facilities which were designed in accordance with current Good Manufacturing Practices (cGMP).

The Bilim Çerkezköy Processing Facility, which holds EU GMP certification, is one of Turkey's most important penicillin production facilities. The Bilim Gebze production facility, which is also EU GMP certified, is Turkey's largest, newest and most environmentally friendly drug manufacturing plant.

Bilim Pharmaceuticals Production Quantities 2013-2014

Çerkezköy Processing Facility (G4-4)

Located in the Çerkezköy Organized Industrial Zone, the Çerkezköy Processing Facility is built on an area of 22,000 m² with an indoor area of 9,250 m². The facility entered operation in 1998. Penicillin Oral Solid (tablets, film covered tablets, capsules and dry powder suspension) and Penicillin Powder Injectable drugs are manufactured at Bilim Çerkezköy Processing Facility, which has a total production capacity of 44 million boxes per year. (Appendix: Table 1: Products Manufactured at the Çerkezköy Processing Facility and Their Amounts).

Holding the ISO 9001 Quality Management System, ISO 14001 Environmental Management System and OHSAS 18001 Occupational Health and Safety Management System certifications, the facility complies with cGMP regulations and integrated management system standards. (Appendix: Table 2: Box production amounts)

Gebze Production Plant

Having entered operation in 2008, Bilim Gebze, which is the largest drug manufacturing plant in Turkey according to production forms, was planned in accordance with the standards of the American FDA (Food and Drug Administration), one of the world's most prestigious healthcare authorities. Established in the Gebze Organized Industrial Zone on an area of 60,000 m², the facility has an indoor area of 51,500 m². With a production capacity of 250 million boxes per year, Bilim Gebze is planned in a manner that will allow adaptation to the need to increase capacity. The facility is single-handedly able to meet 17% of the needs of the Turkish pharmaceutical industry.

The Bilim Gebze Processing Facility holds the ISO 9001 Quality Management Systems, ISO 14001 Environmental Management Systems and OHSAS 18001 Occupational Health and Safety Management Systems certificates.

Products Manufactured at the Bilim Pharmaceuticals Gebze Production Plant and Their Amounts

Gastrointestinal products, analgesics-anti-inflammatory products, dermatological products, antibiotics (non Beta-Lactam), vitamins and minerals, respiratory system products, anti-parasitic products, Sweeteners, central nervous system products, cardiovascular products, iron preparations, muscle relaxants and flu products are produced. (Appendix: Table 3: Products Manufactured at the Gebze Production Plant and Their Amounts).



Foreign Markets, the total turnover grew by 72% over a 5 year period to reach USD 45.4 million.

*USD
26.4 million
(2010)

* USD
45.4 Million
(2014)

Share of total exports of pharmaceutical products:
5,2% (2014)

BOARD OF DIRECTORS

Bilfar Holding, which was the owner of more than 97% shares of Bilim Pharmaceuticals Co., and Bilim Pharmaceuticals merged on 3 January 2014. Number of Board Member remained same as 4.

Shareholding Structure

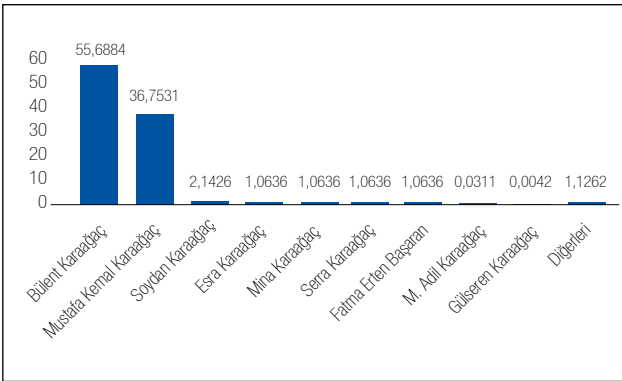


Table 4: Shareholding Structure (%)

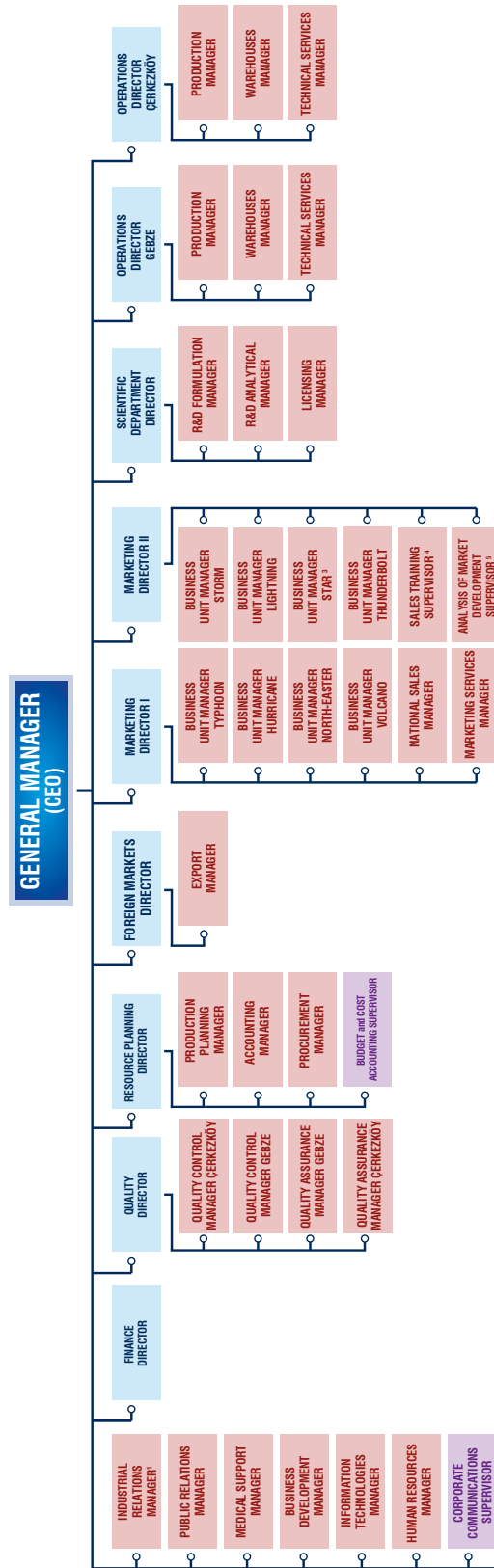
The Chairman and Deputy Chairman have no executive duty in the company. The CEO is also the Chairman of the Executive Board. Shareholders may table suggestions to the highest governance body, but they have no power to give instructions. Methods and mechanisms determined on how to obtain the expectations of shareholders and other stakeholders, are defined in detail in the company's "Strategic Plan (SP) and Annual Plan and Budget (APB) Approach".

Members of the Board of Directors are elected by the General Assembly and convene at least once a month and, if necessary, more than once a month in accordance with the regulations on joint-stock companies. Board members are predominantly individuals with a high level of knowledge, experience and expertise in the areas of Marketing, Finance and the Pharmaceutical Industry.

Chaired by the CEO, the Directors Committee is comprised of the heads of all departments who directly report to the CEO. The committee convenes once a week. The ratios of men and women in the Committee are 64% and 36%.

Chairman	Deputy Chairman	Board Member	Board Member
Bülent Karaağaç	Mustafa Kemal Karaağaç	Erhan Baş	Serdar Tamer Kaygan
After graduating from the School of Business at Indiana University, Bülent Karaağaç went on to complete a Master's degree in Accounting from the Roosevelt University. Bülent Karaağaç has more than 35 years of experience working in the sector.	Mustafa Kemal Karaağaç graduated from the Business School of Manchester University. Mustafa Kemal Karaağaç has more than 30 years of experience working in the sector.	Erhan Baş graduated from the Faculty of Medicine at Istanbul University in 1983. Erhan Baş has more than 25 years of experience working in the sector.	Serdar Tamer Kaygan graduated from the Department Of Business Administration at Ankara University in 1989 and completed a Master's degree in the same university in 1993. Kaygan has more than 11 years of experience in the sector.

BİLİM PHARMACEUTICALS ORGANIZATION STRUCTURE



NOTE: The positions numbered 1, 3, 4 and 5 were established in 2014. Position 2 was established in 2013.

OUR VALUES

Human happiness

We know that quality of life is based on human happiness. We think the competence of our employees is reflected in our customers' happiness. We believe that the concept 'respect for people' is the most important link of this chain.

Respect for the future generations

We know that we are responsible for the world we leave to future generations. We think it is vital to wisely utilize all global resources - especially water and energy. We believe in the importance of providing economic, ecological and sociological contributions to the community.

Ethics management

The three axes of justice, accountability and transparency are of tremendous importance, with ethics running in the DNA of our decision making processes. We are aware of our obligation to abide by national and global laws and rules. We believe in the importance of being able to sleep with peace of mind.

A passion for success

We know that the first step taken on any journey of success is passion. We think that having a solution-oriented positive character will allow us to reach the biggest achievements. We believe each and every new day is the messenger of new success

Change

We know that the only thing that does not change is change itself. We think that change does not only mean 'being open to innovation'; it also means differentiating and developing. We believe we must continuously improve and develop our business within the framework of the principle of excellence.



The values
we cherish bring
meaning to
our lives

OUR BOARDS

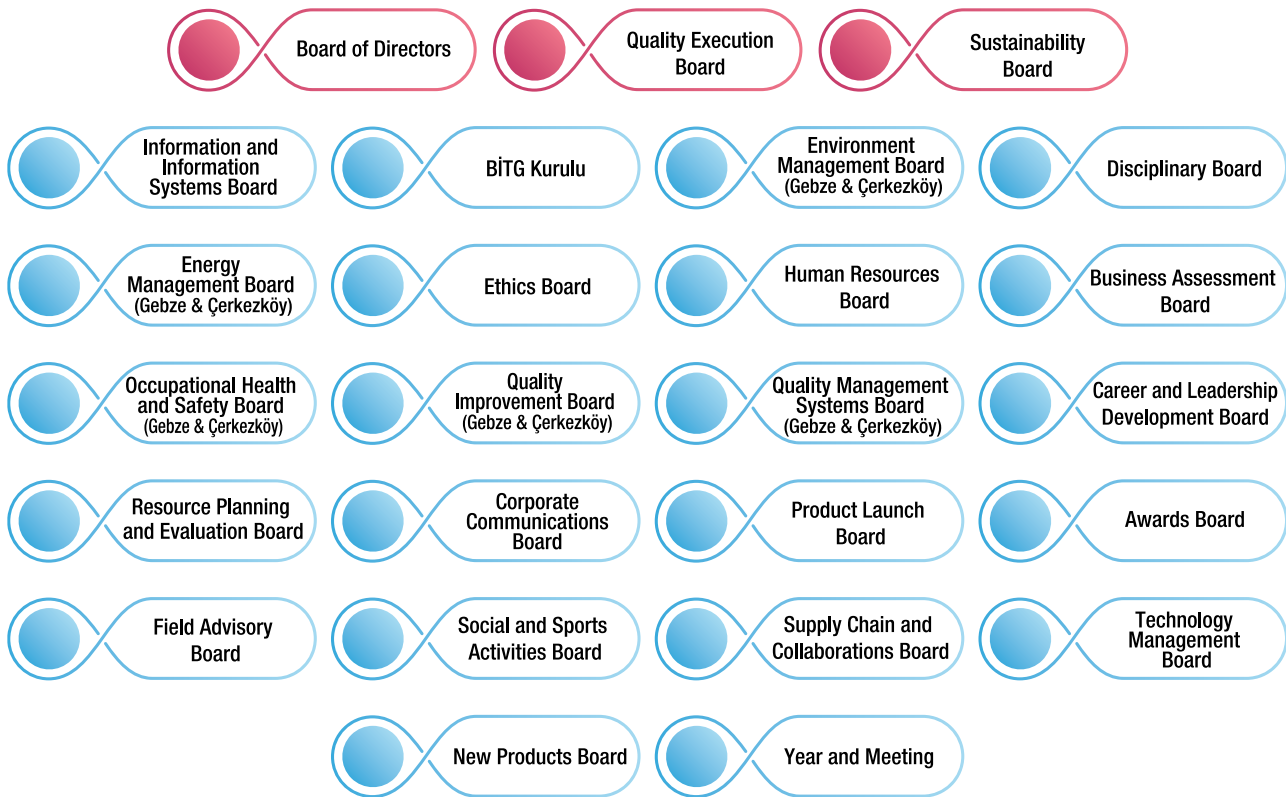


Figure 2

Note: The boards shown in pink are sponsored by the CEO, while the boards shown in blue operate independently.

STAKEHOLDER ENGAGEMENT

(G4-24, G4-25)

Stakeholders are those individuals and/or corporations which are affected by our activities or affect our activities. In this respect, our stakeholders are our employees, customers, business partners/suppliers, shareholders, public institutions, sectoral associations, non-governmental organizations, the media and the community.

We set up clear, transparent and reliable relationships with all of our stakeholders and act with the understanding of ethical and principled management.

Stakeholder Visits

In 2013 and 2014, doctors, pharmacists and partners from various countries were invited to Istanbul and were taken to the production facilities at Bilim Pharmaceuticals, where they were informed about the Turkish pharmaceutical technology and our production processes. Within the scope of such we visited 333 stakeholders in 2013 and 245 stakeholders in 2014 in 15 countries.

Management of Stakeholder Communication (G4-26, G4-27)

Stakeholders	Communication Channels	Objective
Employees	Notice Boards (continuous),	To achieve a unity of the language and goals among our employees through active and various communication channels/tools, to provide the opportunity to follow the corporate agenda and guidance, to increase their competency, to contribute to their development, to ensure their participation in work processes and to promote their motivation and loyalty.
	Bilim Portal (continuous),	
	Electronic Communication (continuous),	
	Quality Day (in case of necessity on the basis directorship),	
	CEO Information Meetings (twice annually),	
	Marketing End Period Meetings (annual),	
	Open Door Meetings (monthly),	
	Acquaintance Cocktails (when necessary),	
	"Welcome to the Club!" Dinner (when necessary),	
	Meetings with Special Agenda (when necessary),	
	Social-Sports Events (within the framework of the communications plan),	
	Bilim Family Activities (within the framework of the communications plan),	
	Field Period Meetings (every three months),	
	HR Regional Visits (when necessary),	
	Employee Satisfaction Surveys (annual),	
	Subject-Based Surveys (annual),	
	Focus Group Negotiations (annual),	
	Performance Negotiations (annual),	
	Individual Suggestion System (continuous),	
	Boards (every three months),	
	Guest of the Month (in the framework of the communications plan),	
	Departmental Meetings (when necessary),	
	Bilim Portal News from Bilim (when necessary),	
	Motivation Practices (when necessary),	
	Marketing-HR Coordination Meetings (when necessary),	
	Quality Circle and Quality Improvement Projects,	
Bilim Pharmaceuticals Community Volunteers Platform (continuous),		
Reputation Ambassadors Platform (continuous),		
Orientation Program (monthly),		
Exit Interview (when necessary),		
Phase Trainings (when necessary),		

Management of Stakeholder Communication (G4-26, G4-27)

Stakeholders	Communication Channels	Objective
Customers	Medical Promotion Representative Visits (continuous),	To understand our customers' expectations and requirements accurately by establishing bidirectional, sustainable and qualified communication channels and to apply our processes in this direction.
	Factory Visits (continuous),	
	Customer Visits (continuous),	
	Scientific Meetings, Congresses / Panels / Conferences (when necessary),	
	Customer Satisfaction Survey (every two years),	
	Customer Focus Group Research (when necessary),	
	Pharmacy Consultancy Board (when necessary),	
	Physician Consultancy Board (when necessary),	
	Foreign Market Partner Meetings (continuous),	
	Phone Calls (continuous),	
	Complaints (continuous)	
Suppliers and Collaborations	Supplier Visits (continuous),	To trade ethically with our suppliers and collaborations and to create awareness on sustainability.
	Factory Visits (continuous),	
	Supplier Satisfaction Survey (every two years),	
	Supplier Evaluation Survey (when assessing new suppliers and when necessary),	
	Business Partners Summit (every two years),	
	Supplier Audits (continuous),	
	Phone Calls and Visits (continuous)	
Shareholders	Board of Directors Meetings (monthly),	To raise the level of satisfaction of shareholders and to strengthen their investment motivation.
	Activity Reports (monthly),	
	Annual Plan Budget Meetings (according to schedule, 3-4 times a year),	
	Strategic Plan Meetings (according to schedule, 2-3 times a year)	
Public Institutes, Sectoral Associations	Project Partnerships (continuous),	To provide information about the sector, to ensure full compliance with the laws and regulations, to offer suggestions with respect to new draft laws and regulations in order to contribute to the development of the sector.
	Memberships, Participation in Meetings (continuous),	
	Benchmark Studies (when necessary/ within the framework of the benchmarking plan)	

Management of Stakeholder Communication (G4-26, G4-27)

Stakeholders	Communication Channels	Objective
Non-Governmental Organizations	Project Partnerships,	To contribute to the development of NGOs, to employ their expertise and to create an environment of mutual learning.
	Memberships,	
	Representation	
Media	Press Meetings (where necessary),	To strengthen our corporate reputation, to ensure transparency and to inform the community
	Press Bulletins (where necessary),	
	Interviews (where necessary),	
	Factory Visits (where necessary),	
	Corporate Reputation and Research on Perception (every two years)	
Community	Awareness Raising Efforts (continuous),	To be sensitive, respectful, and responsive to the needs of the community and to contribute to social and cultural development
	Factory Visits (for students, on request),	
	Corporate Reputation and Research on Perception (every two years),	
	Bilim Pharmaceuticals Community Volunteers Platform (continuous)	

Table 5: Stakeholder Communication

MATERIALITY

Materiality and Borders (G4-17, G4-18)

This report contains economic, social and environmental impacts of organizations in the consolidated financial statements of BİLİM PHARMACEUTICALS.

Workshops are conducted with groups that have the authority to set the company's strategic priorities, as well as with different stakeholder groups in order to map out the priorities for Bilim Pharmaceuticals. A framework for BİLİM PHARMACEUTICALS' PRIORITY ISSUES emerged as a result of these workshops.

The distribution of Bilim Pharmaceuticals' priority issues based on Bilim Pharmaceuticals' business strategies and stakeholder views are set out in detail in the following matrix.

The scope and boundaries of the report are determined in accordance with the ideas received from different stakeholder groups through workshops. The report is designed in such a manner that all stakeholders can easily reach the issues of concern and information they seek.

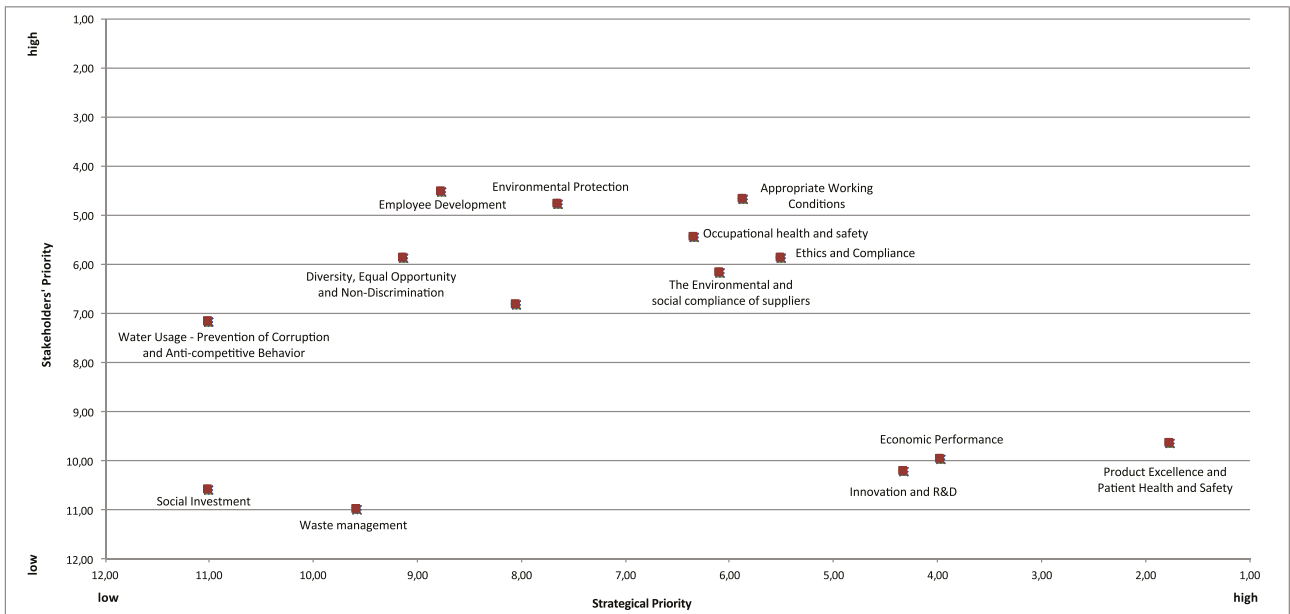


Table 6: Materiality Matrix

Material Issues (G4-19, G4-20, G4-21)

Product Excellence and Patient Health and Safety	A strategically important element for Bilim Pharmaceuticals. Workshops are identified as the first priority element for our internal stakeholders, principally the Sustainability Board, Board of Directors and Employees of Bilim Pharmaceuticals. Due to its significant prioritization by our external stakeholders, the issue is covered in detail in the report.
Economic Performance	Economic performance is of tremendous great importance in terms of the continuity of operations at Bilim Pharmaceuticals. Applications and data are highly important for our stakeholders, considering the indirect economic impacts.
Innovation and R&D	This item is deemed to be of high priority, especially by the Bilim Pharmaceuticals Sustainability Board and the Board of Directors, while it is deemed at a lower priority for our external stakeholders.
Ethics and Compliance	At Bilim Pharmaceuticals, we focus on Ethics and Compliance, which has been identified as a first priority issue, in particular by pharmaceutical wholesalers and pharmacies.
Appropriate Working Conditions	Appropriate Working Conditions, which we attach the highest importance to in the context of caring for our employees, is ranked as having the highest importance among NGOs and international organizations.
The Environmental and social compliance of suppliers	This is ranked in middle places by the Bilim Pharmaceuticals Sustainability Board among the priority issues and ranked second by the pharmacies and pharmaceutical wholesalers.
Occupational health and safety	The health and safety of our employees is the most important priority of our company and external stakeholders, NGOs and international organizations, and the 3rd highest priority for Bilim Pharmaceuticals.
Environmental Protection	Bilim Pharmaceuticals' sensitivity to the environmental is amply demonstrated in its operations, and is approached with the same sensitivity and has been identified as a priority issue by our external stakeholders, the COSB (Cerkezkoy Organized Industrial Zone) and the GOSB (Gebze Organized Industrial Zone).
Access to Medicines	The Physicians and Patients Association, one of our external stakeholders, prioritized Access to Drugs at the top level, while at Bilim Pharmaceuticals it was identified as a high priority by the Board of Directors.
Employee Development	Suppliers, one of our external stakeholders, placed the highest priority on Employee Development among the priority issues ranking, demonstrating as much sensitivity to the issue as Bilim Pharmaceuticals.
Diversity, Equal Opportunity and Non-Discrimination	The issue, which was identified as the top priority by NGOs and international organizations, was prioritized at the 8th level by employees of Bilim Pharmaceuticals.
Waste Management	Although Waste Management was not among the priority issues for external stakeholders, it was identified as a priority issue by the Sustainability Board of Bilim Pharmaceuticals.
Social Investment	Although the element of Social Investment Work was not among external stakeholders' priority issues, it was identified as a priority issue by the employees of Bilim Pharmaceuticals
Water Usage	The Water Usage issue was prioritized at the most important issue by our external stakeholders, the COSB (Cerkezkoy Organized Industrial Zone) and the GOSB (Gebze Organized Industrial Zone), and as the second most important issue by the Physicians and Patients Association.
Prevention of Corruption and Anti-competitive Behavior	The Prevention of Corruption and Anti-competitive Behavior was prioritized at the first level by suppliers, one of our external stakeholders, while it was determined as the 4th most important issue by pharmaceutical wholesalers and pharmacies.

Table 7: Priority Factors

OUR AWARDS

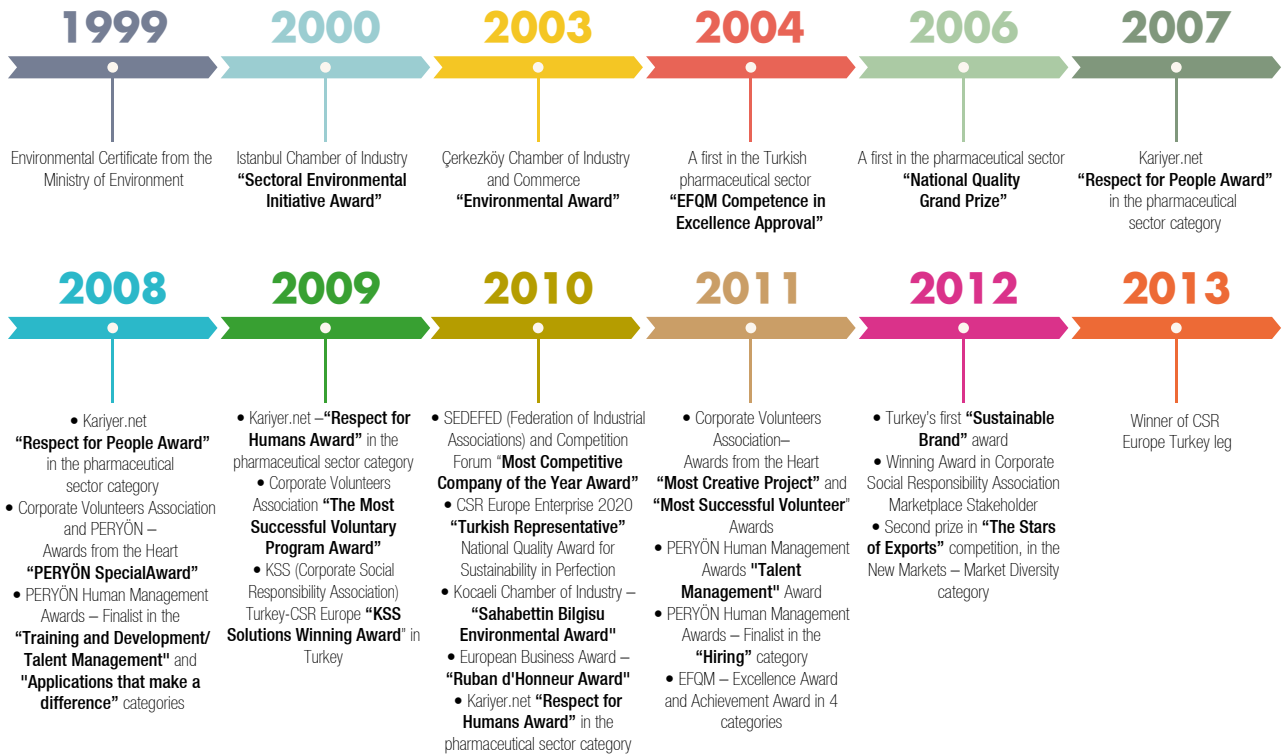


Figure 3

ETHICS AND COMPLIANCE

Our understanding of Ethics Management

At Bilim Pharmaceuticals, the main demonstration of our way of doing business is our values. Ethics Management is the most pillar of our values. Our approach to ethical management is founded on our corporate values and operating principles stemming from our activities, which we successfully carried out for many years.

Our business ethics principles do not only protect our corporation and employees but also serve as a guide that helps us see the way in light of all our decisions and activities goes beyond laws, regulations and procedures. Our Business Ethics Principles, which play an important role in protecting and strengthening the relationship of trust between our corporation and the stakeholders, as well as the third parties which it works with, consists of two parts - Business Ethics Guidelines and Principles.

In our understanding of Ethics Management, all members of the management, all of our employees and the members of the Board of Directors all have a stake. All members of the management are responsible for ensuring suitable business ethics guidelines and principles. The Chairman of the Board is responsible for organizing The Ethics Board in order to ensure the healthy application of work business ethics procedures.

OUR ETHICS BOARD		
Chairman	Dilek Mete	Human Resources Manager
Fully affiliated Member	Kadriye Özçelik	Quality Director
Fully affiliated Member	Metin Topsakal	Medical Support Manager
Fully affiliated Member	Sibel Duran	Çerkezköy Quality Assurance Manager
Independent Member	Zeki Pekgenç	Business Law Attorney
ETHICS BOARD CONTACT INFORMATION		
Phone: 0212 365 17 61 e-mail: etik@bilimilac.com		

Ethics Board

Our Board of Ethics continues the work with the aim of having our employees adopt our values and, in line with our ethics principles, creating a positive corporate atmosphere that emotions such as respect, honesty, and responsibility are felt strongly. Employees' problems with Ethical Principles they encounter in everyday business life, complaints and notices delivered by the employees, suppliers, or customers on ethics are discussed in the Ethics Board. Business Ethics Principles and Policies which will form the basis of the work of the Ethics Board, and the decisions taken by considering laws, societal values and organizational values are reported directly to the Chairman of the Board of Directors. Decisions are implemented with the approval of the Chairman of the Board of Directors.

Our Board consists of five members, four of whom are fully affiliated members (full time) and one independent member being a consultant. The Board aims to provide the highest level of objectivity and fairness with the participation of a legally competent independent member in the decision making process.

STAKEHOLDER OPINION

TAYFUN ZAMAN (TEİD General Secretary)



The Ethics and Reputation Society (TEİD) has been promoting the understanding, adoption, and dissemination of the universal principles of business ethics and has ensured their place at the heart of the company's written culture since 2010. In this regard, TEİD aims to come to a point where it reflects companies' experiences of commercial organizations in every corner of Turkey and becomes a reference point, while supporting their development with the best practices.

Today, a new working understanding is crucial where ethical values are at the heart of what we do, and these values have become indispensable to corporate culture. The preconception that attaching importance to ethical values leads to a dilution in the value or profits of companies has been shown to be false. One of the best examples in this regard can be seen in the value of companies trading on the US Dow Jones stock exchange, where those companies which practice ethical management and work to a code of ethics and are known as ethical by investors have, on average, a valuation 5 percentage point higher than the valuation of companies in the same sector of equivalent size which do not practice ethical management.

One of the milestones of the journey that started with ethics is reputation. The impact of a company's reputation on their efficiency was shown in a research study which found that 76% of respondents agreed with the statement that "the products of companies which have business ethics are of better quality", with 87% saying they would purchase a reputable firm's products if the products were the same price. Over the course of our ongoing collaboration since 2010, Bilim Pharmaceuticals has always been a special member with the support of the work of our association on business ethics. As an Association we appreciate Bilim Pharmaceuticals' intention to send a clear message to all stakeholders on this issue by signing the "Business Ethics Common Declaration".

HUMAN RIGHTS AT BILIM

Bilim Pharmaceuticals always starts from the reference of "people first". Bilim Pharmaceuticals' impact on Human Rights is kept under the strict control by the Ethics Committee. The necessary complaint mechanisms have been established and the accuracy of all complaints that are passed through the mechanism are analysed in confidence, and necessary actions are implemented immediately.

During the reporting period no complaints were submitted to the Ethics Committee with respect to any violation of Human Rights through formal complaints mechanism.

Human Rights Training At Bilim Pharmaceuticals

The Ethics Management Handbook, our guidance on human rights, equality, justice management practices, was transformed into an online training and open access to all of our employees in 2014 and has been declared to be compulsory training. Employees who have completed this training are committed to working in

compliance with these principles by signing a commitment to ethical management.

The Bilim Pharmaceuticals Human Rights Project, which we implemented in 2013, aims to keep all Bilim Pharmaceuticals' employees informed of and raise their awareness of general human rights concepts, human rights and corporate practices, and mobbing. At the end of the project, employees should be informed of their rights and the rights of the other employees they work with both in the working environment and outside working hours, and should act on this awareness.

193 employees attended the "Human Rights and Discrimination" training which we conducted within the scope of the Business World Human Rights Capacity Building Program, 327 employees attended the "Mobbing" (Psychological harassment) training, 91 people attended the "Internal Gender Equality" training and 76 attended the "Bilim Pharmaceuticals' Human Rights" training program. In this context, a total of 316 hours of training were provided.

Prevention of Corruption and Anti-competitive Behavior

All of our activities at Bilim Pharmaceuticals comply with the law, regulations and internationally recognized practices. We conduct relations with organizations and institutions which regulate, implement and monitor the rule of law consistent with our principles of integrity, transparency and accuracy.

Our commitment to ethical management prohibits any profiting from the purchase and sale of goods and services, the award of any gift to any person or the completion of any payment with the intention of providing undue benefit or advantage to the company with the help of the authorities. During our activities we pay special attention to the issues of bribery and corruption. Due to the nature of our sector, we make use of the knowledge and services of health workers and scientists. We conduct our services without neglecting the fact that most of these people are public authorities and work for public institutions. It is imperative that no gifts or payment be made to public officials with the intent of affecting their decisions, or which could be perceived as an attempt to do so. Bilim Pharmaceuticals prohibits its employees, consultants, agents and other representatives from direct or indirect involvement in commercial bribery.

Bilim Pharmaceuticals offers all of its employees training on corruption and the prevention of anti-competitive behaviour, and all employees are required to sign a commitment to comply with the Code of Ethics to make certain of this process. In addition, all workers are required to declare their acceptance of the protection of privacy rights by signing the Confidentiality and Non-Competition Protocol. In the event that these principles are violated, measures are taken in the legal framework (Appendix: Table 8: Communication and Training, Training Hours and Number of People Related to Anti-Corruption Policies and Procedures). In tackling corruption, Bilim Pharmaceuticals ensures that all of its stakeholders, as well as its stakeholders, have access to the Ethics Board with our complaint mechanisms that are actively in use as well as trainings. Bilim Pharmaceuticals employees who inform are under the employment security. Their employment cannot be terminated by any other person or administrator as a result of any complaints associated with such action. Likewise, any of our members who have been the subject of false complaints are protected by employment security. With this method, we enable our employees to transmit their complaints to our Ethics Board without interference or obstruction from managers, senior management or colleagues.

During the reporting period, no cases were recorded relating to trustification or monopolization. During this time, there were no recorded cases of corruption, firing due to corruption or any disciplinary sanctions. There were no cases of cancellation due to violations related to corruption with our business partners.

Traceability in the Drug Procurement Process and Anti-Counterfeiting

The Pharmaceutical Track and Trace System is a system that aims to eliminate fraud in medicine by allowing traceability from the production of a drug until it reaches the final patient at every point of the entire supply chain.

Bilim pharmaceuticals runs a fully integrated Pharmaceutical Track and Trace System with SAP (ERP) system which employs advanced technology enabling full automation between systems in all processes from production lines to the storage of products, from the sales order to the production / sales notice to the Ministry of Health in Turkey.

As of September 2010, the Ministry of Health started making use of the "Pharmaceuticals Track and Trace System" that will ensure mandatory communication between the Ministry's systems, drug manufacturers, drug distribution stores and pharmacies to prevent drug counterfeiting. Thanks to the "Pharmaceuticals Track and Trace System", traceability is ensured at every point of the supply chain, from the production phase of the drug, continuing until it reaches the patient.

Bilim Pharmaceuticals has realized full automation in all processes between systems from production lines to the storage of products, from the sales order to the production / sales declaration to the Ministry of Health in Turkey.

The latest technologies are used in our Factories;

- Werum Production Management System (MES) and SAP system, used in production lines,
- The Antares Medication Tracking System (ATS) and SAP system, providing barcode printing in pharmaceutical production lines,
- The Schaffer Warehouse Management System (WMS) and SAP System, which allow products to be placed on the highest shelves managed unattended,
- The WMS system and SAP system, that undertake drug shipments to stores without human error,
- Caretta system (T&T) which performs automatic notifications to Ministry Systems (MOH)

In addition to meeting the country's regulatory requirements, this technology has raised manufacturing at Bilim Pharmaceuticals to world-class levels and is regarded as an example of good practice in the Pharmaceuticals Tracking System at the international level, which will be rolled out worldwide in the future.

RISK MANAGEMENT

At Bilim Pharmaceuticals, risk management processes are designed to manage and establish the prevention, prioritization, and evaluation stages of risks as required by the regulations which apply to it, established practices and the risk management culture.

Conducting studies for preventing the emergence of risks in an environment of existing continuous process of revision and improvement, as well as implementing preventive measures, is essential. In this stage, which preventive and protective activities are undertaken, the inclusion of two elements which are important components of the risk management process are of particular importance;

- 1- Receiving and evaluating stakeholder views
- 2- Supporting sustainability

Bilim Pharmaceuticals demonstrates the maximum effort to use resources in the most economical and efficient manner. In this context, a precautionary approach is at the forefront of its business processes. According to Principle 15 of the Rio Declaration, a precautionary approach is defined as 'In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation'

Prioritization of the risks likely to occur, despite the preventive measures being taken, is one of the most important elements of the risk management process. As a result of the evaluations of all of directorates with stakeholder feedback, the risk measurements which calculate effects and probabilities constitute the basis for risk management plans and shed light on the work of which risk management tactics and strategies will be developed must be addressed first. The prioritization process, in which the Sustainability Board also plays an active role, enables work related to risks which are deemed important (which have a high probability of occurrence and significant effects to be carried out in a much more efficient manner and to spread.

Risk assessment, on the other hand, includes studies of the elimination of risks that arise for internal or external reasons despite all efforts and preventive measures, minimizing the effect and also avoiding repetition. Risks which are assessed through risk assessment environments in 10 different environments are evaluated within the framework of specific plans for each strategic risk within the framework of a risk management plan and the effects are minimized with the selected measures. We are aware that the most important element in our excellent risk management, in terms of procedures and regulations as well as our actual implementations, is the involvement of all stakeholders.

Our work on risk management will assume a more significant role in the corporate culture and improvements will remain an important part of the strategic plan.

Transparency and accountability form the foundation of our sustainability strategy.

SUSTAINABILITY MANAGEMENT

As a responsible company, Bilim Pharmaceuticals aims to become a company engaged not only in positioning itself as a profit-oriented company; but also investing in the future of our sector, our country and our world as well as in their own future, with its sustainability work. According to studies conducted in the sector, it is recognized as a "sustainability leader".

At all levels of our organization, we strive to become "a company that respects future generations" and we are implementing social investment projects through the principle of "respect for future generations".

We have been implementing the EFQM (European Foundation for Quality Management) Excellence Model since 1998 as a quality model in business processes and in the process we have assumed a more corporate structure. We have been measuring our economic, environmental and social impacts and preparing improvement plans to reach better standards

We are considered as an "example company" in sustainability, not only in the pharmaceutical industry but across all sectors and we share our experiences and knowledge in many different platforms.

Our primary target is to build our sustainability approach within our corporate culture and to support the participation and development of all our stakeholders, placing priority on our employees, our customers and our suppliers on this journey.

We manage corporate reputation effectively not only in the pharmaceutical industry but across all sectors, being considered among the "sample" companies in this field, and we share our knowledge and our experience on many different platforms. At Bilim Pharmaceuticals, business strategies based on sustainable development are adopted, where "sustainable development" has an important place in the strategic plan. Behind all of this work is the fact that we have built corporate value of our company together with our employees and integrated our values with our processes and all our employees within the scope of the BI'L Leadership Model we are implementing.

Our employees take pride in working for a company which is a responsible contributor to the ecosystem and the society in which they live.

The sustainability efforts we have undertaken in line with our philosophy of sustainable living for future generations is aimed at providing a positive contribution to our business results. Being a responsible company strengthens our reputation, enables us to do our job better, strengthens our relationship with our stakeholders, increases the satisfaction and commitment of our employees and allows us to save. In addition, sustainability studies trigger corporate learning, improve our capacity and promote a culture of innovation. Thus, our employees have the satisfaction in knowing that they are working for a company which contributes positively to the ecosystem and the society in which they live.

Our Strategic Sustainability Targets

- Integrating the sustainability approach into the corporate culture
- Instilling an awareness of sustainability by strengthening stakeholder dialogue
- Execution of improvement works
- To come to a leading position in sustainability.
- Continuous monitoring – evaluation for improvement

Supported by the CEO, the Sustainability Board comprises of those who have the right to make decisions on behalf of all departments of the company. In order to integrate the sustainability approach into all business strategies, our sustainability board drafts strategic plans, determines targets and monitors and evaluates practices. The implementation and dissemination of our main strategic goals are followed and encouraged under the leadership of the Sustainability Board. On our ongoing and newly developed projects, we are developing and evaluating issues in all aspects with our collaboration with internal stakeholders, NGOs and international sustainability platforms.

Our Sustainability Board follows and encourages the realization of our strategic sustainability goals.

OUR MEMBERSHIPS

Collaborating with external initiatives, which is the complementary element in achieving our Strategic Sustainability Targets, represents an important place in the business processes of Bilim Pharmaceuticals.



- Gebze Chamber of Commerce
- Kocaeli Chamber of Commerce
- Çerkezköy Chamber of Commerce and Industry
- IMMIB- Istanbul Minerals and Metals Exporters' Associations



- IEIS- Pharmaceutical Manufacturers Association of Turkey
- ÇOSB- Çerkezköy Organized Industrial Zone
- GOSB- Gebze Organized Industrial Zone Industrialists' Association



- UNGC - United Nations Global Compact
- TKYD - Corporate Governance Association of Turkey
- KALDER - Quality Association of Turkey
- OSGD - The Corporate Volunteers Association
- TEID - Turkey Ethics and Reputation Society
- PERYON - Turkey People Management Association
- KSSD - Corporate Social Responsibility Association
- Genç Basari Vakfi - The Young Achievement Education Foundation
- WWF - World Wide Fund for Nature
- AÇEV- The Mother Child Education Foundation
- FODER - Association for Financial Literacy and Access
- TEMA - Turkish Foundation for Combating Soil Erosion, supporting Reforestation and the Protection of Natural Habitats



Mandatory memberships



Voluntary sector based memberships



Voluntary memberships and NGO memberships

Our Collaborations Within The Framework Of Our Commitment To Corporate Responsibility

Our CEO, senior management, managers and employees from all departments such as field, factory, headquarters all work as volunteers in around 20 associations, NGOs, and foundations such as the Private Sector Volunteers Association, Turkish Quality Association, PERYÖN, Ethics and Reputation Society, the UN Global Compact.

We are also involved in the management process of the institutions which we support voluntarily. Our CEO was Chairman of the Board of Directors of the Private Sector Volunteers Association in the 2013 – 2014 period, and his duty will continue until 2016.

He is acting as a member of the board of directors between 2013 and 2016 at the Turkey Local Area Network of the UN Global Compact, the largest corporate citizenship initiative in international extent, and we also actively support a wide array of working groups in various fields such as the Women's Empowerment Principles (WEPs) and Business for Peace (B4P). We also have a presence as a Member of the Board of Directors on organizations such as KalDer, IEIS and TEİD.

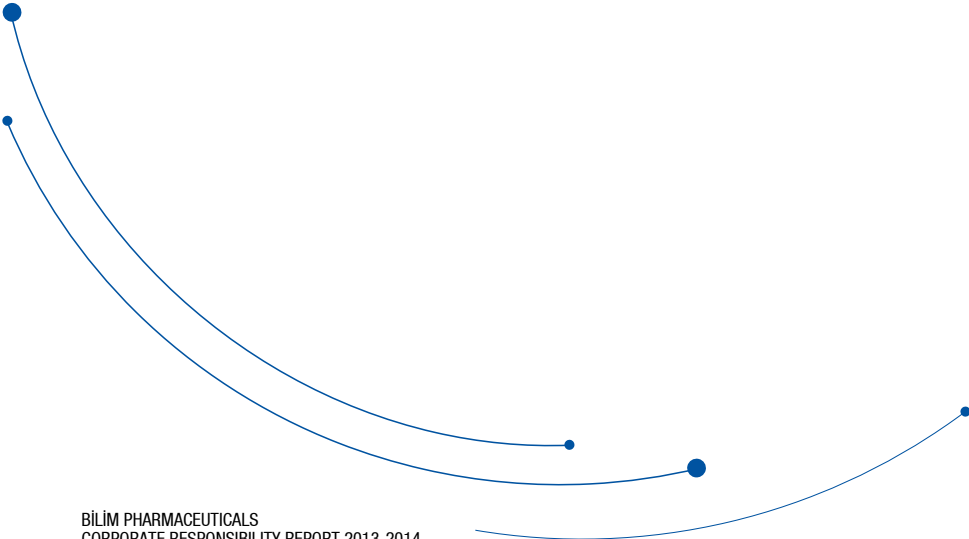
In addition to those organizations that we are members of and support the management, we also conduct projects in partnership and periodic business associations with important institutions such as the WWF, TEMA, ACEV and Step by step.



Bilim Ilac was the first pharmaceutical company in Turkey to sign the Statement of Support for the UN Business for Peace Initiative



Figure 4: Business for Peace (B4P)



OUR ECONOMIC PERFORMANCE



ECONOMIC VALUE

In a research study conducted by the Capital magazine in 2014 to determine Turkey's largest 500 companies, Bilim Pharmaceuticals was ranked 289th. Also in 2014, our company was ranked 429th in the "Top 1000 Exporters of Turkey" list published by the Turkish Exporters Assembly (TIM).

Bilim Pharmaceuticals was the most popular pharmaceuticals company with its medicines accounting for 8.7 out of every 100 prescriptions, reaching a total of 696,398,652 prescriptions in 2013. In terms of the number of boxes sold to the market, Bilim Pharmaceuticals ended 2013 in 2nd place with a 6.7% market share, with 1,774,376,952 boxes sold in 2013. In the Turkish pharmaceutical industry, which reached a volume of TL 13,412,434,029 in 2013, Bilim Pharmaceuticals was ranked 6th with a 3.9% market share.

According to 2014 figures Bilim Pharmaceuticals was ranked 1st in terms of doctors' prescription preferences with its medicines accounting for 8.3 out of every 100 prescriptions in the prescriptions market, which reached 720,596,644 boxes.

In terms of the number of boxes sold to the market, Bilim Pharmaceuticals completed 2014 as the 2nd most popular pharmaceuticals company with 116,399,622 boxes sold and a 6.4% market share.

With a 3.4% market share, Bilim Pharmaceuticals was ranked 7th in the Turkish pharmaceutical market with total sales of TL 498,826,638 in 2014, in a market with total net sales of TL 14,598,129,696.

Bilim Pharmaceuticals was one of the five highest ranking companies in terms of turnover in three (antibiotics, respiratory system, muscular and skeletal system drugs) of the five segments accounting for the highest sales volume, particularly in Turkey. Bilim Pharmaceuticals owned 103 licensed drugs in the market in 2013 and 115 in 2014.

	2013				2014			
	Turkish Pharmaceutical Market	Bilim Pharmaceuticals	Share %	Ranking	Turkish Pharmaceutical Market	Bilim Pharmaceuticals	Share %	Ranking
Prescription	696.398.652	60.704.977	8,7	1	720.596.644	59.567.140	8,3	1
Boxes	1.774.376.952	118.355.423	6,7	2	1.822.369.005	116.399.622	6,4	2
TL	13.412.434.029	516.956.970	3,9	6	14.598.129.696	498.826.638	3,4	7

Table 9: Bilim Pharmaceuticals in the Turkish Pharmaceutical Industry

	Social Security Administration (SSA) Employees	Unemployment Employers	SSA Total
2013	14.036.002	1.921.142	15.957.144
2014	12.202.380	1.591.957	13.794.337
	Income tax	Stamp Duty	Total Tax
2013	103.570.411	942.280	104.512.690
2014	84.982.715	774.965	85.757.679

Table 10: Our Economic Value Added: Employee Aspect

	2013 (TL)	Ratio in Total Payments	2014 (TL)	Ratio in Total Payments
Payments Total	124.147.535,53	100,00%	102.104.232,82	100,00%
Total Benefits	27.834.302,44	22,42%	23.693.642,20	23,21%
Bonus	23.207.825,36	18,69%	19.859.633,63	19,45%
Family Assistance	1.010.863,17	0,81%	1.032.352,38	1,01%
Child Benefit	196.153,26	0,16%	190.335,56	0,19%
Fuel Benefit	309.450,24	0,25%	233.552,88	0,23%
Annual Leave-allowance	27.909,64	0,02%	24.737,40	0,02%
Religious festival-allowance	210.484,16	0,17%	157.162,84	0,15%
Seniority Incentive Bonus	70.511,10	0,06%	92.636,58	0,09%
Marriage Financial Benefit	31.090,50	0,03%	29.106,00	0,03%
Death Benefits (Relative)	2.149,92	0,00%	2.811,45	0,00%
Birth Financial Benefit	41.013,00	0,03%	41.674,50	0,04%
Social Benefit	1.606.474,66	1,29%	1.334.920,25	1,31%
Support on entry	461.412,95	0,37%	195.095,28	0,19%
Health insurance	658.964,48	0,53%	499.623,45	0,49%

Table 11: Employee Wages and Benefits

Our External Market Activities

Bilim Pharmaceuticals has been conducting commercial activities in international markets within the framework of its sustainable growth target, and its vision has been defined as “to be a net exporter by 2020”. Our company has the necessary knowledge and experience in international sales and promotion activities with its expert staff and has achieved major strides towards becoming a global company in recent years.

In line with our 2020 vision, in addition to the opening of representative offices in Moldova, Albania and Bosnia-Herzegovina, Bilim Pharmaceuticals has been positioning its brand with its partners in more than 50 markets.

Managing our opportunities and threats in international markets is an important component of realizing our vision. In international markets, the risks to be managed in this process include the perception of production in Turkey, the introduction of price regulations by the government authority, permit regulations, delays in obtaining licenses and reimbursement lists, while the supportive effect of the weaker Turkish Lira on exports, the trend of falling API prices, the government's efforts to promote exports through programs such as Turquality and the pricing environment in external markets represent opportunities in the same process.

Contributions of Our Investments to the Country's Economy

Our total gross sales to international markets realized 21% YoY growth in dollar terms in 2013 and 1% YoY growth in 2014. In TL terms, we realized 30% YoY growth to international markets in 2013 and 16% growth in 2014. (Appendix xx: Table 12: Trends in turnover from sales to international markets 2011-2014).



Bilim Pharmaceuticals obtained 129 product licenses in various countries in 2013 and 79 new licenses in 2014.

Our Contribution to Turkey's Foreign Trade Economics

The foreign trade deficit, which is of critical importance for the Turkish economy, has remained significant in our industry. The export coverage ratio in the industry was just 18% in 2014, but this ratio stood at 61% for Bilim Pharmaceuticals in 2014.

- Foreign Trade Deficit of the Turkish Pharmaceutical Sector (USD, millions) (Appendix: Table 13: Foreign Trade Deficit of the Turkish Pharmaceutical Sector)
- Foreign Trade Deficit of Bilim Pharmaceuticals (USD, millions) (Appendix: Table: 14: Foreign Trade Deficit of Bilim Pharmaceuticals)

Our Export Shares by Country

Table 15 shows the share of Turkey's total pharmaceutical product exports by country and the share of Bilim Pharmaceuticals' exports by country. (Appendix: Table 15: Share Bilim Pharmaceutical's exports in total Pharmaceutical Product exports from Turkey by Country, %)

2. For instance, exports to Iraq totaled USD 75 million in 2013, while Bilim Pharmaceuticals' exports to Iraq totaled USD 9.3 million. The company's exports to Iraq accounted for 12% of Bilim Pharmaceuticals' total exports in 2013; this share increased to 15% in 2014. According to figures published by the Exporters' Association, we accounted for 6.6% of Turkey's total exports of pharmaceutical products in 2013 and 5.2% of the total in 2014.

INNOVATION and R&D AT BILIM

An Emphasis on Finding and Developing New Products

More than 110 scientists are employed in the R&D center, where equivalent versions of original drugs – whose patents have expired – are offered to the market. The center is equipped with 220 different items of state-of-the-art equipment. Bilim Pharmaceuticals provides a significant contribution to the Turkish economy with the new products developed in the Bilim Pharmaceuticals R&D Center, which is the largest R&D center in the Turkish pharmaceutical industry with a laboratory area of 4,500 m². Equipped with the latest technology, the R&D Center deploys technologically advanced and sensitive laboratory devices as well as laboratory data automation and R&D pilot production facilities which meet FDA (*) standards.

Bilim Pharmaceuticals and R & D

Bilim Pharmaceuticals is proud to command a leading position in the Turkish pharmaceuticals market, with our own products we have developed and obtained the licenses for in our R & D laboratories, thanks to our continually evolving R & D efforts.

In this respect, our company is the largest domestic manufacturer of generic drugs with respect to original drug sales in the national pharmaceutical market. We maintain our investments in this area in order to protect this position by placing importance on R & D activities.

Our R & D work is currently the focus of our exports to 58 countries. The number of products which we have acquired licenses for has grown each year.

At Bilim Pharmaceuticals, the main starting point of the growth in our sales target is the priority we attach to technology-based R & D activities and increasing the budget allocated constantly.

Investment in Innovation

The investments we have undertaken are not limited to buildings and equipment. As a company, we also undertake large investments in competent human resources. Project teams working in our R & D department are competent scientific researchers (such as Pharmaceutical Chemistry Specialists, Pharmaceutical Technology Specialists, Patent Proxies, Pharmacologists and Analytical Chemists). The R & D department employs more than 100 scientists. Within the framework of the Career Management System which we have been implementing, the "Graduate Study Program" is organized for employees who wish to enroll on a Master's degree course or PhD, with support extended to R & D Center employees.

90% of the products for which we have a license in the international market were developed through our R & D activities. Thanks to our license files, which comply with international regulations in order to respond to customer and market demands, as well as our R&D plant and production quality at high standards, we are able to offer our drug portfolio to international markets. We have a cardiovascular product approved by the UK Department of Health and an anti-diabetic drug approved by the German Ministry of Health. Our products are also sold in Europe. In addition, as of the end of 2014, our products were being sold in 58 different countries from the Far East to Latin America and Africa to the Middle East, standing as testament to Bilim Pharmaceuticals' presence and quality in global markets.

¹ İKMİB - Istanbul Chemicals and Chemical Products Exporters' Association

² Commodity Group Country Report - Istanbul Mineral and Metals Exporters' Association (İMMİB)

³ Exporters' Associations, which continue their activities under the Ministry of Economy Foreign Trade Undersecretariat, are divided based on sector. Pharmaceutical exports are classified as Pharmaceutical Products under the Istanbul Chemicals and Chemical Products Exporters' Association.

Two of our drugs were licensed in Western Europe. Part of our strategic plan involves exporting drugs to Europe and the USA in the following days from our two production plants, which were approved by the UK and Germany.

Even during the times of crisis, Bilim Pharmaceuticals did not cease its R&D investment. Our company aims to further increase its investments in the coming periods and allocate funding equal to 8% of its net sales to R&D projects every year.

As a result of a multifaceted evaluation undertaken by the Ministry of Science, Industry and Technology, the 2014 R & D Center Performance Index was created. According to the results of this report, Bilim Pharmaceuticals was ranked 2nd in the sector rankings at the end of 2014. For detailed information about our R&D Center, please refer to the 2012 Bilim Pharmaceuticals Corporate Responsibility Report. (http://www.bilimilac.com.tr/tr/dosyalar/kurumsal-sorumluluk/kurumsalsorumluluk-raporlari/1_55366647_bilim_ilac_ks_rapor_2012.pdf)

Our modern R & D Center, which employs different technologies, aims to develop high patient compliance, reduced side-effects and patient friendly products.

Capsule Tablet Technology

- The products manufactured using this technology were not affected by a lethal dose or low treatment success problem.
- Provides controlled release to single or combination form of drugs.
- Provides cost-effective therapy and patient satisfaction.
- Delayed, extended release profiles may be obtained.
- Drug release can be targeted in two different regions.
- Provides less costly treatment in the long-term treatments.
- It has a very wide range of applications as therapeutic.

Modified Release Tablet Technology: Inflatable Hydrophilic Matrix:

- High drug loading
- Less fluctuation of the level of drugs in the blood
- Reduction in the need for drug administration
- Reduction of side effects
- Reducing costs while contributing to the economy

Modified Release Tablets-Delayed Release Targeting

- Protects acid labile drugs from effects gastric fluid (such as enzymes and various antibiotics)
- Prevents stomach upset and nausea or irritation of the stomach
- Drugs are delivered to the intestines
- Absorption takes place in the intestines

Investment Incentives

Bilim Pharmaceuticals had submitted a total of 21 TÜBİTAK projects by the end of 2013. Our aim is to reduce the costs per project by increasing the number of low cost projects. We therefore aim to reach the highest level of product quality, increase product diversity and increase the number of projects that will provide the highest contribution to human health. (Appendix: Table 16: Financial Assistance Received From the State)



TÜBİTAK - The Department of Technology and Innovation Funding Programs Directorate - was established with the aim of speeding up the process of turning technology into social benefit and supporting activities orientated towards the development of research and technology and innovation of industrial corporations in our country. Thus, the target is to boost the skills of our country's corporations in research and technology, as well as innovative culture and competitive capacity. The Department of Technology and Innovation Funding Programs Directorate designs and manages support programs in view of these targets.

With the investment incentive certificates we have received from the Ministry of the Economy we have benefited from VAT and Resource Utilization Support Fund (RUSF) exemption and investment allowances in the Corporate Tax account. (Appendix: Table 17: Tax reductions).

In 2014, the following incentives were received based on country from International Unit, Brand and Advertising Activities Incentive, No. 2010/6.


Moldova: USD 484.00

Bosnia and Herzegovina: USD 6,377.00

Intellectual and Industrial Property Rights

Patents, one of the most elements of Intellectual Industrial and Commercial Copyrights, are tools that provide legal protection for inventions developed by companies and individuals. In order to encourage inventions and to enable technical, economic and social developments in the application of inventions into industry, the protection of inventions through patents and useful model certifications have been brought in our country under law 551 "Legislative Decree About The Protection of Patent Rights".

Bilim Pharmaceuticals knows the importance of patenting and has therefore established a department for patenting as a first step. Bilim Pharmaceuticals remains loyal to its values in view of these laws and acts lawfully in respect to industrial property rights protected by the law. Our corporation also receives external support for other intellectual and industrial rights. We also observe the intellectual and industrial property rights of companies that we work with as business partners.



As Bilim Pharmaceuticals we stay loyal to our values in view of the laws and act lawfully in respect to industrial property rights as protected by the law.

OUR SOCIAL PERFORMANCE



WORKFORCE OF BILIM PHARMACEUTICALS

One of our priorities at Bilim Pharmaceuticals concerns the rights, motivation, working conditions and well-being of our employees. We are aware that Bilim Pharmaceuticals' success is only possible when our employees feel peaceful and safe within the company. All implementations for our employees are shaped with this awareness in mind.

Demographic Data of Our Employees

		White Collar	Blue Collar	Total
2013	Head Office	184	1	185
	Çerkezköy	61	68	129
	Gebze	211	255	466
	Field	994	0	994
	Total	1450	324	1774
2014	Head Office	164	1	165
	Çerkezköy	58	92	150
	Gebze	184	248	432
	Field	843	0	843
	Total	1249	341	1590

Tablo 18: Number of employees

Cinsiyet Kırılımlı Personel Sayısı				
		Female	Male	Total
2013	Head Office	90	95	185
	Çerkezköy	27	102	129
	Gebze	134	332	466
	Field	111	883	994
	Total	362	1412	1774
2014	Head Office	84	81	165
	Çerkezköy	33	117	150
	Gebze	125	307	432
	Field	112	731	843
	Total	354	1236	1590

Tablo 19: Number of employees by gender

Number of employees by gender				
		Female	Male	Total
2013	Below 30 Years old	173	442	615
	30-40 Years old	159	814	973
	40-50 Years Old	29	139	168
	Over 50 Years Old	1	17	18
	Total	362	1412	1774
2014	Below 30 Years old	170	381	551
	30-40 Years old	150	680	830
	40-50 Years Old	34	157	191
	Over 50 Years Old	0	18	18
	Total	354	1236	1590

Employment Data Showing Seniority Status				
	Seniority Group	Female	Male	Total
2013	0-2 Years	189	604	793
	3-5 Years	65	269	334
	6-10 Years	70	336	406
	11-15 Years	23	119	142
	Over 16 Years	15	84	99
	Total	362	1412	1774
2014	0-2 Years	177	476	653
	3-5 Years	63	242	305
	6-10 Years	71	279	350
	11-15 Years	22	137	159
	Over 16 Years	21	102	123
	Total	354	1236	1590

Distribution of Disabled Workers by Gender				
		Female	Male	Total
	2013	5	24	29
	2014	6	27	33

Employment by Contract Type				
		Female	Male	Total
2013	Permanent	357	1412	1769
	Temporary	5	0	5
	Total	362	1412	1774
2014	Permanent	352	1236	1588
	Temporary	2	0	2
	Total	354	1236	1590

Tablo 20: Demographic information of our employees (LA12)

Principles of Employees' Rights

The principle of treating our employees with fairness and respect is the fundamental reason for our company's high standing in the industry. This principle is assured with our Employees' Rights Principles.

In this context, our primary principles are;

- No forced labour
- No child labour
- No discrimination
- Providing occupational health and safety
- Ensuring proper working conditions that comply with legislation
- Ensuring proper working hours and wages;

The company complies fully with these principles. Moreover, queries and complaints submitted by our employees who believe there are discrepancies between the laws and practices they encounter in the workplace and our policies and principles may be passed on to the Upper Management, Human Resources Division and the Ethics Board without the employees feeling under pressure.

One of our principles on employee rights is a firm stance taken against forced labour and child labour, principles we unflinchingly comply with. We also insist that our suppliers and collaborations comply with the same principles.

Our company has an overtime policy and employees may work overtime with the approval of the management. Overtime pay is based on the rates determined by law. Overtime is planned by our employees and put into practice upon the approval of our directors. Overtime pay is paid after the total overtime hours of our employees is recorded in their payrolls in the respective month based on the rates determined by law. (Appendix: Table 21: The scope of the company's compensation obligations).

Unionization and collective bargaining is a constitutional right and Bilim Pharmaceuticals respects and does not restrict those rights of our employees within the framework of Employee Rights. Our company is not a member of any union and we do not engage in any union-related activities. No Bilim Pharmaceuticals employee has entered a collective bargaining agreement. Our Human Resources Policy can be accessed from our website. (www.bilimilac.com)

Our part-time employees are paid the net wage with all social and fringe benefits reflected to their wages. The positions of part-time employees are jobs that require different competencies, and two employees serve as consultants in this area. Our term contract workers contract obligatory cases such as maternity leave. When vacancies occur, contracted workers are considered as a priority in the hiring process.

Maternity Leave

In 2013, 24 of our female employees took maternity leave, of whom 20 returned to work, and 98 male employees took paternity leave and returned to work. The ratio of employees returning to work is 83.3% for female employees and 100% for male employees. In 2014, 24 of our female employees took maternity leave and returned to work and 121 male employees took paternity leave and returned to work; in 2014, all employees returned to work for both female and male employees. (Appendix: Table 22: Ratio of Employees who return to work after giving birth, Appendix: Table 23: Ratio of Employees who stayed at work after giving birth).

Diversity, Equal Opportunity and Non-Discrimination

Bilim Pharmaceuticals owes its innovative, dynamic and highly experienced structure to the diversity of its employees. The rights of each and every employee that make up the valuable structure of our company is a priority for us. Equal Opportunities and non-discrimination is also one of these rights. If our employees feel a violation of their rights, they may notify the HR Department and Ethics Board.

In the reporting period no complaints of discrimination were received.

Our Recruitment Process

Our recruitment process allows the recruitment of the right staff in parallel with the company culture, while meeting the need for quality and competence. In line with our principle of equal opportunity, our HR policy is based on hiring in accordance with the basic tools of our recruitment process set out in our Qualifications Catalogue without considering school, region, gender, sexual orientation, religion, language or race as criteria.

The principle of equal opportunity is the basic building block of our recruitment process. At Bilim Pharmaceuticals, we create equal opportunities for all candidates, accepting and assessing applications from candidates without specifying distinctions such as gender, age and so on.

Defined competencies are one of our most important tools with respect to the creation of equality of opportunity during the recruitment process. We determine our favored candidates by evaluating their competencies with multiple tools and observers. The recruitment process is not a special process solely for the HR department; all managers have equal responsibility in the process. Following the evaluation, candidates who successfully pass the process go through a reference check before we deliver our job offers.

Candidates not included in the job hiring process are notified following the completion of the process.

Total Application Rate Female/Male		
Gender	No of Applications	Application Ratio (%)
Male	20.957	53
Female	18.324	47
Total	39.281	100
Field Employees Application Rate Female/Male		
Gender	No of Applications	Application Ratio (%)
Male	14.476	72
Female	5.664	28
Total	20.140	100

Table 24: 2013 Total Application Rate

Total Application Rate Female/Male		
Gender	No of Applications	Application Ratio (%)
Male	17.565	57
Female	13.049	43
Total	30.614	100
Field Employees Application Rate Female/Male		
Gender	No of Applications	Application Ratio (%)
Male	3.105	75
Female	1.018	25
Total	4.123	100

Table 25: 2014 Total Application Rate

The reason for the low proportion of women is the industry-specific travel frequency of field staff which constitute the majority of the employees, as well as the spread of the geographical dispersion.

Age and Gender Distribution of Hired Employees				
	Age Range	Women	Men	Total
2013	Below 30 years old	83	141	224
	30-50 years old	39	186	225
	Total	122	327	449
2014	Below 30 years old	182	75	257
	30-50 years old	63	20	83
	Total	245	95	340

Table 26: Age and Gender Distribution of Hired Employees

Distribution of Employees Resigning from Their Positions				
	Age Range	Female	Male	Total
2013	Below 30 years old	63	107	170
	30-40 years old	93	348	441
	40-50 years old	8	63	71
	Total	164	518	682
2014	Below 30 years old	57	132	189
	30-40 years old	42	254	296
	40-50 years old	4	34	38
	Total	103	420	523

Table 27: Age and Gender Distribution of Employees Resigning from Their Positions

Recruitment of Locals in the Representative Offices

All of our employees working for representative offices located in countries shown in Table 28 are from the local community; country managers in our offices are also members of the local community and are in the senior management category. (Appendix: Table 28: Number of Employees from the Local Community Working at Representative Offices 2013 & 2014)

Ratio of Average Wages to Minimum Wage

Titles	2013		2014	
	Male (%)	Female (%)	Male (%)	Female (%)
Regional Director	265,20	240,10	256,00	225,60
Employee	520,90	542,70	490,80	515,00
Operator	116,70	125,60	115,50	109,10
Technician with 2 Year University diploma	166,60	176,40	168,90	179,70
Technician	153,90	148,20	153,00	143,50
Medical Representative	193,60	186,10	190,00	182,80
Tıbbi Tanıtım Sorumlusu	208,70	182,20	202,40	167,00

Table 29: Ratio of Average Wages to Minimum Wage - Male and Female Breakdown

Gender Distribution at Managerial Level

Years	Location	Gender	General Managers	Directors	Managers	Supervisors	Grand Total
2013	Head Office	Male	1	4	21	28	54
		Female			8	20	28
		Total	1	4	29	48	82
	Çerkezköy	Male			2	4	6
		Female			1	2	3
		Total			3	6	9
	Gebze	Male		2	5	11	18
		Female			2	13	15
		Total		2	7	24	33
	Field	Male			12	102	114
		Female				3	3
		Total			12	105	117
Grand Total			1	6	51	183	241
2014	Head Office	Male	1	5	16	22	44
		Female			8	19	27
		Total	1	5	24	41	71
	Çerkezköy	Male			2	3	5
		Female			1	2	3
		Total			3	5	8
	Gebze	Male		2	4	10	16
		Female		1	1	11	13
		Total		3	5	21	29
	Field	Male			12	67	79
		Female				2	2
		Total			12	69	81
Grand Total				8	44	136	189

Table 30: Gender Distribution at Managerial Level

Age Distribution at Managerial Level

Years	Location	Gender	General Manager	Directors	Managers	Supervisor	Grand Total	
2013	Head Office	Below 30 years old				3	3	
		30-50 years old		3	25	44	72	
		Over 50 years old	1	1	4	1	7	
		Total	1	4	29	48	82	
	Çerkezköy	30-50 years old			3	5	8	
		Over 50 years old				1	1	
		Total			3	6	9	
	Gebze	Below 30 years old					1	1
		30-50 years old		1	5	23	29	
		Over 50 years old		1	2		3	
		Total		2	7	24	33	
	Field	30-50 years old				11	105	116
		Over 50 years old				1		1
		Total				12	105	117
	Grand Total	Below 30 years old	0	0	0	0	4	4
		30-50 years old	0	4	44	177	225	
Over 50 years old		1	2	7	2	12		
Total		1	6	51	183	241		
2014	Head Office	Below 30 years old				4	4	
		30-50 years old		4	19	36	59	
		Over 50 years old	1	1	5	1	8	
		Total	1	5	24	41	71	
	Çerkezköy	30-50 years old			3	4	7	
		Over 50 years old				1	1	
		Total	0	0	3	5	8	
	Gebze	30-50 years old			2	4	21	27
		Over 50 years old			1	1		2
		Total	0	3	5	21	29	
	Field	30-50 years old				10	69	79
		Over 50 years old				2		2
		Total	0	0	12	69	81	
	Grand Total	Younger than 30 years old	0	0	0	0	4	4
		30-50 years old	0	6	36	130	172	
		Over 50 years old	1	2	8	2	13	
Total		1	8	44	136	189		

Table 31: Age Distribution at Managerial Level

Development of Employees

When defining our training and development target, we aim to create an employee profile which would provide the organization structure in line with our company's requirements; in other words its mission, vision, values, strategic plan and primary business targets. (Appendix: Table 32: Categorized Employee Training, 2013 Appendix: Table 33: Categorized Employee Training, 2014).

In order to realize our corporation's vision, we see the creation of a learning organization as the basic element of strategic HR management. For this purpose, we provide all of our employees with new learning methods and various learning tools at our platform, BilimK@mpüs.

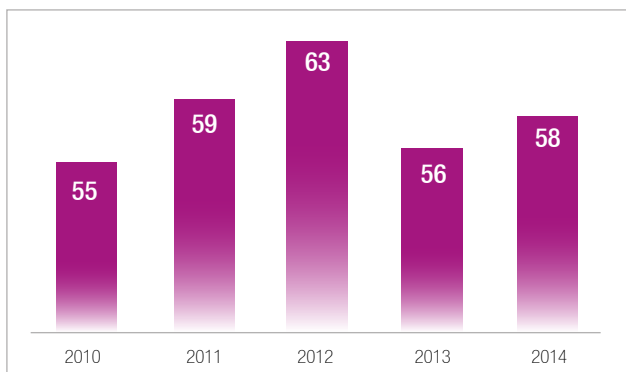


Table 34: Training Hours Per Employee on Annual Basis

Each of our employees has a special development platform at bilimk@mpüs. They may access the standard development programs and individual development tools that they require for their career development and business targets. (Appendix: Table 35: Average Annual Training Hours Allocated Per Employee by Gender and Employee Category-2013, Appendix: Table 36: Average Annual Training Hours Allocated Per Employee by Gender and Employee Category-2013).

Bilim Pharmaceuticals determines personal development and technical development needs through the Education Focus Group Discussions with departmental managers and training guides and training needs analysis during the BilimK@mpüs event each year, and implements training plans towards it. The required follow-ups on the implementation of the planned training programs are undertaken by the Training Unit of the Human Resources Department, Department Managers and internal trainers and the development process is monitored every year.

At Bilim Pharmaceuticals, data from training programs is measured under four main categories. These are Total Quality Systems Training, which regulates Quality, Environment, Occupational Health and Safety standards in a single framework; Personal Development Training, where the participant determines their own special training needs and assumes responsibility for their development; Vocational Training which focuses on professional development and supports the accumulation of technical information; and Leadership Training. In addition, employee safety and health training data can be monitored separately under the Occupational Health and Safety and Environment categories.

Online training through the BilimK@mpüs system is assigned by the HR department for newly hired employees; OHSAS 18001 Occupational Health and Safety at Work Management Systems standards training, ISO 14001 Environmental Management Systems, Occupational Health and Safety Basic Training- General Issues, Customer Complaints Notice and Bilim Pharmaceuticals Ethical Management Training are all e-training programs to be completed on a mandatory basis.

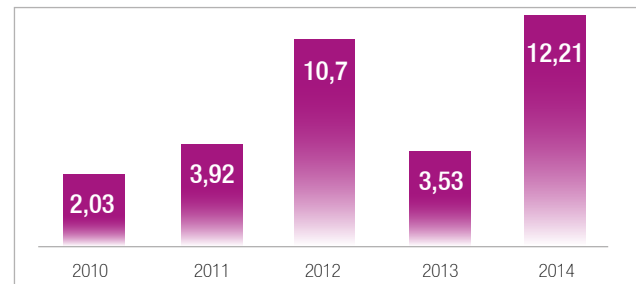


Table 37: Per capita Occupational Health and Safety Training hours.

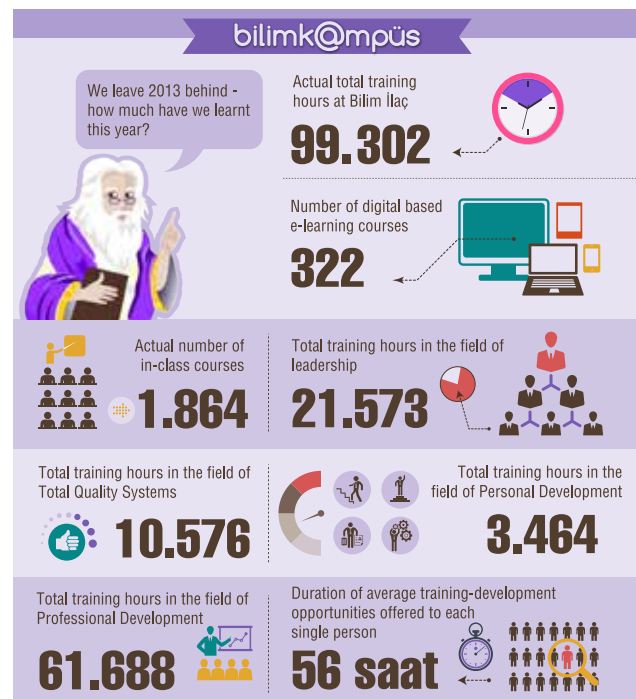


Figure 5: 2013 Training Report

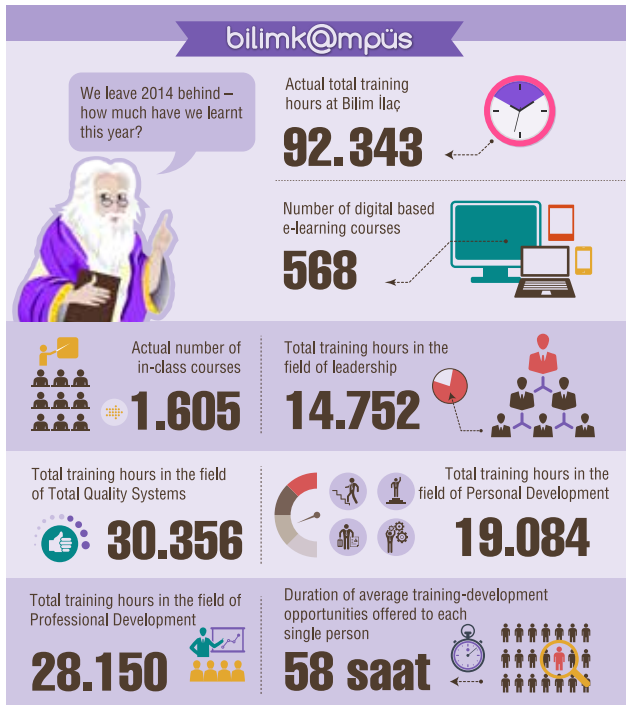


Figure 6: 2014 Training Report

Development of New Employees

For employees who have been newly hired to our company, we provide company orientation programs, with Sales Training Programs for employees in Sales and Quality Systems and Technical Development training for our employees who work in the production, technical and quality areas. We benefit from both external sources and our internal training staff related to these training programs and we take active responsibility in this area. We allocate a budget for outsourced training programs for purposes such as determining annual strategic plans, targeted technological development and developing competencies in terms of people management. In addition, we provide financial support for participation in seminars and conferences programs provided outside the company.

A total of 164 employees were sent to conferences and seminars in 2013 and 201 employees in 2014, and financial support is provided. In addition, 1,174 employees attended training programs received from an external consulting firm within the company during 2013, and 468 employees attended these programs in 2014.

İn 2013, 1.174, 2014 yılında ise 468 çalışanımız katılım göstermiştir.

Talent Management System

In an environment where companies compete to find experienced, qualified and competent employees, we believe the best way to find and retain high-performing employees is to get to know them

even better than themselves, and to use this information to offer them the careers of their dreams.

In 2000, we launched the Career Management System which we consider to be the basis for the Talent Management System in which our employees can exhibit their talents, recognize and improve their potentials and receive consultancy for their career targets. Our systems operate as a guide in each step that our personnel take in their careers.

Our Talent Management System is built on;

- Attracting talent into the company,
- Finding the right talent,
- Discovering the talent,
- Connecting talent with the company,
- Developing the talent.

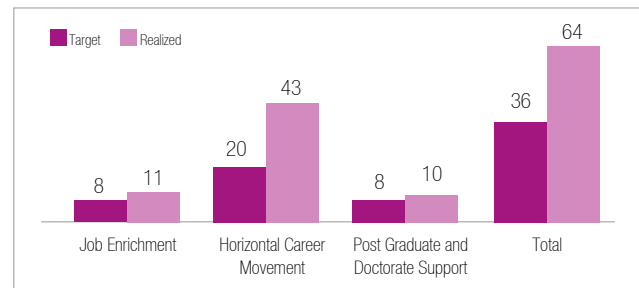


Table 38: 2014 Number of employees whose careers were developed

As of 2014 our number of employees whose graduate studies supported performance indicators; started to be monitored as number of employees whose career developed with graduate studies, job enrichment or horizontal career move.

Performance and Potential Evaluation

As “Human Resources”, we see each employee as a source of talent, and offer a participative work environment for them to uncover and develop their potential by preparing individual development opportunities for them.

As soon as they start to work with us, we discuss career paths with our employees and provide them with information on the expected criteria they need to achieve on their individual career paths. The assignment criteria for each position is prepared in advance. Our employees are aware of which criteria they need to realize for which position.

In the Talent Management System every year, at the end of the performance evaluation process, specialists and managers will be evaluated as the target group with the career paths in mind for a higher position within the scope of transparent appointment criteria.

During the "Performance and Potential Evaluation" processes, our employees who receive feedback about their strong and improvable aspects to reach their career goals develop their potential through our learning platform in the areas they want to improve.

In 2013 percentage of employees participating in our evaluation process was realized as 85.1%. Ratio of employees not included in the performance process, due to the date of entry is 13% while the ratio of employees who are not included in the performance process, due to long-term medical report or maternity leave is 1.9%.

In 2014 percentage of employees participating in our evaluation process was realized as 83.7%. Ratio of employees not included in the performance process, due to the date of entry is 13.6% while the ratio of employees who are not included in the performance process, due to long-term medical report or maternity leave is 2.7%.

Stars Team

Our Stars Team is our target group, which consists of the employees who are one step ahead of other employees in terms of their performance and potential compared to other employees. Under the Talent Management model and our back up system, we call our talented employees the Stars Team. We offer the employees who are in our Stars Team one of the biggest opportunities that they can benefit from throughout their entire career development process.

We have invested in the development of five main groups. In this process, the Blue Group represents the First Level Managers Development Program; the Green Group is the Middle Management Development Program; the Red Group is the Senior Executive Development Program; the Yellow Group consists of the New Vocational Program and the Purple Group represents the Professional Specialization Program.

Those employees who have successfully completed their development here are directed to "the Assignment Assessment Center", where they are offered career opportunities.

Other than that under our system defined in our company, we support our employees' Master and PhD developments. If our employees in the "Stars Team" wish to participate in the graduate degree or a doctorate we offer scholarships and time to those employees. Specialists and staff receive 50% support for scholarships, managers receive 60% support and executives and directors receive 70% support.

Scholarship support is only provided to the Stars Team. Support is given in the form of one full day per week of paid leave (to compensate for the weekend). Paid leave is available for all employees. Thesis and reports that are prepared by our supported employees are shared with our employees through an Information Sharing Platform on our education portal, BilimK@mpus.

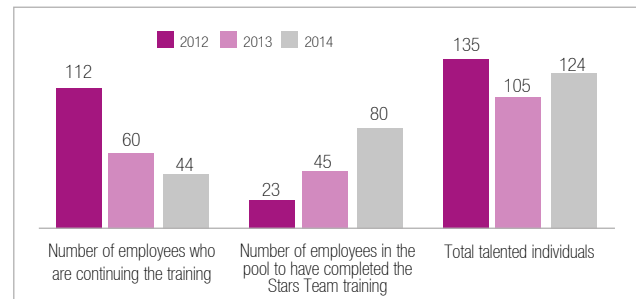


Table 39: Number of employees in the Stars Team

The number of employees included in the Stars Team is expected to increase in 2015-2016 with the selection of the Stars Team Purple Group candidates.

In addition, the "Employment Support Program", training on CV Preparation and Interviewing Techniques is provided to employees is provided and a CV pool created and shared with pharmaceutical companies and with companies in other related sectors, and verbal counseling support is provided in line with the needs.

Employee Branding Practices

The Bilim Ailem Project (Bilim Family) aims to raise the satisfaction and commitment of our employees to higher levels, to maintain continuous communication within the company and contribute to the personal and social development of our employees' families. We have expanded our HR policy to cover the "Our Family" title in line with suggestions put forward by our employees during the periodic meetings we held in 2005 and we have shaped HR practices for our employees' families under the "Bilim Family" roof.



Figure 7: If the children of Bilim come to work

We had initially dealt with families and children together in the Bilim Family Project, but as of 2006 we have brought two separate practices – the Bilim Family and Bilim Children's World - under the Bilim Family roof due to the differences in our children's interests and demands, and as a result of feedback from our employees. With the "Bilim Children's World", developed in the Bilim Family, we have created a club in which the children of our employees are members.



Figure 8: Distribution of Stationery Set

We met our employees and families through various events and activities under the "We Derive Strength from our families" approach in our HR Policy. In this context, within the framework of the "Bilim Family Activities", we realized 4 activities including the March 8 International Women's Day, Mother's Day & Father's Day Celebrations, Baby Basket & Baby Care Book distribution and CEO Promotion Celebrations during 2013. We also held four activities during 2014 including March 8 International Women's Day, Mother's Day & Father's Day Celebrations, Sale Campaigns and CEO Promotion Celebrations. As part of the "Bilim Children World Activities", we performed a total of six activities during 2013; the April 23 Activity Bulletin, the April 23 Cupcake Course, the Semester Activities Bulletin, the Distribution of Stationery, the Journal / Book / DVD Submissions and the Çekül Birthday Card Application. The activities we carried out in 2014 included the 'When the Bilim Children Come to Work' and again the Distribution of Stationery equipment and Sale Campaigns. (Appendix: Table 40: Our Employee Branding Practices)



Figure 9: Bilim-mini Fathers' Day



Figure 10: If Bilim's children come to work...



Figure 11: 2876 trees planted by the Bilimaleim-Çekül (Foundation for the Protection and Promotion of the Environment and Cultural Heritage)

Our Social and Sport Activities Club - SOSAK

As a platform that is established with the voluntary participation of our employees working in different departments within our company, SOSAK organizes activities in line with the feedback they receive from the employees, plans prepared in the beginning of every year.



Figure 12: SOSAK Marketing – New Years' Calendar

In order to strengthen our communication with our employees and to foster an environment of social interaction between employees, in 2003 SOSAK began to systematically organize social and sporting activities which are included in SOSAK's activity programs. Through these activities, we support the business and private life balance of our employees and organize social events that bring our employees together.



Figure 13: SOSAK Businesses - New Years' Calendar

Since 2003, we have been organizing activities that are fun, which promote the development of our employees and which reinforce communication, which allow our employees to spend time together outside work. We actively use e-mail, banners and social media channels to communicate our company's social and sporting activities to all employees. As part of the social activities, we organize New Year parties, a day of tasting the products of different companies, prize competitions, discounted activities, concerts and theatre participation. For sporting activities, we traditionally organize bowling, pool, backgammon and football tournaments. We have also organized sightseeing tours.

Ratio of Internal Promotions

On the first day our employees start to work with us, we give them information about what is expected from them and the goals they must accomplish in their career paths. The criteria for the assignment of each position have been prepared in advance. Our employees know which criteria they must fulfill for which position. In the Talent Management System every year, at the end of the performance evaluation process, specialists and managers will be evaluated as the target group with the career paths in mind for a higher position within the scope of transparent appointment criteria.

In 2014, we approached our goal as a result of the gradual appointments made by defining a career management system designed specific to each department in the Scientific Department under the Directorate for Quality and Business. Accordingly, the rate of internal promotions was 80.5% in 2013, and 88.1% in 2014. Assignment rates among candidates who satisfy all the criteria by gender were 100% for the women and 99% for the men in both 2013 and 2014. We expect to reach the target in 2015 by specialist assignments and assignments from the talent pool to be realized.

Key Employees

One of our most important goals as a leader is to create opportunities to achieve a competitive advantage in our own areas and sustain it. At the heart of our ability to create such opportunities is the team that we have founded and the talent that we have raised. Therefore, all corporations need to identify high-potential employees who they believe create added value or will create in the future. We also have started the process of determining "key employees" by evaluations conducted in 2014, in order to determine which employees in our company create value added, or who we believe have the potential to create value. In 2014, we found that 23.6% of the female employees and 38.2% of the male employees met all the criteria in the assessment as a key employee is 23.6% for women while 38.2% for men.

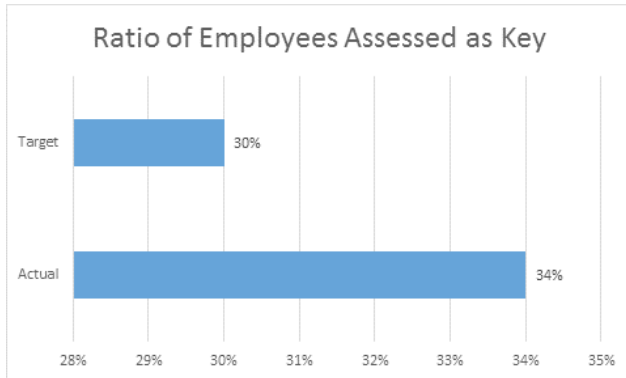


Table 41: Ratio of employees assessed as key to total employees

Special development programs are designed to meet the needs of the 5 basic groups whose development we have invested in, and the processes are followed. Work has been carried out on response assessment in monitoring the development, exchanges of information, behavioral changes and organizational impact and the calculation of return of the investment in education thus, the development of the leader candidates who have graduated from our Leadership Development Program and our leaders is guaranteed.

OCCUPATIONAL HEALTH AND SAFETY

As Bilim Pharmaceuticals, Occupational Health and Safety (OHS), is an issue we have shown a high degree of sensitivity to. The health and safety of all employees in business processes is under our responsibility. Our OHS management system and our policy was set up with this awareness in mind.

The Occupational health and safety management system is structured on the basis of Bilim Pharmaceuticals OHS policy and risk analysis.

OHS Management

Bilim Pharmaceuticals applies the IMS (Integrated Management System) which integrated the Quality, Environment, Occupational Health and Safety standards within a single framework. Our system is based on the cGMP, ISO 9001 Quality Management System, ISO 14001 Environmental Management System as well as the

OHSAS 18001 Occupational Health and Safety Management System standards.

Our Çerkezköy Production Facility has held the IMS Certification since 2004. As our Gebze Production Facility was certified in 2010, the scope of the certification was expanded so as to cover our entire company.

The Occupational Health and Safety Management System has been structured in Bilim Pharmaceuticals' OHS policy and risk analysis foundation. Risk analysis studies are repeated every 3 years in accordance with Risk Assessment Regulation throughout the corporation. Hazards stemming from our activities within the study content, as well as risks are ascertained by evaluating the possibility of their occurrence and severity. A business plan is formulated with regard to non-acceptable risks by taking the degree of risk into account. Targets related to withdrawal of these risks to the acceptable levels will be integrated into the annual OHS targets. Activity plans are taken into OSH management program. Higher level risks are evaluated by the OHS Board. The management program is reviewed at specified intervals.

Natural disasters which may adversely affect the business continuity and operational emergencies are also regarded as part of the risk analysis. In our facilities, emergency drills conducted twice a year with the participation of all employees and emergency crews.

Checks and tests continue to be performed regularly for all employees under the "Workplace Health Surveillance Procedure".

OHS Board

In addition to the members who are defined in regard to the requirements of the Occupational Health and Safety Board's Regulations, the OHS board also includes department representatives at the management and specialist level. The board convenes at least once a month and conducts an evaluation and revision with the following agenda:

- Risk Analysis Results, OHS Targets, OHS Management Program
- Internal and External Inspection Findings, Corrective and Preventative Activities and Improvement Plans
- Findings and Recommendations Presented by Employee Representatives and Other Board Members
- Job Accidents, Accident Risk, 'Close Call' Accident and Occupational Sickness Bulletins
- OHS Training Activities

- Preparations for Natural Disasters and Emergency Situations
- Assessment and review of the progress deriving from the Current Status Analysis
- Assessment and review of legal amendments (when necessary)
- Monthly assessment of performance indicators related to OHS (monthly)
- Assessment and review of innovative and creative ideas and learning data (when necessary)
- Assessment and review of OHS policy (at the last quarter)

Total labor that formal joint management-worker health and safety committees which help to monitor occupational health and safety programs and give advice about them represented in the Table 102.

OHS Trainings

One of the performance indicators through which the effectiveness of our company's occupational health and safety practices is

		Total Employees	Employees on Duty	Ratio of Employees on Duty to Total number of Employees(%)
2013	Head Office Occupational Safety (OS) Committee	185	12	6
	Gebze OS Committee	466	25	5
	Çerkezköy OS Committee	129	15	12
	Head Office Occupational Health&Safety, Environment (OHSE) Guides	185	7	4
	Gebze OHSE Guides	466	14	3
	Çerkezköy OHS Work Team	129	12	9
2014	Head Office Occupational Safety (OS) Committee	165	11	7
	Gebze OS Committee	432	23	5
	Çerkezköy OS Committee	150	15	10
	Head Office Occupational Health&Safety, Environment (OHSE) Guides	165	7	4
	Gebze OHSE Guides	432	19	4
	Çerkezköy OHS Work Team	150	12	8

Table 42: OHS Board and Study Team

OHS Working Group

The teams are comprised of managers and specialists determined by the management of each department. They meet on a monthly basis, or more often if deemed necessary, to conduct risk analysis within the Training Management Systems context. Their job is to conduct revisions in accordance with experiences gleaned from the practice of OHS, SOP and instructions, to ensure compliance with safe job rules in the departments they represent, to evaluate OHS bulletins, to participate in internal inspection activities, and to plan and execute activities for areas open to development.

Regular medical screenings are performed to protect the health of employees

evaluated is "training provided within the scope of OHS". Based on the regulations on occupational safety training programs published by the Ministry of Labor and Social Security, an average of at least 12 hours of OHS training is organized for each employee each year.

These include significant training programs in areas such as driving techniques, ergonomics, behavior-oriented safety management, personal protection, intervention in emergency, protection against explosions, risk assessment and manual handling lifting. An average of at least 12 hours of OHS training is organized for each employee each year. (Appendix: Table 43: 2014 OHS Trainings).

Job-Related Accidents and Improvement Practices

At Bilim Pharmaceuticals, the performance of applications related to occupational health and safety is evaluated through the KOA (Accident Weight Rate) basic performance indicator. While the weighting of job-related injuries covers accidents which result in the loss of more than one working day, it indicates how many hours were lost in correlation to every 100 hours of actual working time during a calendar year.

When any job-related accident occurs, we notify and report the accident and keep related statistics in accordance with the "Procedure for Occupational Health, Safety and Environment Related Notices".

Within the scope of OHS, the following additional improvements and activities to the current practice were undertaken in 2013 and 2014;

- The security level of the IBC mixing machine was increased with the revisions.
- Foil loading equipment is provided for the blistering machines in order to eliminate ergonomic risks during foil loading.

Subcontractors' accidents are also included in calculating the accident weight ratio. Bilim Pharmaceuticals is responsible for the occupational safety of subcontractors as the principal employer. Training related to safety before starting work for the subcontractors are arranged; the subcontractors are required to fulfill the relevant requirements related to job security. Moreover, sub-contractors are audited at specific intervals for compliance with occupational safety rules. As a result the inspection of subcontractors, it was found that no serious work accident occurred in 2013 or 2014.

Regular medical scanning is performed to protect the health of employees. Beyond legal requirements, the scope of scanning covers measurement of the body-mass index, eye health, audiometric measurements, respiratory tests as well as other areas. The service is available to all employees who request it, not only those in the risk group.

Medical scanning includes scanning procedures that are compulsory by law and carried out under the supervision and instruction of our office doctor, as well as scanning procedures which are needed at the end of the risk evaluation process. With this practice, we aim to reduce the rate of absence and illnesses by supporting our employees in a scope that goes beyond the legal framework. Regular medical check-ups of our field employees, on the other hand, are carried out within the framework of "private health insurance", as these facilities are some distance from the medical unit in our company.

The illness rate includes maternity leave. The illness rate of our female employees therefore appears higher.

There is no serious occupational illness within Bilim Pharmaceuticals.

Severity Rate of Occupational Accidents by Year

This is calculated dividing the total of work hours lost due to work accidents within the calendar year by sum of working hours of the

workers in the reference group in the same year and multiplying the value obtained by 100.

$AWR = (\text{total of work hours lost due to work accidents} / \text{total working hours}) \times 100$

No accidents resulting in the loss of life or permanent incapacity were recorded at Bilim Pharmaceuticals. The Year Based Weight Rates of Accident and figures for the Number of Accidents Based on gender are given in detail in Tables 44 and 45.

Severity Rate of Occupational Accidents by Year (%)

	2013	2014
Accident Severity Rate (%)	0,027	0,036
Gebze	0,094	0,04
Çerkezköy	0,001	0,148
Head Office and Regions	0,002	0,00

Table 44: Severity Rate of Occupational Accidents

	Yıl	Kadın	Gün Kaybı	Erkek	Gün Kaybı
Head Office	2013	0	0	0	0
	2014	0	0	0	0
Field	2013	0	0	2	8
	2014	0	0	0	0
Gebze	2013	13	63	14	131
	2014	8	1	19	66
Çerkezköy	2013	0	0	1	3
	2014	3	99	5	83

Table 45: Number of Accidents Based on Gender

Illness Rates by Year

	2011	2012	2013	2014	2015 H
Disease (%)	0,75	0,72	0,62	0,84	0,50
Male (%)	0,49	0,76	0,52	0,59	
Female (%)	1,87	0,48	1,00	1,82	

Table 46: Illness Rates by Year

Absence Rates by Years

	2011	2012	2013	2014	2015 H
2015 H Absence (%)	0,63	0,49	0,43	0,60	0,50
Male (%)	0,42	1,27	0,33	0,43	
Female (%)	1,43	0,83	0,86	1,29	

Table 47: Absence Rates by Years

Lost Workforce

		Total Annual Working Hours	Absenteeism Hours	Illness Hours	Total Absenteeism Hours
2013	Male	"	22.784,00	14.158,50	36.942,50
	Female	1.066.476,00	10.642,50	9.164,50	19.807,00
	Total	5.417.419,50	33.426,50	23.323,00	56.749,50
2014	Male	3.466.714,50	14.814,50	20.495,50	35.310,00
	Female	896.683,00	11.556,50	16.296,00	27.852,50
	Total	4.363.397,50	26.371,00	36.791,50	63.162,50

Table 48: Lost Workforce

Occupational Health and Safety and Social Benefits – Çerkezköy

The Bilim Çerkezköy Facility has been designed with a people-oriented perspective with a view to enhancing the living standards of our employees. In this respect, the occupational health and safety and social opportunities offered to employees in the Bilim Çerkezköy Production Facility are as follows:

- OHSAS 18001 Occupational Health and Safety Management System standards.
- Office doctor, rest room, counseling services, nursery room
- Cafeteria for employees, recreation areas, libraries and an internet login area
- Gym
- The outer environment walking areas

Occupational Health and Safety and Social Benefits - Gebze

Bilim Gebze Production Facility has been designed with human-oriented perspective in the direction of enhancing the living standards of our employees. In this respect, occupational health and safety and social opportunities offered to employees in the Bilim Gebze Production Facility are as follows:

- OHSAS 18001 Occupational Health and Safety Management System standards.
- Building security system that works with CCTV
- Office doctor, rest room, counseling services, nursery room
- Cafeteria for employees, recreation areas, libraries and the internet login area
- Gym
- The outer environment walking areas

SUPPLY CHAIN MANAGEMENT

In the supply chain's resource direction and sales oriented flow, Bilim Pharmaceuticals is at the second rung in terms of the downward flow of materials and the third rung in the upward flow from customers.

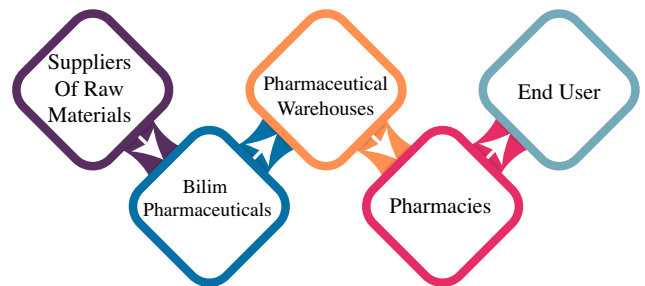


Figure 14: Supply Chain

In our organization, activities within the scope of supply chain management are carried out through the upper processes for which Marketing, Foreign Markets, Resource Planning, Business Administration and Quality Departments are responsible for and are mentioned below, and through the parent processes defined within the scope of these upper processes;

- Customer Management Upper Process
- Supply Chain and Collaborations Management Upper Process
- Operation Management Upper Process
- Physical Assets and Technology Management Upper Process
- Sustainability Management Upper Process

The agreements of cooperation that are outside the scope of our organization and our suppliers were defined and classified to manage them with the intention of obtaining sustainable benefit, and to plan them in a manner which supports our strategies and policies.

Supplier: This is a business relationship with a term of less than 3 years, where we purchase materials, products or services that are necessary to perform our core business.

Cooperation: This is a business relationship with a term of more than 3 years, where we give at least six orders in a year, or where this working relationship creates value for both sides in the organization and the areas in which it is in cooperation.

Project Cooperation: This is a project based working relationship that adds value or creates value for both sides in the organization and the areas in which it is in cooperation.

Strategic – Critical Supplier Agreements and Collaborations include all suppliers and collaborations where critical materials and services are procured within the scope of the Current Good Manufacturing Practice (cGMP) and those suppliers and cooperation agreements that have the quality of making a leap-frog contribution to the Main Business Goals (MBG) at the same time and carry high importance to implement the strategies.

The Supply Chain and Collaboration Board (SCCB) that is composed of the process owners who manage the collaborations specifies the opportunities of supply and collaborations in accordance with the Collaboration and Supply Chain Policy in line with the collaboration needs covered in the Strategic Plan (SP) and Annual Budget Plan.

Goods and services are procured from a number of organisations (suppliers) in order to perform our manufacturing and services and to manage our processes. Appendix: Table 49: Distribution of purchases according to amount (EC9).

Suppliers are divided into 3 categories such as approved, qualified and certified. This classification is reviewed in the assessments carried out every year and the suppliers that are upgraded to the next level are identified. Those organizations demonstrating a consistently good performance over time become the supply collaborations.

The Collaboration and Supply Chain Policy (CSC)

Our Collaboration and Supply Chain Policy contains six main elements, taking both the strengthening of Bilim Pharmaceuticals' business processes and the development of our suppliers into consideration;

- We act with the awareness that the collaborations depend on working together for a long period of time and are contingent on sustainable value creation; we take the corporate and strategic needs and our complementary strengths and capabilities as a basis when determining strategic and operational collaborations.
- In order to achieve mutual benefit with the organisations that we cooperate with and to achieve common goals, we form and develop the structure that supports each other in terms of expertise, resource and knowledge.
- We establish a sustainable relationship based on mutual trust, respect and openness with the organisations that we cooperate with.
- We develop approaches for the organisations that we cooperate so they are involved in the generation of ideas and innovation activities.
- We develop processes to measure and evaluate the performance of the collaboration relationship and at the same time, we understand the short and long-term expectations of the organisations that we cooperate with and manage their perceptions.
- We provide the necessary information flow and generate the synergy needed to create added value in the customer - supplier chain. To this end, we monitor our stocks and exits in the distribution channels on a product basis and draw up production and supply plans according to the moving six-month demand plans. In this context, we also support our suppliers' supply plans.

Selection of Suppliers

Competence criteria are implemented through the use of the Supplier Collaboration Selection Preliminary Assessment Form (SCSPS). Organisations that meet at least 60% of the competence criteria specified in the SCSPS form are selected. Work is started with the approval of the concerned director and The Supply Chain and Collaboration Board is informed. This procedure does not apply to monopolies or formal/semi- formal institutions.

The general criteria sought for all suppliers are specified below, with the required subject specific competencies are as follows;

- Compliance with laws and regulations
- ISO 9001, ISO 14001, OHSAS 18001 certifications
- An appropriate approach to the articles with regard to Human Rights and Working Conditions specified in the UN Global Compact Principles
- A competitive price
- Reference company list
- A satisfactory company history
- New product / innovation capability

The UN Global Compact criteria has a 10% weighting in the supplier selection and evaluation.

Audit and Development of Suppliers

Suppliers are periodically monitored where their compliance to the Bilim Pharmaceuticals standards is checked. Monitoring is carried out in two ways.

- Audit
- Annual Assessment

The evaluation of any changes in the suppliers' processes, facilities, organisations and cGMP compliance is performed through periodical audits to be carried out and / or with the suppliers' questionnaire. This covers the answering of questions in the questionnaire (ref.: cGMP, ISO 9001, Occupational Health and Safety (OHS) and environmental impacts) and a site tour. The requirement of a re-audit is decided according to the results of the risk assessment.

The Quality Assurance Department is authorized to disqualify a supplier or remove it from the reduced test position on the basis of rejection decisions, unsatisfactory historical data or audit results, or unacceptable cGMP non-conformities.

No significant non-conformities on the issues of Occupational Health and Safety, environmental impacts or Human Rights were found during the supplier audits. These issues are included in the questions in the supplier audit question list and quality questionnaires and are within the scope of the audits.

Field visits

The prerequisite for sustainable success is to ensure sustainable supply. Making a difference in this sense is possible by increasing efficiency and quality. We have been evaluating the materials we supply and our processes from these aspects through our source visits. Given its usefulness in managing demand and supply, the Procurement Department plans regular visits to our suppliers. The Department carries out these visits by placing priority on manufacturing companies.

The supply structure of the organization;

1. Demand and order management
2. Planning
3. Purchasing
4. Production
5. Inventory (stock) management
6. Warehouse Management

We create and develop the supply structure that has the flexibility to immediately respond to constantly changing market conditions resulting from global competition. Within the framework of our risk-based approach, we continued to place the usual importance on alternative supplier activities in the years of 2013 and 2014. This is also important in terms of backing up cooperation with the critical suppliers. (Appendix: Table 50: Number of Suppliers and Alternative Suppliers)

When it comes to the distribution of our suppliers, 35% of our suppliers were foreign suppliers and 65% were domestic suppliers in 2013; and this distribution changed in 2014 when 40% were foreign and 60% domestic. In the domestic market, consolidation was made only in technical purchases and the number of suppliers was reduced.

- The purchasing monetary value stood at 211.4 million TL including imports / domestic raw material, packaging and technical purchases; 78% of which were supplied as direct imports and 22% of which were procured from the domestic market.

Country Based Supply Distribution

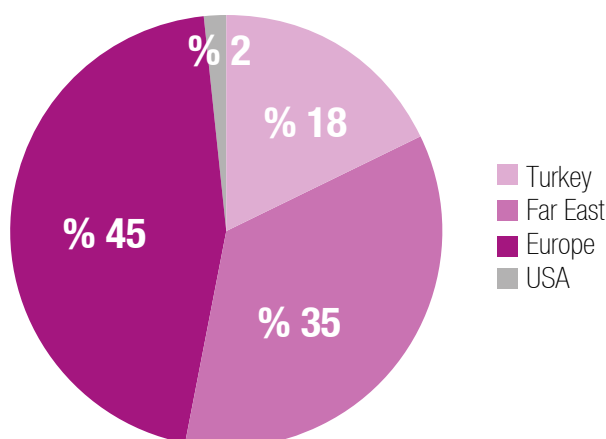


Table 51: Country based supply distribution

Sustainability Performance

We have a system in place for planning, implementation and following up of audits to check the performance and competence of the quality systems of the companies that are suppliers who provide raw materials and packaging materials to Bilim Pharmaceuticals; contract manufacturing companies, and the companies from which other services are purchased.

For performance evaluation of raw material suppliers, packaging materials suppliers, contract manufacturing companies and the companies from which other services are purchased, their competencies in the fields of cGXP, ISO 9001, ISO 14001, OHSAS 18001, ISO 17025, HACCP are checked according to the supplier company's operation field.

A Supplier / Contract Manufacturing Audit plan is prepared by the Directorate of Quality Assurance in the first quarter of each year (January-March period) and approved. Once a Quality Assurance System risk score is obtained after the supplier evaluation, the action to be taken is determined for evaluation of the supplier's quality assurance system.

The annual audit plan covers Bilim Pharmaceuticals' Gebze and Çerkezköy plants. The audit performed by a plant is considered to be valid for the other plant.

²The audit plan is planned after the supplier evaluation activity; the plan does not include the total number of suppliers, but it includes those suppliers who are under evaluation. On the basis that the audit realization percentage is calculated based on the number of actual / planned audits, the audit realization rate stood at 64% in 2013 (it was 100% according to what must be audited, but 36% of it was cancelled based on the evaluation performed). The audit rate stood at 23% in 2014. Given the current workload, firstly the companies needed to be audited was audited; when the 2015 audit plan was prepared, the audits not performed in 2014 was included in the plan.

Number of Suppliers Visited/Audited

2013	2014
Total suppliers: 398	Total suppliers: 439
Planned audit number 55 = 13,81%	Planned audit number 35 = %7,97
Actual audit number 35 = %8,79	Actual audit number 8 = %1,82
Cancelled audit number 20 = %5,02	

Table 52: Number of Planned and Actual Supplier Audits

In accordance with the strategy of increasing the effectiveness of the GMP (Good Manufacturing Process) and IMS (Integrated Management System), critical suppliers and collaborations that were included in the audit plan by being assessed for risk are audited under the responsibility of the Quality Directorate. Authorities from the related departments (Quality Assurance Manager, Procurement Manager, Quality Control Manager, Production Directorate) participate in these audits. As required by the audit systematic, any company -specific issues and solution suggestions are discussed together with the standard question list included in the relevant instruction of Quality Assurance Manager. The company's compliance with the ISO 9001, ISO 14001, OHSAS 18001 standards is investigated during these audits and the company is encouraged to implement them. Bilim Pharmaceuticals' mission, vision, values are shared with suppliers during the investigations. The audit report prepared once the audit is completed is given to the concerned parties by the Quality Assurance Manager. Findings and corrective actions are shared in Quality Directorship Department meetings, Quality Management Systems Board meetings and the Supply Chain and Collaboration Board meetings.

The assessment activity is carried out for all strategic-critical suppliers and the collaborations that extend for more than 3 years and that are commissioned with at least 6 orders a year. Root cause investigation is carried out on the basis of supplier in order to identify areas for improvement for the suppliers and collaborations that are placed in the B and C categories under the Supplier Evaluation Procedure.

The evaluation reports are reviewed in the Supply Chain and Collaboration Board (SCCB); the actions to be taken, which were decided in the board, are shared with the suppliers. Technical support is provided, trainings are scheduled for them to be upgraded to a level up and the progress is monitored.

Ending a Collaboration and Supplier Relationship

As a result of the Annual Supplier Evaluation and / or when necessary, supplier or collaboration relationship is ended upon the recommendation of the Supply Chain and Collaboration Board that is held every 3 months and with the approval of the Board of Directors.

Creation of Common Relation Networks That Will Facilitate the Identification of Possible Collaborations

Training and all sharing mediums organized or supported by the suppliers and various organisations provide important ground for creation of relation networks. The current literature is followed up by buying online subscriptions. Relationships are established with the new companies to identify potential business collaborations by participating in CPhI and/or Achema fairs. Related web sites are constantly scanned and necessary contacts are provided. In addition, information is gathered from events, meetings and visits organized by the companies for promotion purposes.

PRODUCT EXCELLENCE, PATIENT HEALTH AND SAFETY

Bilim Pharmaceuticals, directs its operations under the basic understanding of "people first", with an awareness that capturing excellence for patient health and safety is achieved through product excellence. Accordingly, it concentrated on two main elements; (1) Quality Management and (2) Access to Medicine.

A. Quality Management

Acting on the principle of executing all its operations by placing priority on "quality", Bilim Pharmaceuticals has continued its activities by adopting the EFQM Excellence Model since 1998. The model is an institutionalization and management model aimed at ensuring stakeholder satisfaction. The goal is to achieve results that will ensure satisfaction among shareholders, customers, employees and the community, to be a "pioneer" in the quality journey and to assume the role of guidance.

Bilim Pharmaceuticals sees "people, quality and the future" as its most important elements and attaches importance to them. Bilim Pharmaceuticals takes all necessary measures for the drugs that it offers for use

- to be at the defined international quality,
- to be used safely,
- to demonstrate the expected effectiveness.

Our management and all of our employees ensure that these goals are achieved with the responsibility and awareness of serving human health.



Bilim Pharmaceuticals was the first national company to have obtained "EFQM Competency Approval in Excellence" in 2004 given by the European Quality Association. This was followed by Bilim Pharmaceuticals being the first organization in the pharmaceutical sector in Turkey to receive the "National Quality Grand Award" in 2006, awarded by TÜSIAD-KalDer. Bilim Pharmaceuticals received the "Sustainability in Excellence Award" in 2010, which is considered the most prestigious award of the Excellence Model. In 2011, Bilim Pharmaceuticals was awarded the "European Quality Award", an award that no organization had qualified for in the proceeding 3 years in Europe, and was deemed worthy of achievement awards in four different categories.

The quality system implemented in our organization is at the level of and based on international standards. The system is based on current regulations and guidelines (cGMP - Good Manufacturing Practice, GLP-Good Laboratory Practice , GCP- Good Clinical Practice, and so on) and the principles of Quality Management System (ISO 9001) as part of the integrated system.

The basic elements of our Quality Management System are explained in the "Quality Policy" published by our company. Our website provides further information concerning our Quality Policy (<http://www.bilimilac.com.tr/tr/bilimilac/politikalarimiz.html>) and Bilim Pharmaceuticals Corporate Responsibility Report 2012 can be visited from (http://www.bilimilac.com.tr/tr/dosyalar/kurumsal-sorumluluk/kurumsal-sorumlulukraporlari/1_55366647_bilim_ilac_ks_rapor_2012.pdf) and details of the practices that we have implemented in this context.

Product Safety Management

We continuously check and evaluate the safety and effectiveness of all of our products for which we have a license and report to the relevant authorities to enable healthcare professionals to recommend our products to consumers in confidence. When required and after obtaining the official approvals, we send informative letters to healthcare professionals, organize meetings and convey the developments through our head office and field staff within the Marketing Directorship.

The safety of our medicinal products for human use is unwaveringly followed up by "Product Safety Representatives" that consist of doctors and pharmacists under the Pharmacovigilance Management established within the Medical Support Directorate. All kinds of information concerning the effectiveness and safety of our products are continuously researched from both domestic and foreign sources.

We inform personnel at all levels, particularly the marketing, head office and field staff, on how to handle, direct and follow up issues that may be raised by consumers or healthcare professionals concerning the safety of our products in line with the legislation through in-service training.

Following the order to refer our products to safety personnel, personnel undertake the necessary initial assessment, receive additional information by reaching out to the person / persons who had notified them, if necessary, and report to the authorities within a maximum of 15 days in accordance with the urgency and importance of this issue. If additional measures to be taken within the company, we inform the relevant department / division and follow up on the issue. We evaluate whether there is a risk associated with product safety we share this assessment with the relevant authorities in line with the risk analysis that we carry out periodically.

We complete our training concerning product safety, that has always been at the heart of our way of doing business, within the orientation period of newly employed personnel and repeat them at regular intervals. When measuring the performance of our marketing staff, who are continuously in contact with our customer group, we also evaluate these training programs as a criterion.

Customer Focus

"Customer Focus" is part of Bilim Pharmaceuticals' strategy of producing and offering economical products and the principle of "being respectful to society". The performance of Bilim Pharmaceuticals team that performs marketing and sales activities with 8 different teams and nearly 1,000 field employees in 11 regions throughout Turkey is measured with customer satisfaction

surveys conducted every two years and plans to increase the satisfaction of customers have being implemented.

Sustainability Strategy for Patient Health

Bilim Pharmaceuticals is an industry-leading organization with 100% Turkish capital which aims to provide unconditional support for public health and plays informative role between essential stakeholders - patients and diseases for this purpose.

In the context of the diagnosis of diseases particularly, starting the treatment right and given the right treatment, Bilim Pharmaceuticals aims to establish sustainable collaborations in different therapeutic areas strategically as a priority.

Among the most important of these collaborations include the following;

- Bilim Pharmaceuticals-sponsored professional development courses aimed at Emergency Medicine Interns and EMAT (Emergency Medicine Association of Turkey) and AEP (Association of Emergency Physicians). The interns who complete the course are given training certificate.
- We contributed to both communicating the current treatment algorithms to the doctors and increasing the awareness of diabetes based on the "Stop Diabetes" slogan throughout Turkey with Algorithm Meetings that we started together with the Algorithm Meetings Association.
- In 2013 and 2014, we walked together in the Intercontinental Eurasia Marathon as Bilim Pharmaceuticals and the Turkish Diabetes Foundation on World Diabetes Day. We supported both the "Stop Diabetes" and the "Take a Step" projects with this project.
- We performed asthma training for 1st Step doctors through the doctors in the projects of educating patients in the field of Asthma and Chronic Obstructive Pulmonary Disease (COPD) together with Turkish Respiratory Society (TRS).

B. ACCESS TO DRUGS

At Bilim Pharmaceuticals, in order to ensure our drugs reach as many people as possible, we work with all major pharmaceutical warehouses (which make up 98% of the volume of pharmaceutical warehouses) with the aim reaching all areas of Turkey and all pharmacies. Bilim Pharmaceuticals serves Turkish medicine with economical products in order to support Turkish public health. (Appendix: Table 53: Box Prices /TL).

We undertake promotional visits to the pharmacies throughout Turkey through our Medical Promotion Officers and Regional Directors to ensure that the products we bring to market are placed on the shelf in an organized manner and to encourage their use in the right way. Due to our position of being able to reach the Departments of Health and pharmacies extensively, we have the advantage of solving all problems that may arise regarding our products on the site in a timely manner. Also, the feedback that we receive supports us to improve our products and promotion activities.

Drugs Recalled from the Market

One of our products, the 1 series Enfexia 500 mg film-coated tablet, which was produced by a manufacturing contractor on our behalf in 2013, was recalled from the market on the request of Turkey's Ministry of Health due to foreign substance non-conformity. The recall of the Enfexia 500 mg film-coated tablet in 2013 was at the level of "second class, B".

In 2014, the 1 series Momeco with 0.05% nasal spray was recalled from the market on the request of the Ministry of Health as it was found to contain the preservative substance, Benzalkonium Chloride. The 1 series Largopen 1000 mg tablet and 1 series Largopen 500 mg tablet was also recalled from the market on request from the Turkish Ministry of Health due to the non-conformity of the tablet's appearance. The recall of Momeco with 0.05% nasal spray, the Largopen 1000 mg tablet and the Largopen 500 mg tablet in 2014 were at the level of "second class, B".

First class recall is a case when serious and life threatening health problems have occurred and there are accepted reasons this may occur. A second class recall is ordered when temporary, treatable health problems have occurred and there are cases where this is possible. In a third class recalls, use of the product would not be harmful to health.

The level A is down to the consumer level; first-class recalls are made at this level. B level refers to the retailer level (pharmacies, hospital pharmacies, institutions, etc.), and second class recalls are made at this level. The C level is down to the level of wholesalers, and third class recalls are defined at this level.

The official complaint made by Turkish Ministry of Health in 2013 and 2014 was at the level of second class, B.

The recalled series were recollected from all the pharmaceutical warehouses and pharmacies that the product had been distributed to. (Appendix: Table 54: Recalled Products in 2013 and 2014).

The non-availability of the products in the market disrupted the public access to the product, thereby having a negative effect on society, due to the suspension of the product's manufacture during the period when the work was being carried out to eliminate the issues that caused the recall and recollection. The equivalent products are available in the market because our company is a generic drug company. This has had no effect on patient health; the only negative effect was that our own product was not available.

A total of TL 31,727.56 fine was imposed for the drugs recalled in 2013.

A total of TL 208,023.95 fine was imposed for the drugs recalled in 2014.

INFORMING CUSTOMERS, PROMOTION PRINCIPLES AND ETHICS

Sharing the Product Information and Experience

Bilim Pharmaceuticals monitors the benefits and risk profiles of all its licensed products carefully and periodically and ensures their protection.

Within the limits permitted by current laws and regulations, utmost care is taken to deliver the product information to the users (and / or practitioners), healthcare personnel or official authority on time and thoroughly.

All persons concerned both in Turkey and the countries which we export to are trained and informed about the use of our products, their safety, the cases where the products must not be used, specific use cases (pregnancy, lactation period and so on) and side effects.

In accordance with applicable laws and regulations, this information is offered to customers through different means as follows:

- Package contents (prospectus or instructions for use)
- "Dear Healthcare Professional" letters sent to doctors, pharmacists and other healthcare professionals,
- Education and / or printed promotional materials,
- Presentations by our representatives, including medical promotion officers,
- Ministry-approved product promotion meetings
- Sharing of relevant scientific publications (literature, conference papers, etc.)
- Reports that are submitted to official authorities (pharmacovigilance reports, stability results, etc.)

This information shared should be consistent with scientific knowledge and should be not be misleading. Therefore, in the event that there is a change in the available information (or is likely to be), steps are taken to ensure that the information remains continuously up to date and shared by quickly completing necessary legal procedures.

Full compliance with the regulations and voluntary codes is provided with regard to product and service information and labeling. There is no case to the contrary.

Promotion Principles and Ethics

As a license holder, we hold patient safety at the forefront and monitor closely all developments relating to our products

We plan and implement all the promotional activities that we do for our customer groups according to the relevant regulations, rules and directives of T. R. the Ministry of Health and the Pharmaceutical Industry Employers Union (PIEU). While continuing our activities, we pay attention to act in accordance with whichever is more restrictive of T. R. the Ministry of Health Promotion Regulation, the PIEU Promotion Guide or Bilim Pharmaceuticals Business Ethics Principles. We repeat our internal trainings on these issues.

The promotion principles' training is given to all the personnel who are responsible for promotion during basic training processes and/or orientation period; we conduct periodical reminder trainings. We approve all kinds of materials and activities for the promotion of our products by passing through a series of checkpoints within the marketing team. We receive support from our separate structure that is completely independent from our marketing team, when we need and to obtain internal feedback.

The promotional materials must be approved by our science service officers as required by both existing regulations as well as Bilim Pharmaceuticals ethical principles. We comply with all the relevant regulations and voluntary codes regarding the promotion and marketing of our products and services. No cases of violation were found in terms of compliance with the promotion principles in 2013 and 2014.

As a license holder, we hold patient safety at the forefront and monitor closely all developments relating to our products. We have formed a separate unit that consists of our product safety representatives in order to monitor any side effects that may occur with the use of our products and to take additional measures if necessary.

We begin to give related training (pharmacovigilance training) to staff who will be responsible for the promotion of products when they are still candidates, and we make sure we inform them of whether their candidacy will continue or not, and thus aim to raise social awareness.

The total number of cases of non-compliance with the regulations and voluntary codes on the subject of marketing communications including advertising, promotion and sponsorship is 0.

CUSTOMER PRIVACY

Some of our activities may require the revision and evaluation of patients' medical records or personal medical information. The patient's medical information obtained during our operations or delivered to us is kept confidential. This information cannot be used and shared with others unless required by the law and regulations or without the patient's consent.

All of our employees, our suppliers and the companies working with Bilim Pharmaceuticals are careful to protect the confidentiality of the information entrusted to us and to ensure the safety of it. No breaches of confidentiality were encountered during the reporting period.

CUSTOMER SATISFACTION

The organisations that truly achieved excellence are those which have the skill to create outstanding results for stakeholders and have the ability to sustain them. The stakeholders who will assess the quality of products and services in the end are the customers.

We regularly carry out the Customer Satisfaction Survey (CSS) to learn our customers' expectations and perceptions.

The purpose of the Bilim Pharmaceuticals Customer Satisfaction Survey, which is sent to doctors, pharmacists and pharmaceutical warehouses every two years is;

- To learn the degree of satisfaction that the organization has achieved with its customers,
- To identify the strengths and the areas needing improvement,
- To form a basis for the improvement activities to be carried out.

The questionnaire forms are divided into three separate sections. The first section investigates expectations; the second section investigates perceptions; the third section provides means to learn the customers' other suggestions and requirements with the help of open-ended questions, in addition to the survey questions.

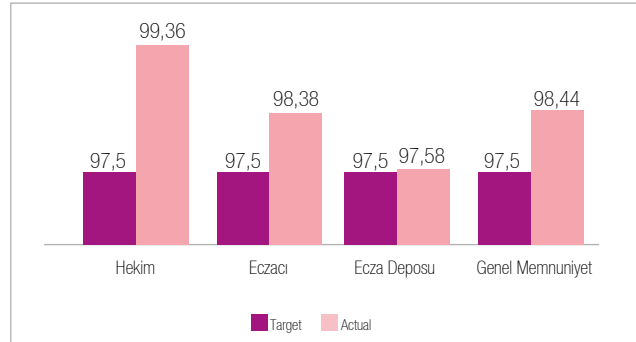


Table 55: Rate of Customer Satisfaction (%)

The survey carried out in 2013 was completed by 1915 doctors, 501 pharmacists and 186 pharmaceutical warehouses. The level of customer satisfaction in 2013 stood at 98.44% as the overall average, higher than the 97.50% target and exceeding expectations.

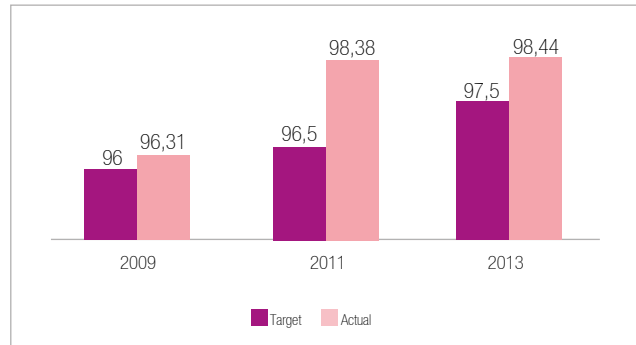


Table 56: Year-based Customer Satisfaction Survey (CSS) General Satisfaction Rate (%)

Foreign Markets Customer Satisfaction

Our Customer Satisfaction Survey (CSS), which consists of 10 sub-headings and 39 questions, was submitted to 29 distributors working actively. The results are provided in the following table by year. The improvement plans have been created for areas that need improvement that are open for every customer.

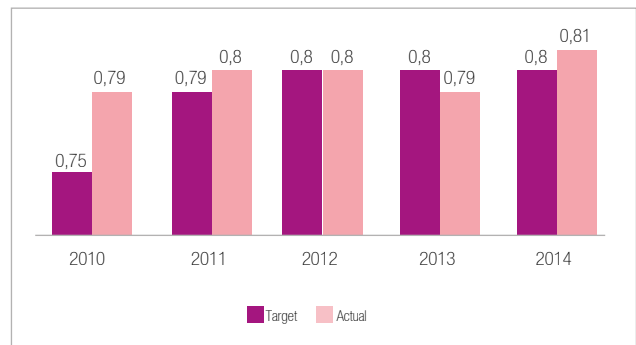


Table 57: Foreign Markets CSS Results (%)

OUR RESPONSIBILITY TO THE ECOLOGICAL ENVIRONMENT



ENVIRONMENTAL MANAGEMENT

We consider the environmental aspects and impacts of our activities at all stages of our operations from the development of new products and filing the license application to the procurement, production, delivery to the recycling of packages of marketed products, which are conducted in conjunction with the environmental aspects and environmental impacts in a manner consistent with the protection of natural resources.

We have structured our Environment Management System on the basis of Bilim Pharmaceuticals Environmental Policy, Environmental Aspect and Impact Analysis and ISO 14001 standards as set out by the Integral Management Systems (IMS). The environmental aspects and impacts of our activities are identified in consideration of legal and local requirements, inputs and outputs over process, routine and exceptional management circumstances, emergency situations, the findings of external and internal audits and feedback from stakeholders, and are evaluated numerically by the ISO 14001 working teams.

We determine and review our annual environmental targets in line with the results of the 'Environmental Aspect and Impact analyses.

We draw up and apply the Annual Environment Management Action Plan to reduce the identified environmental risks and to keep them under control.

We implement procedures and directives derived from the results of the 'Environment-Dimension-Effect Evaluation' as a reference in a bid to reduce the environmental impacts or to keep them under control. All applied procedures and instructions are associated with the requirements of the ISO 14001 standard and defined in the Environmental Management Handbook.

We comply with the environmental legislation encompassing the receipt of legal permits, approvals and licenses, in line with the "Procedure of Monitoring Compliance with the Legislations on Occupational Health & Safety and Environment, as well as Other Requirements".

The conformity assessment of the environmental legislation which includes legal authorizations, approvals and licensing documents is carried out in line with the "Compliance to Occupational Health and Safety, Environmental Regulations and Other Requirements Monitoring Procedures", based on the "Compliance Assessment Grid". We refer to the sections on "Waste Management Procedures" and "Energy Management Procedures" as a guide in the activities we undertake with the aim of protecting the ecological environment.

We dispose of such products, materials and semi-finished products as waste where a decision has been taken to dispose of them due to expiry or non-compliance with quality specifications.

We have set up Environmental Management Units at our Gebze and Çerkezköy processing facilities in accordance with the legislation on permits and licenses that must be obtained in line with environmental law, and an environmental permit has been acquired for both of our facilities.

No misconduct took place in connection with the activities at either of our production facilities in 2013 or 2014, and accordingly no penal action was taken. No environmental accidents / chemical spillage or leakages were recorded either.

Our Environmental Management Model

A sustainable ecological environment requires effective governance that needs to be coordinated with all other processes. Within the framework of our sustainability management process, and in line with our strategy of "protecting the environment and reducing consumption of natural resources", we set up the Environmental Management Board, the Energy Management Board and the ISO 14001 Environmental Work Teams, which play an active role in processes such as evaluating our environmental impacts, the planning and performance of necessary activities to minimize determined impacts and in reducing the consumption of natural resources. The Environmental Management process is carried out with the participation of all our employees and in conjunction with other processes.

The Environmental Management Board and the Energy Management Board were established under the umbrella of the Sustainability Board to evaluate and review management, planning and implementation processes, while Environmental Work Teams were established to execute and disseminate activities in practice.

OUR 2015 ENVIRONMENTAL TARGETS

Environmental Targets for the Gebze Processing Facility for 2015

- To realize electricity consumption of a maximum of 0.17870 kWh/box.
- To realize natural gas consumption of a maximum of 0.16066 kWh/box.
- To realize water consumption of a maximum of 1.11163 lt/box.
- To keep the volume of hazardous waste to less than 1.5 gr/box.
- To provide at least 4 hours of training to each of our employees on the Sustainable Environment.

Environmental targets for the Çerkezköy Processing Facility for 2015

- To realize electricity consumption at 0.12772 kWh/box.
- To realize natural gas consumption at 0.08764 kWh/box.
- To realize water consumption at 0.54984 l/box.
- To realize the amount of hazardous process waste at 0.3350 g/box.
- To provide at least 4 hours of training to each of our employees on the Sustainable Environment.

INPUT MATERIALS

	2013	2014
Glass	3.411.425 kg	3.535.745 kg
Labels	83.507.686 adet	80.368.829 adet
Raw materials	5.019.190 kg & 82.709 lt	4.903.874 kg & 85.723 lt
Parcel	582.248 kg	554.699 kg
Box	3.065.111 kg	2.907.771 kg
Plastic	49.996 kg	47.631 kg
Prospectuses	176.001.927 adet	167.674.219 adet
PVC - foil	421.027 kg	413.497 kg

Table 58: Input Materials Used in 2013 and 2014

Due to the nature of our sector, we cannot use recycled products in our raw materials or primary and secondary packaging materials. All materials in production processes are for single use only. Due to the nature of our sector, we are unable to use recycled products in our raw materials or primary and secondary packaging materials. All the material used in the production processes are for single use only.

ENERGY CONSUMPTION

Bilim Pharmaceuticals expends maximum effort on keeping the environmental impact resulting from its operation under control, and to eliminate these effects. With the awareness that energy consumption plays an important role in minimizing the environmental impact of our activities, we continuously explore new ways to conduct our operations in the most efficient way in energy consumption and we are improving our existing methods with our experienced team.

Electricity Consumption

Reasons why electricity consumption at our Gebze facility exceeded the target in 2013 and 2014:

- The total number of free-cooling days between January and April 2014 amounted to 3 weeks less than in previous years.
- The increase in the cooling needs, and thus the increased load and use of air handling units compared to the previous year due to the higher average temperatures experienced during the summer when compared to previous years.

Reasons why electricity consumption at our Çerkezköy facility exceeded the target in 2013 and 2014:

- The increasing need for cooling due to temperatures exceeding the seasonal norm, especially during the summer, when compared to the previous year resulted in electricity consumption being higher than the budgeted level.

	2011		2012		2013		2014		2015
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Electricity Consumption Per Box (kW/box)	0,14467	0,14889	0,13816	0,14293	0,13177	0,13713	0,12129	0,13713	0,12903
Gebze	0,17491	0,17633	0,16052	0,17788	0,1682	0,17161	0,15751	0,178	0,1787
Çerkezköy	0,16698	0,19219	0,18911	0,15384	0,12204	0,13256	0,1273	0,13216	0,12772
Head Office and Regions	0,3273	0,02876	0,02686	0,0277	0,02822	0,02043	0,01479	0,01949	0,01521

Table 59: Electricity Consumption

Natural Gas Consumption

	2013		2014	
	kWh	Mj	kWh	Mj
Gebze	17.435.732	62.768.635	17.017.218	62.768.635
Çerkezköy	4.455.333	16.039.199	4.537.894	16.039.199
Head Quarter	586.262	2.110.543	614.588	2.110.543

Table 60: Total Electricity Consumption in 2013 and 2014

Reasons why natural gas consumption exceeded the target in 2014:

- With a total capacity of 110,000 m³/h, the three dehumidification air handling units operate with a very high steam consumption. When low moisture type products were worked and when set entered from BMS automation the daily steam consumption in the summer was calculated as 3,000 m³ / day.

Reasons why Natural Gas consumption at our Çerkezköy facility exceeded the target in 2013 and 2014:

- The winter was colder than expected, increasing the need for heating to beyond the projected amount.

	2011		2012		2013		2014		2015
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Natural Gas Consumption per box (kWh/box)*	0,1274	0,1319	0,1228	0,1251	0,1176	0,1159	0,1011	0,111	0,1083
Gebze	0,1577	0,1588	0,1479	0,1554	0,1545	0,1526	0,1433	0,1539	0,1607
Çerkezköy	0,1268	0,1086	0,0965	0,0892	0,0754	0,078	0,0799	0,0882	0,0876
Head Office and Regions	0,034	0,0692	0,0639	0,0639	0,0432	0,0303	0,0014	0,0058	0,0048

Table 61: Natural Gas Consumption

*1 m³ = 10 kW

	2013		2014	
	kWh	Mj	kWh	Mj
Gebze	15.500.254	55.800.914	14.716.162	52.978.183
Çerkezköy	2.655.787	9.560.833	2.622.853	9.442.271
Head Office and Regions	869.259	3.129.332	181.334	652.802

Table 62: Total Natural Gas Consumption in 2013 and 2014

Work to reduce energy consumption

As part of the efforts to reduce our energy consumption, the flow and return temperature of the cooling tower is kept between 20-25°C, ensuring the efficient operation of the cooling system on COP 12. Under the free-cooling working scenario, more than 300,000 kW in energy savings were achieved by cooling with outdoor air in the free cooling mode. By using the method of ultrasonic measurement in compressed air systems, 77,000 kWh in annual energy savings were achieved.

Steps were taken to ensure that work is executed according to the minimal energy expenditure scenario with the Automated Logic Tower condenser automation. All pumps are set by selecting speed drive according to the scenario that will spend the least energy to work, which ensures they will work.

WATER CONSUMPTION

As in every field, we plan our operations on water consumption with a view to ensuring optimal protection of the environment and minimizing our environmental impact. We conduct prevention and follow-up work to minimize or keep the environmental impacts identified in this area under control. With an awareness that water is the most important resource on Earth, Bilim Pharmaceuticals provides awareness raising and informative meetings regarding water consumption on special occasions in its workplaces. Accordingly, our employees develop an awareness about water, both in the workplace and in their homes.

Within the scope of the improvements in this area for the purpose of cooling 6,000 liter liquid manufacturing tanks enclosed type cooling towers are commissioned. The enclosed type cooling saved 7,000 m³ of water when compared to the direct cooling with water.

Water Usage in Our Production Facilities

The water needs for the Gebze facility are provided from the Yuvackı reservoir, which is a superficial pond, through the municipality's water supply network. As well as the Gebze Organized Industrial Zone, this

water source also provides water to residential areas in the region. Within the scope of plan B, we drew water from the Denizli Pond, an artificial pond maintained by the Gebze Organized Industrial Zone for use in reserve, for a period of one week in 2011. Likewise, this pond provides water not only to the Gebze Organized Industrial Zone, but also to residential and cultivated areas in the region.

The Gebze Organized Industrial Zone is currently carrying out a preliminary project to provide garden irrigation water to industrial establishments by installing an advance treatment system at the exit point of its current central water treatment facility. When this project is implemented in the coming year, we will have the chance to obtain our garden irrigation water from the outflow of the Gebze Organized Industrial Zone's central water treatment facility.

In our Çerkezköy processing facility, water is provided from 17 deepwater wells within the boundaries of the organized industrial regional directorate. Moreover, the use of the Yoncalı reservoir is allocated to the Çerkezköy Organized Industrial Zone, and a tender is planned for the construction of the dam.

Water Consumption

Reasons why water consumption exceeded the target in 2013 and 2014:

Due to the high temperatures during the summer, the four cooling towers worked at maximum capacity (300m³/ day) and annual water consumption therefore reached 35,000m³.

WASTE MANAGEMENT

Our waste is collected according to the process as shown in the example process flow diagram in Table 64. We separate the recyclable waste at the source under categories such as hazardous wastes, industrial wastes, recyclable wastes and recoverable wastes as summarized in the Table and dispose of them, attaching priority to recycling and recovery, through collaboration with accredited firms licensed by the Ministry of the Environment and Forestry in a manner that does not harm nature.

The volume of produced waste, including their category, is continuously recorded at their source and their monthly trends are followed closely. All hazardous waste that may be produced as a result of our activities is monitored as "amount of hazardous waste per box", a performance indicator.

We continuously keep our employees, suppliers, business partners and visitors informed about waste management in order to increase the effectiveness of our waste management system.

	2011		2012		2013		2014		2015
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Water Consumption per box (m3/box)	0,00099	0,00087	0,00082	0,00079	0,00076	0,00082	0,00072	0,00074	0,00075
Gebze	0,00124	0,0011	0,00103	0,001	0,00098	0,00107	0,00098	0,00102	0,00111
Çerkezköy	0,0001	0,00082	0,0008	0,00075	0,00065	0,00062	0,00057	0,00055	0,00055
Head Office and Regions	0,0002	0,00018	0,00018	0,00019	0,00017	0,0002	0,0001	0,0001	0,00008

Table 63: Water Consumption

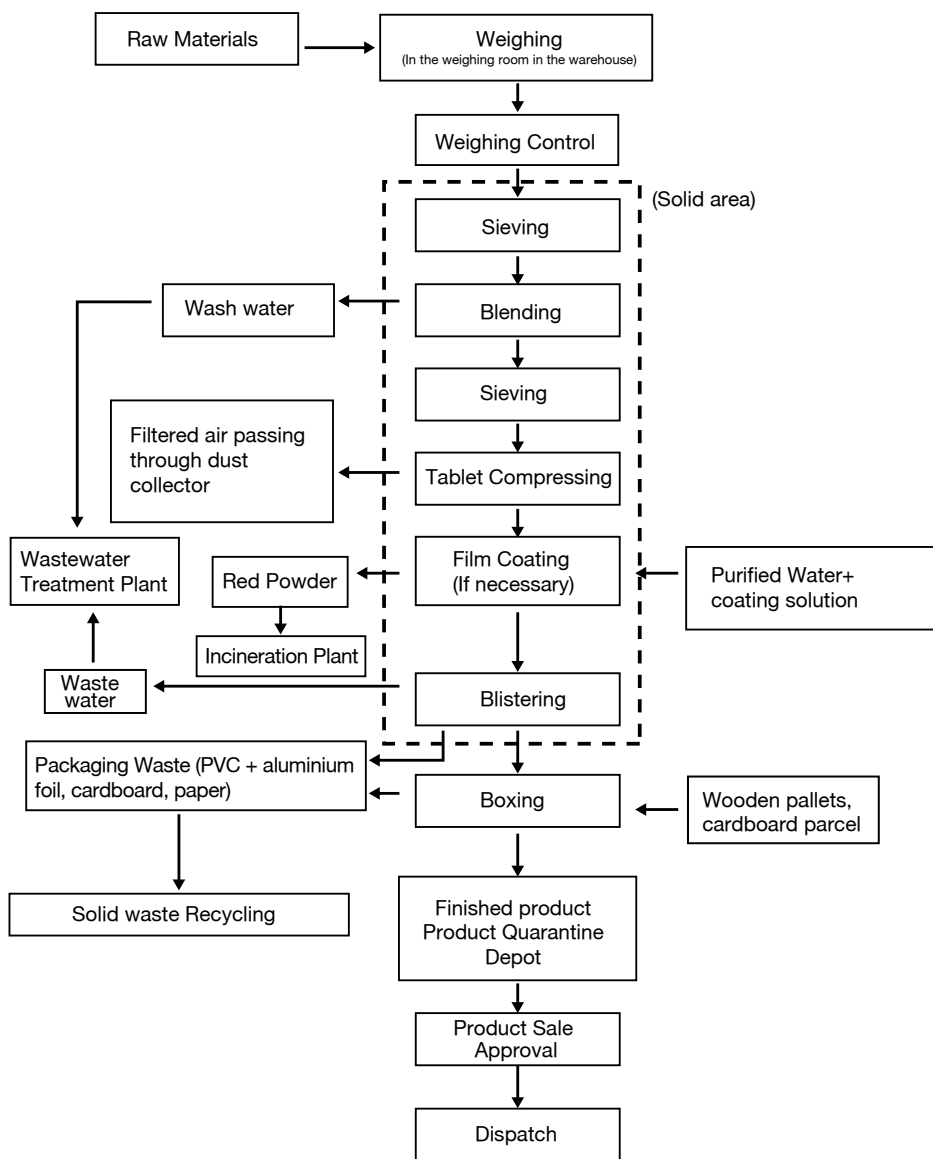


Table 64: Tablet Production Dry Granulation Process Flow Chart

No	Waste Definition/Content	Waste Name	Disposal Method
1	Blister containing residues of hazardous substances or which has been contaminated with hazardous substances; paper / cardboard, plastic packaging wastes; laboratory wastes (HPLC and GC column wastes, TLC plate, capillary tubes, etc.); ink rollers and boxes; injector needles (used in laboratories); contaminated wood, glass or plastic paint cans	Contaminated Waste Contaminated Glass Waste	According to the Regulation on the Control of Hazardous Waste, they are subjected to the recycling process in companies licensed by the Ministry of the Environment and are transferred in vehicles licensed by the Ministry of Environment or are sent to incineration plants.
	Tin plate, plastic raw material barrels and IBC (intermediate bulk container) tanks containing residues of hazardous substances or those which have been contaminated with hazardous substances	Contaminated tin plate packaging Contaminated plastic packaging	
2	Filter materials which have been contaminated with hazardous substances, oil filters	Filter waste	According to the Regulation on the Control of Hazardous Waste, they are subjected to the incineration process in companies licensed by the Ministry of the Environment by being transferred in the vehicles licensed by the Ministry of the Environment.
3	Vacuum - Raw material dust wastes, Tablet-Capsule wastes	Dust wastes, Tablet-Capsul wastes	According to Regulation on Control of Hazardous Wastes, they are subjected to the incineration process in the companies licensed from the Ministry of Environment by being transferred with the vehicles licensed from the Ministry of Environment.
	Semi-finished product/ Product (Finished product)	Shelf samples, Stability products, semi-finished products Product (Finished product)	
	Raw materials to be disposed of (liquid - powder wastes of raw materials released during the production and those raw materials separated for disposal). Finished goods to be disposed of. (Expired, recalled from the market, finished products that are to be disposed of for quality defects)	Raw Materials to be disposed of (Liquid - Powder - Pomade etc .) product (finished product) to be disposed of	
	Oil cleaning solvent	Oil cleaning solvent waste	
	Coating solution	Coating solution	
4	Laboratory chemical wastes (acid, alcali)	Waste acid Waste alkaline Other chemical wastes	In accordance with the Regulation on the Control of Hazardous Waste, they are subjected to the incineration process in companies licensed by the Ministry of the Environment and are transferred in vehicles licensed by the Ministry of the Environment.
5	Plasticizer resin	Waste resin	In accordance with the Regulation on the Control of Hazardous Waste, they are subjected to the incineration process in companies licensed by the Ministry of Environment and are transferred in vehicles licensed by the Ministry of the Environment.

6	Waste printing toner and printer cartridges containing dangerous substances, wastes with ink (Pens, ink boxes, Phosphorus - glass pens , Boardmarker pens, etc.)	"Waste toner Waste cartridges"	In accordance with the Regulation on the Control of Hazardous Waste, they are subjected to the incineration process in companies licensed by the Ministry of Environment and are transferred in the vehicles licensed by the Ministry of the Environment.
7	Batteries, wireless and phone batteries	Waste batteries	In accordance with the Regulation on the Control of Waste Batteries and Accumulators, they are subjected to the incineration process in companies licensed by the Ministry of the Environment and are transferred in vehicles licensed by the Ministry of the Environment.
	Expired accumulators	Waste accumulators	
8	Waste oil	Waste oil	In accordance with the Regulation on the Control of Waste Oil, they are recycled by companies licensed by the Ministry of the Environment and are transferred in vehicles licensed by the Ministry of the Environment.
9	Tires of vehicles and Forklift	Waste Tires	In accordance with the Regulation on the Control of Expired Tires, they are recycled by companies licensed by the Ministry of the Environment.
10	Electrical and Electronic Wastes (IT and Telecommunication Wastes, Monitoring and Control Devices and Equipments, Vending machines, Lighting Devices and Appliances, Big White Goods, Small Domestic Appliances, Consumer Appliances , etc .)	Electrical and Electronic Wastes	In accordance with the Regulation on the Control of Hazardous Waste, they are recycled by companies licensed by the Ministry of Environment and are transferred in vehicles licensed by the Ministry of the Environment.
11	Fluorescent Lamps and Other Mercury Containing Wastes	Fluorescent Wastes Wastes Containing Mercury	In accordance with the Regulation on the Control of Hazardous Waste, they are recycled by companies licensed by the Ministry of Environment, and are transferred in vehicles licensed by the Ministry of the Environment.
12	Syringes, Blood, Body Fluids and wastes contaminated with drugs from the Occupational Physician room	Medical Wastes	In accordance with the Regulation on the Control of Medical Wastes, they are disposed of in the incineration plant licensed by the Ministry of Environment, and are transferred with the medical waste transporting vehicles licensed from the Ministry of Environment.
13	Wastes from the garden, cafeteria/ restaurant, wash room and toilets	Domestic Waste	In accordance with the Regulation relating to the General Principles of Waste Management and Regulation on Control of Solid Wastes, they are disposed of in the landfill sites licensed by the Ministry of the Environment.
14	Glass - Paper -Cardboard- Metal - Wood wastes, clean PVC , Aluminium Foil	Recycling Wastes	In accordance with the Regulation on the Control of Packaging Wastes and within the framework of the Communiqué on the Recycling of Certain Non-Hazardous Wastes, they are recycled in the companies licensed by the Ministry of Environment.
15	Back of Adhesive Labels, Clean bonnets, shoe covers	Industrial Waste	In accordance with the Regulation relating to the General Principles of Waste Management, they are disposed of in the incineration plants licensed by the Ministry of Environment.

Table 65: Waste Name and Disposal Method (EN23)

Amount of waste recycling

In the scope of the Regulation on the Control of Packaging Wastes, we have been collaborating with ÇEVKO, an authorized institution in recycling activities, since 2005 for the collection of our packaging wastes at a specified quota. The recycling rate for packaging wastes we have been offering to the market rose from 40% to 42% in 2013. In 2014, 44% of the packaging materials used in the products we sell were collected for recycling by ÇEVKO on our behalf.

The Amount of Waste Recycled (kg)

	2013	2014
Recycled Packaging Wastes / Plastic	119.471 kg	86.568 kg
Recycled Packaging Wastes / Paper – Cardboard	378.678 kg	359.980 kg
Recycled Packaging Wastes / Glass	26.950 kg	12.260 kg
Recycled Packaging Wastes / Scrap Palette	218.727 kg	139.100 kg

Table 66: Amount of Waste Recycled

Amount of Waste Collected Back (kg)

	2013	2014
Plastic	15.907	12.481
Paper – Cardboard	1.206.431	645.917

Table 67: Amount of Waste Collected Back

Waste water

As the central treatment facility was commissioned in the Gebze Organized Industrial Zone in early 2011, the industrial wastewater treatment works and the domestic wastewater treatment system installed at our Gebze Plant were closed in April. We began to collect the industrial and domestic wastewater produced as a result of our activities in the reservoirs of our old treatment facility, which is no longer used, and to canalize it directly to the central treatment system of the Gebze Organized Industrial Zone.

The central wastewater treatment system of the Gebze Organized Industrial Zone is comprised of chemical and biological treatment units. Our wastewater is analyzed by the Gebze Organized Industrial Zone twice a month for compliance with the criteria of water admittance to the central wastewater treatment system of the Gebze Organized Industrial Zone. The results of the analysis of our wastewater, performed by the accredited environmental laboratories as per the request of the Gebze Organized Industrial Zone in 2013 and 2014, are given below.

Date	Chemical Oxygen Demand (COD)	Sulphur (mg/lt)	Suspended Solids (mg/lt)	PH (mg/lt)
09.01.2013	1094	0,006	-	7,1
18.01.2013	1956	0,007	75	6,75
01.02.2013	209	0,002	11	7,23
25.02.2013	2037	75	7,18	0,095
07.03.2013	1250	0,003	7,38	30
26.03.2013	1778	0,07	170	7,01
12.04.2013	2141	0,09	200	7,21
25.04.2013	3094	0,01	240	7,34
06.05.2013	905	0,004	140	7,33
27.05.2013	1030	3,5	14	7,2
04.06.2013	1525	5	128	7,1
14.06.2013	960	0,03	61	7,45
10.07.2013	1688	0,002	182	7,74
15.07.2013	394	0,003	40	7,83
01.08.2013	1692	0,002	128	7,61
20.08.2013	1320	0,03	189	8,26
05.09.2013	787	0,11	36	7,87
19.09.2013	847	0,676	<11	7,68
08.10.2013	1348	0,085	142	7,17
24.10.2013	514	0,231	506	7,46
19.11.2013	800	0,002	51	7,51
26.11.2013	1687	0,16	75	6,96
13.12.2013	1808	0,002	339	6,87
24.12.2013	669	0,0887	40	7,2

Table 68: Waste Water 2013

Date	Chemical Oxygen Demand (COD)	Sulphur (mg/l)	Suspended Solids (mg/l)	PH (mg/l)
14.01.2014	950,4	<0,1	138	7,51
22.01.2014	521,92	<0,1	28	7,14
10.02.2014	862	<0,1	148	8,37
27.02.2014	315,6	<0,1	30	7,4
08.03.2014	900	<0,1	214	7,51
22.03.2014	1020	<0,1	67	7,46
07.04.2014	1374,4	0,23	112	7,2
24.04.2014	1507,2	<0,1	123	7,28
08.05.2014	892	<0,1	34	7,54
23.05.2014	625,6	<0,1	415	7,51
09.06.2014	1143,2	<0,1	82	7,4
24.06.2014	912,8	<0,1	230	6,33
08.07.2014	1338	<0,1	89	6
25.07.2014	327,6	<0,1	55	7,06
08.08.2014	509,6	0,17	125	7,19
21.08.2014	411,2	0,71	58	6,77
05.09.2014	336	<0,1	169	7,71
23.09.2014	882,8	<0,1	96	7,36
02.10.2014	1791,2	<0,1	115	7,23
20.10.2014	1319,2	<0,1	362	6,87
11.10.2014	336	<0,1	70	7,12
19.11.2014	1017,6	<0,1	61	7
03.12.2014	3788	<0,1	728	7,36
17.12.2014	778	<0,1	101	6,53

Table 69: Waste Water 2014

In our Çerkezköy processing facility, domestic and industrial wastewater is processed at our wastewater chemical pre-treatment facility and drained into the Çerkezköy Organized Industrial Zone's Chemical and Biological Treatment Facility. Similarly, our wastewater is analyzed by the Çerkezköy Organized Industrial Zone for compliance with the criteria of water admittance to the central wastewater treatment system of the Çerkezköy Organized Industrial Zone.

In accordance with the discharge criteria of the central wastewater treatment system of the Gebze Organized Industrial Zone for the receiving environment of the exit water, the wastewater at our Gebze processing facility is first discharged into the Yumrukaya stream, then into the Dil stream that the Yumrukaya stream merges with and finally into the Kocaeli Gulf.

In accordance with the discharge criteria of the central wastewater treatment system of the Çerkezköy Organized Industrial Zone for the receiving environment of the exit water, the wastewater at our Çerkezköy processing facility is discharged into the Çorlu Stream, Ergene River, Meriç River and finally into the Saroz Gulf.

The amount of wastewater discharged by our Gebze and Çerkezköy processing facilities and our headquarters in Ayazağa to the receiving environment is given in the following table:

Water Discharge (m³)

	2011	2012	2013	2014
Gebze	37.734	34.072	20576	30218
Çerkezköy	7494	6235	9301	9778
Head Office	5.392	5.950	4607	3265

Table 70: Water Discharge m³

Management of Hazardous Waste

If a decision is taken to destroy material and products which were rejected by our Quality Control and Quality Assurance Departments, a destruction form is filled in. Based on this form, products and/or materials are transferred to project inventories, provided that they are kept at the warehouses of rejected materials within the SAP system. Later, the related information is conveyed to the Cost Accounting Department. Meanwhile, informing correspondence is forwarded to the Ministry of Finance and Ministry of Health, and officials from the tax office and the Ministry of Health check destruction amounts and the reason for the destruction. Following the official compliance letter, the products and materials are destroyed by the authorized institution (İzaydaş) in the presence of the Notary and officials from the Ministry of Health.

In addition to this process, if a material can be delivered to any recycling company, it is sold as scrap. The Ministry of Health is not notified of such products and materials. We have not encountered any spills caused by our operations.

Based on this new approach, the amounts of hazardous waste per box and targets for 2014 are given in the following tables:

	2013	2014
Total amount of Samples on Shelf and Hazardous Waste to be Disposed of (g/box)	0.028 gr/box	0.536 gr/box
Total amount of Shelf Sample Hazardous Waste (g/box)	0.023 gr/box	0.109 gr/box
Total amount of Hazardous Waste to be Disposed of (g/box)	0.005 gr/box	0.427 gr/box

Table 71: 2013 and 2014 Shelf Sample Waste with No Financial Value

Amount of Hazardous Waste per Box

Performance Indicators	2011		2012		2013		2014		2015
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Process Induced Hazardous Waste Amount (g/box)	0,78	1,084	1,093	1,042	1,019	0,9	0,1201	0,18	0,12
Gebze	1,1	1,625	1,617	1,58	1,56	1,19	0,1182	0,224	0,118
Çerkezköy	0,52	0,382	0,38	0,333	0,33	0,98	0,1091	0,064	0,109
Head Office and Regions	0	0	0	0,03	0	0	0	0	0

Table 72: Amount of Hazardous Waste per Box

GREENHOUSE GAS EMISSIONS AND OUR CARBON FOOTPRINT

At Bilim Pharmaceuticals we are aware of our responsibility to tackle global warming. Therefore, as a first step we started measurements to reduce our carbon footprint.

Greenhouse gas emissions caused by our company's activities in 2009 and 2010 were reviewed under the consultancy of an independent institution. We calculated our greenhouse gas emissions in 2013 and 2014 based on the metrics set forth herein. The scope covers companywide direct and indirect energy consumption, company vehicles, air miles, personnel transportation services and transportation that is outsourced to third companies between our warehouses and distribution outlets. Greenhouse gas emissions arising during the supply of input materials, which are used in our production and distribution services in the supply chain within the Scope 3, are excluded.

Due to the new regulation covering reference prices in the pharmaceutical industry, changes in repayment lists and as a result of the increase of input costs do the changes in the exchange rate, despite moves by the Ministry of Health to fix the reference exchange rate, we were forced to limit the investment to below the level we had aimed for in our work to reduce greenhouse gas emissions. We expect the regulation covering reference drug prices to continue to be applied in the years to come.

This definition includes all individuals, communities, governments, companies, organizations, processes and industrial sectors. Products include both goods and services.

Direct Greenhouse Gas Emissions / SCOPE 1

Emissions and suspensions resulting from Bilim Pharmaceuticals own activities are calculated.

Energy Indirect GHG Emissions/ SCOPE 2

Greenhouse gas emissions generated in the production of steam, heat or the electricity Bilim Pharmaceuticals has purchased externally.

Other Indirect GHG Emissions / SCOPE 3

Indirect greenhouse gas emissions based on target usage such as the business travel by air, service vehicles, diesel fuel quantity and the amount of diesel consumed during the transfer of pharmaceutical products to the stores by truck.



What is a carbon footprint?

The carbon footprint is a term which reflects the burden left by a product / service on the world in terms of greenhouse gasses and is a term that refers to tracing the trail.

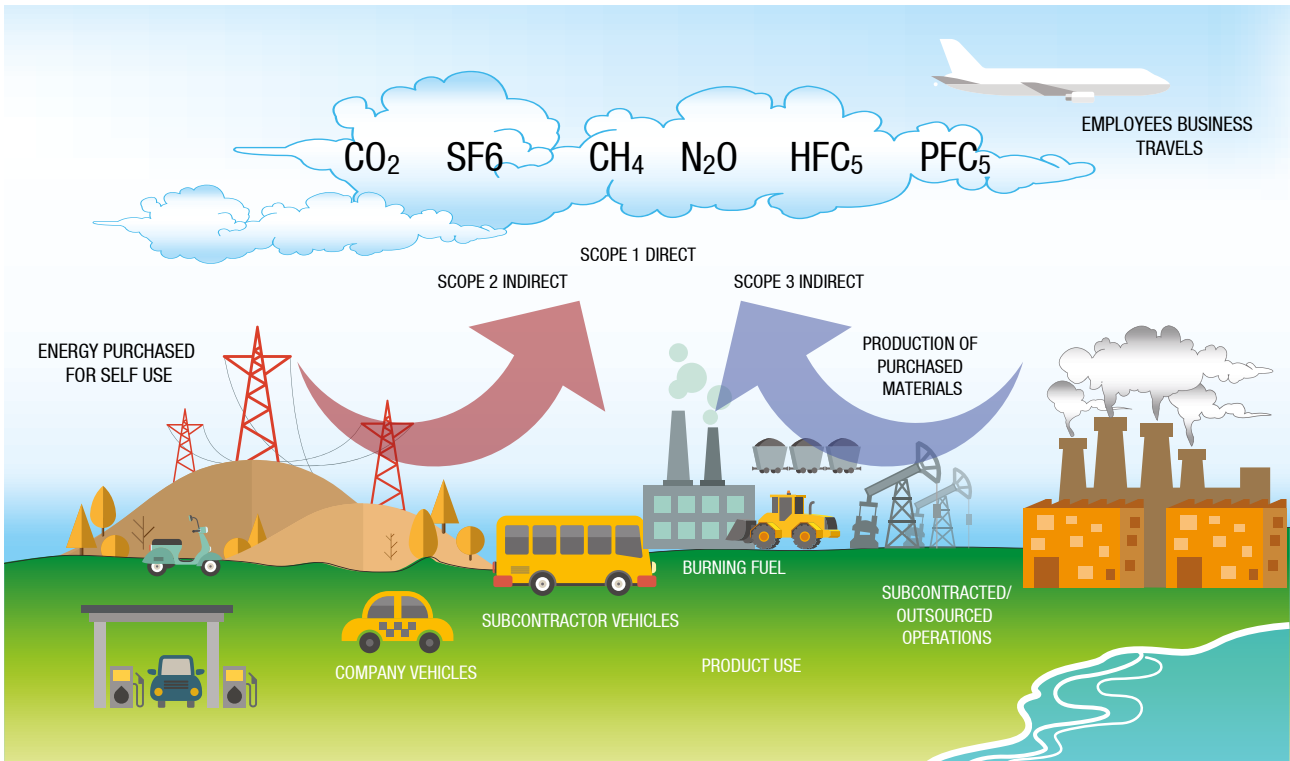


Figure 15: Carbon Footprint

	2011 tCO2e	2012 tCO2e	2013 tCO2e	2014 tCO2e
Scope1	13.333,18	14.839	12.391	8.916
Scope2	11.555,07	11.896	11.884	11.725
Scope3	3.297,32	2.240,29	4.068	1.444
Total	28.185,57	28.975	28.342	22.085

Table 73: Greenhouse Gas Emissions by Year

	2013 CO2e (tonnes)	2014 CO2e (tonnes)
Flights for Business purposes	3.243,45	595,16
Personnel Vehicles (diesel)	403,54	390,17
Transfer of Products from Factory to Pharmaceutical warehouses (diesel)	420,62	458,48

Table 74: 2013 and 2014 Scope 3 Greenhouse Gas Emissions

Emissions of Ozone consuming substances by weight (EN20)

In the Table on Emissions of Ozone consuming Substances by Weight, no ozone-depleting substance emissions were recorded in 2014 since no maintenance and fault-induced refrigerant charge was made to our system.

Location	Cooling Gas	Added gas amount in 2014 (kg)	CO2e (tonnes)
Head Quarter	R410	-	-
Air-Cooled, 1x1, 45 Mwatt			
Gebze Plant	134 A - R410 A	-	-
Water Cooled Chiller Group, 3x3 Mwatt			
Çerkezköy Plant	134 A - R410 A	-	-
Air Cooled Chiller Group, 1x1,45 Mwatt			

Table 75: Emissions of Ozone Consuming Substances by Weight

NOx and SOx emissions caused by natural gas, gas oil or LPG in our facilities

In accordance with Ministry of Environment legislation, the emission volume of exhaust containing organic pollutants and emission volume of exhaust containing volatile organic compounds is measured every 2 years. Accordingly, a measurement was performed in 2013.

GEBZE

Parameter (kg/hour)	Hot Water Boiler 1	Hot Water Boiler 2	Steam Boiler 1	Steam Boiler 2
SOx	It has not been identified	It has not been identified	It has not been identified	It has not been identified
NOx (NO+NO2)	0,428	0,362	0,213	0,299

ÇERKEZKÖY

Parameter (kg/hour)	Steam Boiler 1	Steam Boiler 2
SOx	It has not been identified	It has not been identified
NOx (NO+NO2)	0,450	0,490

HEAD OFFICE

Parameter (kg/hour)	Boiler
SOx	It has not been identified
NOx (NO+NO2)	0,01

Table 76: 2013 NOx and SOx Emissions resulting from the use of Natural Gas, Gas Oil and LPG in the Gebze and Çerkezköy Plants and the Headquarters

Carbon Monoxide (mg/Nm3)									
Gebze	max.10	0	max.10	18,5	max.10	max.10	max.10	max.10	
Çerkezköy	max.10	0	max.10	0	max.10	max.10	max.10	max.10	
Sulfur Dioxide (mg/Nm3)									
Gebze	max.10	0	max.10	0	max.10	max.10	max.10	0	
Çerkezköy	max.10	0	max.10	0	max.10	max.10	max.10	0	
Dust (mg/m ³ Ref.02)									
Gebze	max.1	<5	<5	2,27	<5	max.10	<5	max.10	
Çerkezköy	max.1	7,2	<5	1,82	<5	max.10	<5	max.10	

Table 77: Flue Gas Emissions

OUR ENVIRONMENT FRIENDLY PRACTICES

Energy Savings

- Savings have been achieved in levels of energy consumption by using high efficiency lamps in the Company's environment lighting system.
- Energy losses were reduced by using ultrasonic measurements in the scope of predictive maintenance operations and as a result of action taken following the detection of leaks in compressed air points, a 23% improvement was achieved, paving the way for TL13,931.49 in electricity savings.
- All desktop computers with CRT monitors were replaced with LCD screens in 2013, moving on from the tube technology that negatively affects human health, while also reducing energy consumption.

Waste Reduction

- An environmental project carried out by our employees at the Çerkezköy Processing Facility lowered the consumption of solvents (solvents are used in the film coating boiler) by 35 tonnes per year.
- We began to recycle non-hazardous blister packaging waste – which is non-recyclable since it is composite waste – in cooperation with a company licensed by the Ministry of Environment and Urbanization. Hence, we recovered nearly 12.4 tonnes of PE/PP and 645,917 kg of paper-carton materials in 2014.
- With the work on tablet coating machines, a 30% saving was achieved in the amount of solvent used by reducing the amount of solution used in the process.
- A total of 1,500,000 A4-sized paper sheets were saved through the Document Management System (DMS), which was actively used in 2014.
- In 2013, we started to develop private software with MOBİLİM software. Bilim Pharmaceuticals ended product promotions with leaflets, instead only distributing the printed brochure; and then began to use tablet PCs. This saved a significant amount of paper.

Water Savings

- We installed a photocell control system at our Çerkezköy Processing Facility, which uses domestic water.
- Work was carried out to use the water obtained by RO waste water recycling in the cooling towers, saving 12,400 m³ of mains water per year.

- It was found that 29 m³ of water was consumed by the new 6,000 liter liquid manufacturing boiler for each series. A closed-loop cooling system has been installed. The realization of production plans will reduce consumption of cooling water by 4500 m³ per year.

Reduction of Emissions

- We reduced solvent consumption and VOC emissions through improvements to the film coating process at the Çerkezköy Processing Facility.
- We raised thermal efficiency by replacing the conventional heat exchanger with a plate type heat exchanger at the Çerkezköy Processing Facility.
- To promote the use of video conferencing, improve the performance of data lines and to ensure uninterrupted communication, we established MPLS VPN infrastructure in all of our locations during 2013. We have conducted all in-house training, monthly and periodic routine meetings and product launch advertisements through the video conferencing system.

Raising the environmental awareness of employees

We prepared a training module for the environmental management system within Bilimk@mpüs – our electronic training environment – and ensured that each of our employees participated in this training program.

Other Environment Friendly Practices

- In the Bilim Campus platform, e-Learning applications were implemented and a learning environment was set up for all employees with remote access. This practice reduces the need for face to face training from external training services, saving money on coaching and, in particular, travel, accommodation and other expenses for foreign workers. At the same time, online training and testing applications increased the control and efficiency and spread of education.
- Requests for changes in the system forwarded to the Information Technology Department from all departments with a signed form can be performed in a digital format with the installation of the 'Solution Manager' module in the SAP system without the need for paper.
- Infrastructure and systems were established between the IT systems of the Ministries and Bilim IT systems in order to manage switching to the use of e-signatures in all documents which have been created within the company and presented to the official authorities, intercompany billings (e-Invoice), and the mandatory statutory books (e-books), as a legal obligation. The implementation of e-Signature, e-book and e-Invoice projects has contributed to the national economy by reducing the use of natural resources.

OUR SOCIAL INVESTMENTS



OUR SOCIAL INVESTMENT

Bilim Pharmaceuticals undertakes public information and community investments, not only in Turkey but in all regions where it operates, with an awareness that it is a global corporate citizen. We organise conventions and conferences by coming together with physicians and pharmacists with the aim of increasing their knowledge in many countries where our teams have entered, especially in countries where we have representatives; we provide briefings to raise awareness among children and young people through the social investment activities that we organize.



Table 78: Number of BICV Members

Bilim Pharmaceuticals Community Volunteers (BICV)

The Bilim Pharmaceuticals Community Volunteers was formed in 2005 as a platform in which volunteering personnel share their individual competencies, intellectual capital, time, labour and experience with people in need with the support of Bilim Pharmaceuticals "to be a part of the solution..."

If the projects prepared by our volunteers are accepted in the supreme board made of team leaders, the projects are implemented with the support of Bilim Pharmaceuticals volunteers, their families and other stakeholders.

The Bilim Pharmaceuticals Community had approximately 1,000 volunteers between 2013 and 2014.

Our aim at Bilim Pharmaceuticals is for our corporate social responsibility approach to be an unwavering principle in our company, not limiting it only to our personnel's sensitivity, and we work in this direction. We believe we can provide sustainable benefit to the community when every company acts in the same way.

Bilim Pharmaceuticals Community Volunteers have reached more than 51,000 children and young people by performing 36,101 hours volunteer work within the scope of 12 different projects and 420 activities so far. Cooperation was entered into with more than 160 organizations and institutions such as NGOs, universities, public institutions, primary, secondary and high schools, municipalities and governorships in these projects.



The Bilim Pharmaceuticals Community Volunteers has operated with its 6,221 members and 20 teams in Turkey's 11 provinces since the day it was established.

The objective of all the projects carried out is not to provide financial gain to the needy, but rather to provide them with them with the support that will help them to build their own future and feed themselves in a spiritual sense.

Bilim Pharmaceuticals personnel are part of the solution

The projects carried out by the Bilim Pharmaceuticals Community Volunteers are not limited to the projects developed by our personnel, but also consist of projects developed by the Non-Governmental Organizations' and associations' suitable projects. Our organization works to promote the concept of volunteering by coming together with all other institutions with the same perspective which serve the same aim in these projects.

In determining the projects created under the platform, their compliance with BICV voluntary principles is evaluated. Our main criteria are that the most important source of the project is the volunteers (the project cannot progress when labour, knowledge, skills and time are removed), that the project is appropriate for being carried out on a voluntary basis, that it involves teamwork in which volunteers are able to develop their leadership skills, that it is sustainable, that it is effective and focuses on measurable results, that the project is planned in detail and that it fosters an atmosphere of sharing and solidarity.



Table 79: Number of People Reached in Volunteering Projects

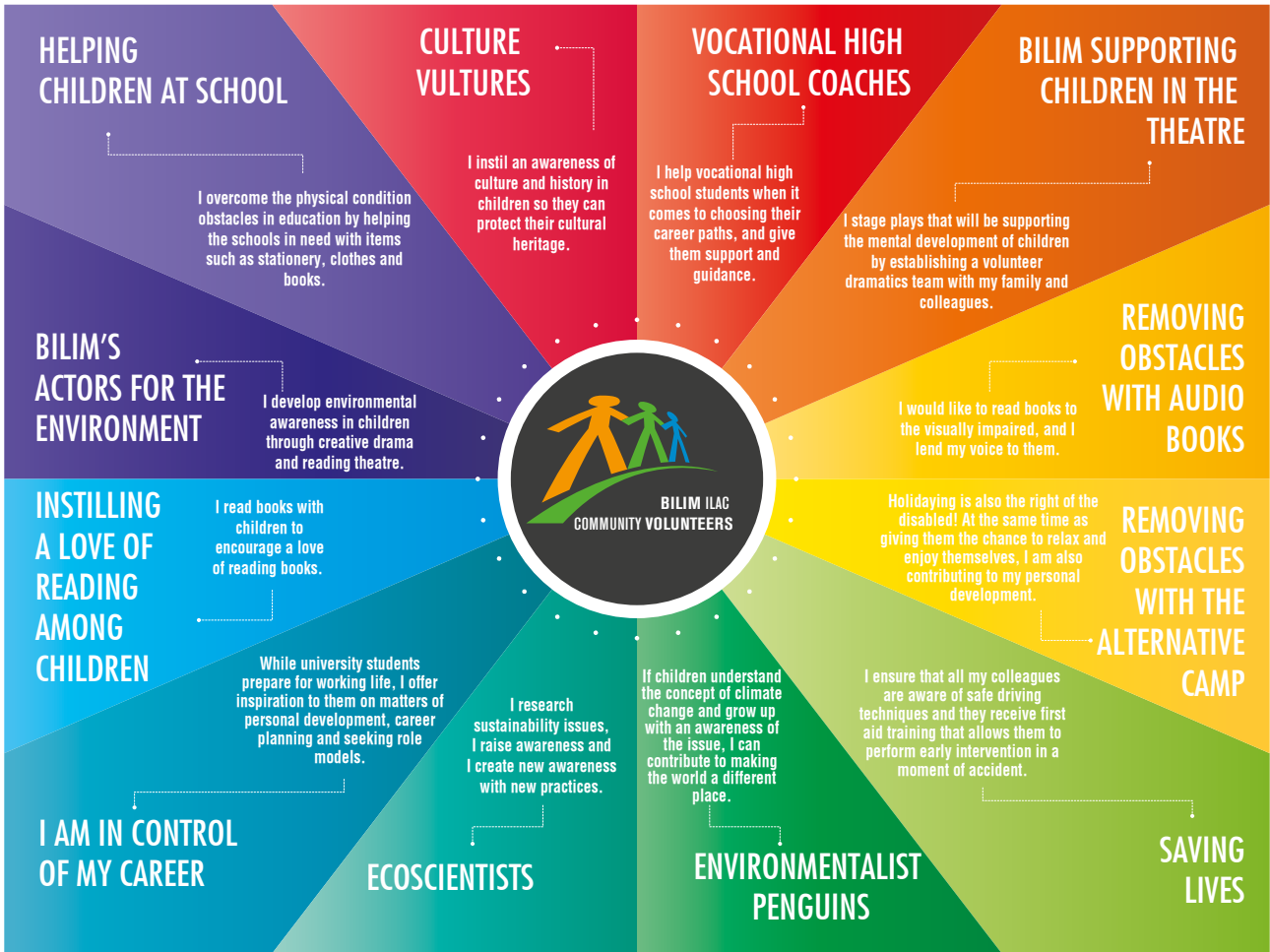


Figure 16: Community Volunteer Projects

Bilim Pharmaceuticals Management Commitment

With the commitment of our Chairman, the CEO and the senior management, Bilim Pharmaceuticals is committed to supporting each employee's right to use two hours a week of "orange hours" (during working days). This applies to those employees who take part in the BICV platform under logistical support, with an allocated budget.

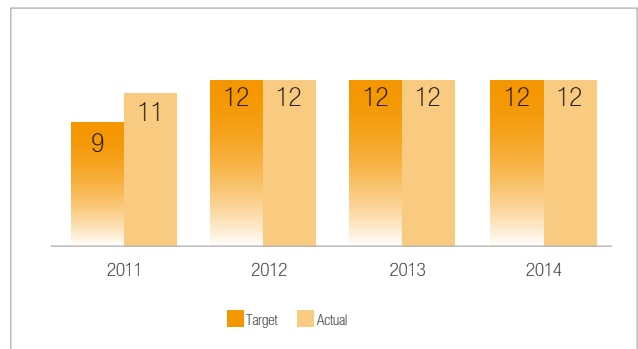


Table 81: Project Number of BICV

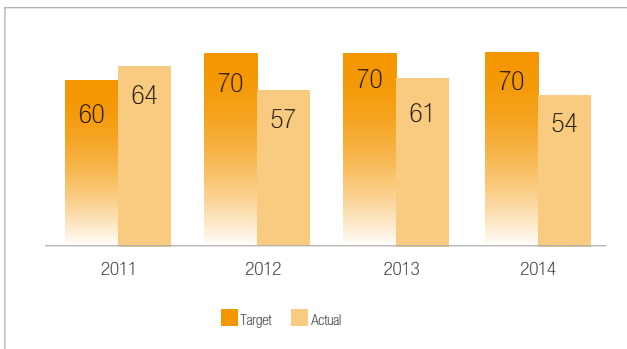


Table 80: Activity Number of BICV



Table 82: Orange Hours

BICV Management

Platform is governed by an autonomous management team consisting of employees. So far, the projects coming from NGOs or employees have been evaluated in the BICV Committee consisting of 20 team leaders and 12 project managers and have been implemented. We are updating the manner of work and the structure of the Supreme Council in accordance with the knowledge and experience that we have garnered from the projects and NGOs in the committee meetings held throughout the year.

The most important task of our Committee is to determine the scope of the projects to be implemented and to check their compliance with our principles. The projects are evaluated by Bilim Pharmaceuticals delegates, including the General Manager. Sponsorship approval for the projects that require budget and logistical support is also provided by the delegates.



BİLİM PHARMACEUTICALS COMMUNITY VOLUNTEERS (BICV) ORGANIZATION CHART

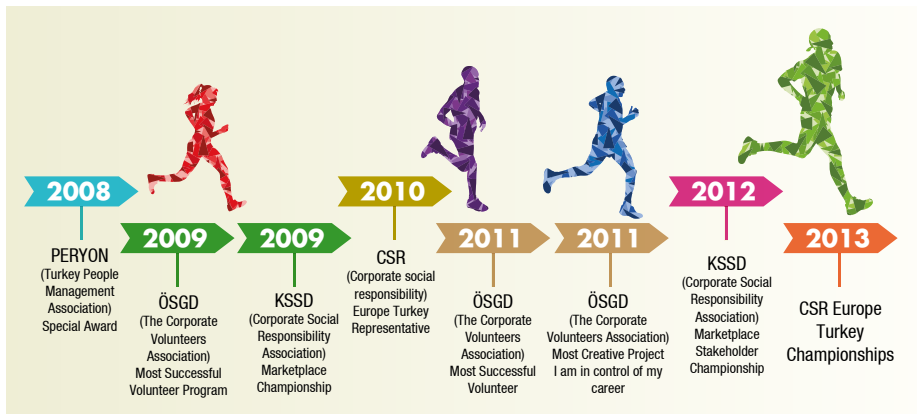
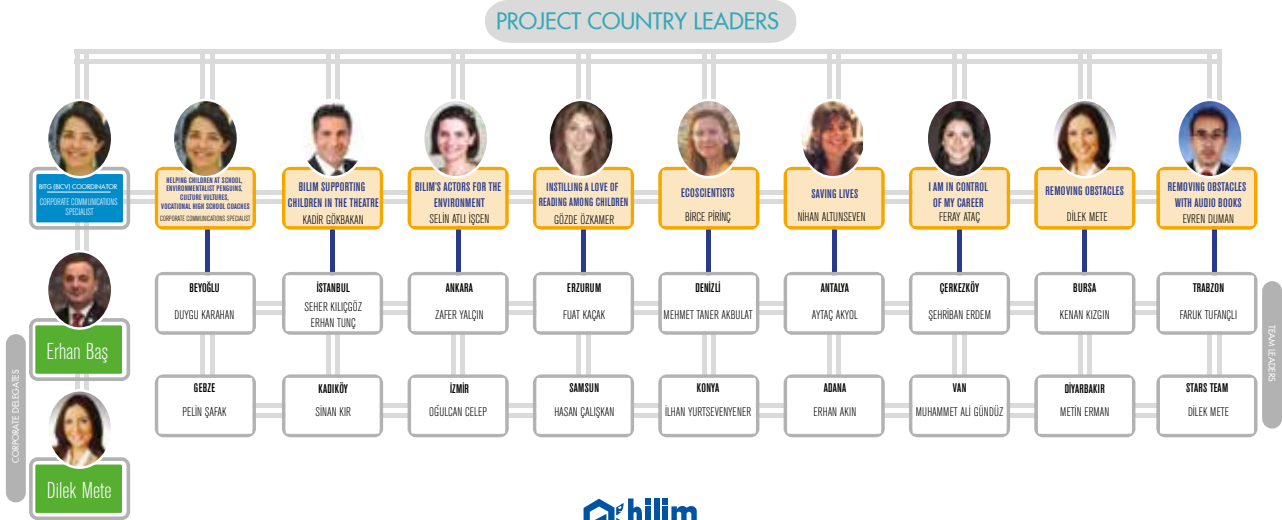


Figure 17: Community Volunteers Awards

A. DOMESTIC PROJECTS

My Career is in My Hands As the Bilim Pharmaceuticals Community Volunteers, we share our experience and knowledge with university students in 4-day long congresses with the aim of supporting quality education in our country. We create an opportunity that will take the students a step further, in which each student can receive at least 4-5 different courses and have these courses certified by going to universities with some of Turkey's leading lecturers through the "my career is in my hands" (ICC) Personal Development Congress.

As part of this conference, we provide courses on an array of different subjects such as "Effective Presentation Skills," "Teamwork," "Resume Creation and Success in an Interview," "Career Planning", "Personal Behaviour Models," and "Personal Image".

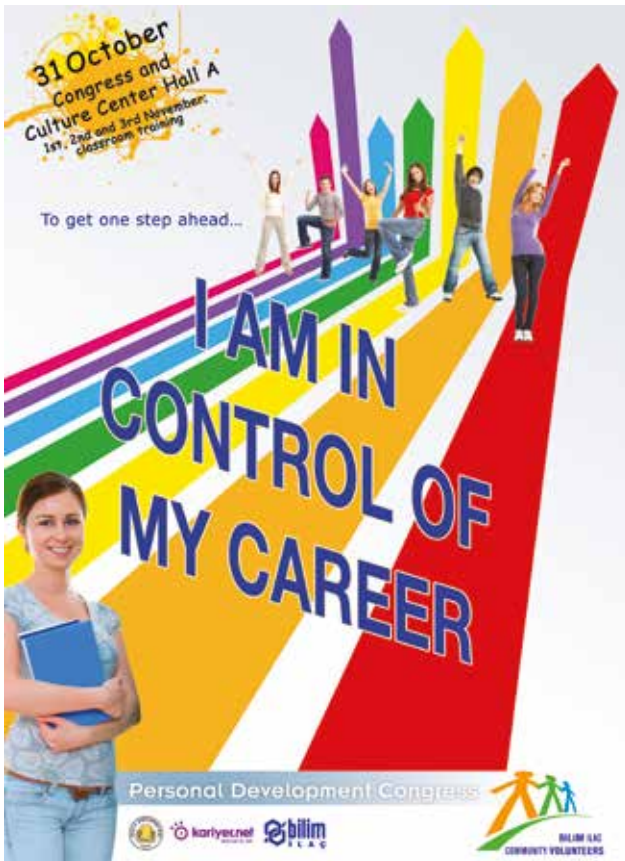


Figure 18: The 'I am in control of my career' Poster

Within the scope of the "my career is in my hands" project, courses are provided under different topics, which will contribute to the personal development of students with our volunteers and volunteer instructors visiting universities in Anatolia, especially in the east of Turkey. Students who took part in the training programs in the congress and who have the right qualifications successfully completed gained the opportunity carry out internships in Bilim Pharmaceuticals as well as in some of Turkey's other leading companies from various sectors.

STAKEHOLDER OPINION – MEHMET ÖZEL



I am honoured to take part in the "my career is in my hands" program, which is held throughout Turkey every year under the leadership of Bilim Pharmaceuticals. What gives me such pride is that if you are looking for that humanity of the Village Institutes, and if you want to look to the future hopefully from the universities and through the hearts and minds of the young who are at university, and if you believe that everything begins with one small step, we are just talking about such a development journey.

There are people in the leading role, there is meaning, there is awareness – and there hopes and dreams. You look to your right and look to your left and you will see hundreds of young and beautiful people. There is such a strong life that is ready to be explored and ready to act in these young people.

The "my career is in my hands" program exists to give light and meaning to those lives...

A total of 1,740 students took part in the 4-day congress in 2013 which was held in Elazığ Fırat University. Our program, which has been held for six years in succession, reached approximately 3,500 students in the congresses held at Adıyaman University between 30 September and 3 October 2013 and at Harran University between 2 and 5 October 2013.



Figure 19: My career is in my hands at Dicle

In a departure from other years, in 2013 the congress's impact on students was analyzed through the research conducted before and after the congress by the independent research company GfK as a volunteer. According to this study, the rate of satisfaction at the last congress that we held was measured as 97%.

The university students who took part in the courses provided during the congress at the highest level won special internship opportunities in some of Turkey's leading companies. The companies supporting the project included ATOS, Borusan Enerji, Borusan Mannesman, Borusan Otomotiv, Coca Cola, E&Y, Humanica and TEB.

We meet young people with the personal development congresses, through the 'my career is in my hands' project, and we are helping them to shape their future.



In 2013, a total of 61 activities with 995 volunteers were carried out, while 54 activities with 990 volunteers were carried out in 2014.

Vocational High School Coaches

The Vocational High School Coaches program that has been carried out in cooperation with the Association of Private Sector Volunteers (ÖSGD) is aimed at encouraging the volunteers who received coaching training to share their experiences with young people studying at vocational high schools, to apply various personal development modules and thereby help the students gain core competencies that they will need and develop themselves. In this context, the students who take part in the project are visited regularly for 3 years at the specified Vocational High Schools; accordingly, they receive support to prepare for life after school.



Figure 20: MLK

Bilim Pharmaceuticals Community Volunteers succeeded in reaching more than 51,000 children and young people by performing 36,101 hours of volunteer work within the scope of 12 different projects and 420 activities.



OUR MEETING POINT
Date: 24-25 November 2014
Place: Gebze Sport Hall
Time: 10:30 am - 5:00 pm

Figure 21: Supporting Blood Donation to the Kizilay (Red Crescent)

Books for creative Reading

We aim to encourage our children to get into the habit of reading by instilling an enjoyment of reading, in our project that we implement in order to nurture the imaginations, creativity and personal development of primary school children.

Under the project, our volunteers go to schools and read books to school pupils and contribute to the development of expression and presentation skills by helping children to develop a picture from the story in their minds through various games while reading.

We have fostered a love of reading among children by implementing our project with 2,161 school pupils in 23 schools.

We want all of our employees to gain a sense of achievement and positivity by providing benefit to the community.



Figure 22: Curious Books Creative Reading Project

Fellows of Science – Environmentalist Penguins

The Green Penguins Project is implemented in cooperation with ÖSGD through a variety of classroom applications and activities in order to raise awareness of global warming, environmental problems and the protection of nature among primary school pupils.



Figure 23: How to Save the World

Remove obstacles “Audio Book” Project

The project scope carried out in collaboration with Boğaziçi University Center for the Visually Impaired (GETEM) offers our visually impaired citizens the opportunity to listen to the books, which are transformed into audio-books by our volunteers. Audio-books are offered to the visually impaired in the visually impaired library archive.



Figure 24: Audio Book Reading Project

3X Company Program

In order to prepare high school students, who are our “future”, for business life, to help them gain vision and share experience through the 3X Company Program, we have been helping them to learn to establish and manage a business by experience through carrying out company meetings in the academic year and developing students’ “entrepreneurship” skills.



Figure 25: 3X Company Program

We have been running for a good cause – The Runtalya Marathon

We took part in the Runtalya Marathon, which is Turkey’s 2nd largest marathon held in Antalya each year, and also attracts attention internationally, within the Step by Step project with our volunteers. In 2014, we became the corporate supporter of the TEMA Foundation by running 10 kilometres in the 9th International Runtalya Marathon, in which a total of 4,985 athletes took part, including 1,100 athletes from 35 countries outside Turkey.

The Step by Step event, which was established to promote and spread collective charity run in Turkey in March 2008, was our first non-governmental organisation. It provides financial means and promotion support for the social responsibility projects of associations and foundations that take part in it. The income obtained from the donations collected by our volunteers who ran for TEMA that takes part in this event was used to implement “the Step that Save the World” project. This project was intended to support local awareness, which is the most important factor in determining and resolving the problems facing the environment and young people’s capacity to tackle the problems.

Within the scope of the project, 100 university students in 50 of Turkey’s provinces participated in a comprehensive environmental education and leadership program. The aim of the program was for young people participating in the program would transfer the knowledge and skills they acquired in the program to a 50-person group of university students, which they will create in their universities. They will select a local natural problem and develop an action plan and / or a project that will be a solution to this problem. Thus, the program was aimed at giving young people a say in protecting the environment and their future, and be active participants in the solution.



Figure 26: Runtalya Marathon

The Bilim Pharmaceutical Community Volunteers, who helped Step by Step come in 4th place in the “Companies with the Best Heart” ranking because of the number of runners, will continue to provide benefit to the society.

Istanbul Marathon

Accepted three times in the Gold Category by the International Association of Athletics Federations, the Istanbul Marathon one of the world's top 22 marathons, one of Europe's top 11 marathons and is Turkey's largest marathon. The only marathon which crosses two continents, it is held every year in Istanbul. In this marathon Bilim Pharmaceuticals volunteer athletes also run in pursuit of helping those less fortunate than themselves.



Figure 27: AÇEV (Mother Child Education Foundation) Donation Run 2014 Istanbul Marathon

In the marathon, 2,500 volunteers are involved in various duties at all levels from the starting line to the finish line. Activities were initiated for the Istanbul Marathon's candidacy as the Green Marathon. A record number of participating countries and participants took part in the 6th year of the Istanbul Marathon. Our volunteers became the corporate supporter of AÇEV (the Mother-Child Education Foundation) by completing a 10 km run. The income raised from donations helped AÇEV open a literacy course for women within the scope of "You also run after this Dream (Sen de Bu Hayalin Peşinden Koş)" project. The Bilim Pharmaceuticals Community Volunteers contributed to the improvement in social awareness through this project implemented in order to support women through AÇEV.

B. OVERSEAS PROJECTS

MOLDOVA

Rezina Disabled Children School

As part of our social responsibility project in Moldova in 2013, we hosted a friendship tournament at the Rezina Children with Tuberculosis School with the participation of the FC Dacia Football Club, which competes in the Moldova Football League. In each team, there was one player from the Bilim Pharmaceuticals team, two professional football players from the Dacia team and four players from the children with disabilities.



Figure 28: Foreign Markets Rezina Children with Tuberculosis School



Figure 29: Foreign Markets Rezina Disabled Children School

BOSNIA AND HERZEGOVINA

“Multiply Love, by sharing it!”

When Bosnia and Herzegovina was being ravaged by war in 1994, the war was the only reality in the country. We then launched the “Multiply Love by sharing it” project to address the needs of children in this difficult process. With this project carried out in 2013, we tried to make the children in Bosnia Herzegovina feel that we were always with them as the Bilim family. In other words, we increased our love by sharing it..



Figure 30: Foreign Markets “Multiply Love, by Sharing It!”

Being a Bilim
Pharmaceuticals Volunteer
means increasing the value
of time!

APPENDIX: TABLES



Pharmaceutic Form	Annual Capacity*
Tablets	13 million boxes (182 million tablets)
Capsules	4.8 million boxes (48 million capsules)
Dry Powder Suspension	12 million boxes
Enjectable	20 million boxes
(*) The amount of products that can be produced in one shift at the plant.	

Table 1: Products and quantities manufactured in the Çerkezköy Plant

	2013	2014
Gebze Production Plant	101,602,296	95,601,705
Çerkezköy Production Plant	33,610,093	34,528,370
Contract Manufacturing	28,700,038	31,535,512
Total	163,912,427	161,665,587

Table 2: Box Production Volume

Pharmaceutical Form	Annual Capacity*
Tablets	72 million boxes (3 billion tablets)
Capsules	18 million boxes (0.5 billion capsules)
Syrup	18 million bottles
Sachets	7 million boxes
Dry powder suspension	10 million boxes
Cream / Pomade	7.5 million boxes
(*) The amount of products that can be produced in one shift at the plant.	

Table 3: Products and quantities manufactured in the Gebze Plant

Human Rights , Ethics, Introduction Principles Training	Number of People	Total Training Hours	Training Area / Employee Rate (%)
2013	1774	932.13	57
2014	1590	808.53	96

Table 8: The number of People and Training Hours of Communication and Trainings pertaining to Anti-Corruption Policies and Procedures

	2011	2012	2013	2014
Revenue (Gross)	30,923,281 \$	39,994,937 \$	48,421,814 \$	48,904,015 \$
Growth Rate	10.33%	29.34%	21.07%	1.00%

Table 12: 2011-2014 Revenue Growth in Foreign Markets

Turkey General	2011	2012	2013	2014
Turkey's Imports of Pharmaceutical Products	5,093	4,354	4,498	4,743
Turkey's Exports of Pharmaceutical Products	620	720	775	871
Export Import Coverage Ratio	12%	17%	17%	18%

Table 13: Turkish Pharmaceutical Industry Foreign Trade Deficit

Bilim Pharmaceuticals	2011	2012	2013	2014
Bilim Pharmaceuticals Imports of Pharmaceutical Products	80.60	86.60	96.40	74.62
Bilim Pharmaceuticals Exports of Pharmaceutical Products	29.80	38.50	46.20	45.43
Export Import Coverage Ratio	37%	44%	48%	61%

Table 14: Bilim Pharmaceuticals Foreign Trade Deficit

Country	2013%	2014%
Iraq	12%	15%
Moldova	37%	39%
Chile	25%	20%
Bosnia and Herzegovina	30%	21%
Yemen	65%	75%
Afghanistan	16%	7%
Philippines	68%	50%
Albania	30%	37%
Hong Kong	52%	41%
Macedonia	31%	13%
Kosovo	19%	6%
Turkmenistan	23%	28%
Croatia	68%	69%
Malaysia	58%	58%
Somalia	25%	34%
Ethiopia	100%	100%
Equador	37%	17%
Sudan	42%	65%

Table 15: Bilim Pharmaceuticals Exports (%) in the total exports of Pharmaceutical Products made to the relevant countries from Turkey

TL	5% Discount Amount	6% Discount Amount	R & D Incentive	Disability Incentive	Total
2013	4,832,784	72,028	165,461	45,201	5,115,474
2014	3,991,862	114,522	110,484	55,075	4.271.944

Table 16: Financial assistance received from the state

	2013	2014
Tax Cuts	9,881,122.07	514,777.30
R&D Discount	9,823,026.97	514,777.30
Investment tax credit	58,095.10	-

Table 17: Tax Cuts

Support Applications	Start Year	Legal Status	Beneficiaries	
Overtime pay to all our employees	Since the Establishment	Legal Rights	BC-WC	
Bonus to all employees 4 times a year			BC-WC-FIELD	
For all our employees fuel, birth, marriage, religious festival and annual leave allowance payments			BC-WC-FIELD	
In case of Overtime, Transportation Facility			BC-WC	
Dinner for the employees who do overtime			BC-WC	
Lunch			BC-WC	
Vehicle Allocation to the Company Executives and Field Staff			WC-FIELD	
Shuttle vehicle for employees who serve in Head Quarters, Çerkezköy and Gebze			BC-WC	
Clothing Vouchers			FIELD	
Bonus System Application			FIELD	
Daily Allowance Payments for the employees who leave the city for duty requirement			WC-FIELD	
Personal accident insurance to all employees		2001		BC-WC-FIELD
Health insurance		2004/2006		WC-FIELD
Mobile Phone Line and Laptop		2001/2005/2010		WC-FIELD
Advance Payment Support in case of Need	2003		BC-WC-FIELD	
Emergency Patient Transfer System	2004		BC-WC	
Credit card for field staff	2005		WC Head Quarter MARKETING- FIELD	
Breakfast for employees who work in the Head Office, Çerkezköy and Gebze plants	2005		BC-WC	
Nursing room application for employees working in the Head Office, Çerkezköy and Gebze plants	2010		BC-WC	
Psychological Counseling Unit	2005		BC-WC	

Table 21: Scope of Compensation Obligations of the Organisation (*BC : Blue Collar WC : White Collar)

	Employees taking maternity leave	Returning	Proportion returning
2013	24	20	83.30%
2014	24	24	100%

Table 22: Rate of Postnatal Return to Work

	Employees taking maternity leave	Returning	Proportion returning
2013	24	19	79,20%
2014	24	16	67%

Table 23: Rate of Postnatal Remaining at Work

	Number of Employees	Number of Women	Number of Men	Average Age
Moldova	29	19	10	34
Albania	13	7	6	30
Bosnia	12	7	5	35
Total	54	33	21	

Table 28: 2013 and 2014 Number of Local Employees in the Representative Offices

Category	No of Persons	In-class		E-Training		Total	
		Grand Total	Man Hours	Grand Total	Man/ Hour	Total Hours	Man Hours
Total Quality System (Integrated Management System-IMS)	1774	9,582.71	5.4	993.65	0.56	10,576.36	5.96
Personal Development	1774	3,468.19	1.96	1,995.94	1.13	5,464.13	3.08
Professional Development	1774	58,886.14	33.19	2,802.59	1.58	61,688.73	34.77
Leadership	1774	21,005.93	11.84	566.8	0.32	21,572.73	12.16
Grand Total	1774	92,942.97	52.39	6,358.98	3.58	99,301.95	55.98
Category	No of Persons	In-class		E-Training		Total	
		Grand Total	Man Hours	Grand Total	Man Hours	Total Hours	Man Hours
Occupational Health and Safety and Environment	1774	2,982.40	1.68	3,287.20	1.85	6,269.60	3.53

Table 32: 2013 Categorized Employee Training (Total Time - Man Hours)

Category	No of Persons	Classroom		E-Education		Total	
		Total Hours	Man/ Hour	Total Hour	Man/ Hour	Total Hour	Man/ Hour
Total Quality System (Integrated Management System-IMS)	1590	18,123.11	11.4	12,233.37	7.69	30,356.48	19.09
Personal Development	1590	4,477.54	2.82	14,606.52	9.19	19,084.06	12
Professional Development	1590	24,756.38	15.57	3,393.78	2.13	28,150.16	17.7
Leadership	1590	14,485.62	9.11	267.04	0.17	14,752.66	9.28
Grand Total	1590	61,842.65	38.89	30,500.70	19.18	92,343.35	58.08

Table 33: 2014 Categorized Employee Training (Total Time - Man Hours)

Employee Groups	No of Persons	Total Hours	Average Hour per Person
			(Man Hours)
All Employees	1774	99,301.95	55.98
Women Employees	362	23,698.47	65.47
Men Employees	1412	75,603.49	53.54
Blue Collar Employees	324	8,807.22	27.18
White Collar Employees	1450	90,494.73	62.41

Table 35: 2013 Annual Average Training Hours allocated per employee by gender and employee category

Employee Groups	No of Persons	Total Hours	Average Hour per Person
			(Man Hours)
All Employees	1,590	92,343.35	58.08
Women Employees	354	15,430.32	43.59
Men Employees	1,236	76,913.03	62.23
Blue Collar Employees	341	12,829.62	37.62
White Collar Employees	1,249	79,513.73	63.66

Table 36: 2014 Annual Average Training Hours allocated per employee by gender and employee category

Individual	Business / Role and Experimentation	Work Environment	Corporate Culture
The Bilim Family	Training & development system (implementation of standard professional development plans, BilimKampüs online training, classroom trainings, to take advantage of Open house trainings)	BI's Leadership Model	Our Values and Principles
Bilim Child World	Performance Assessment System	Wage and Benefits Systematics	Technological Infrastructure and R-D Studies
Bilim Pharmaceuticals Community Volunteers	Project and Team Work (Quality Improvement Projects, Quality Circles Process Improvement Teams, Key Process Improvement Teams)	Department Motivation Practices Systematics; practices carried out in cases of marriage, birth and death	EFQM Excellence Model
Diversity Management	Talent management system (Defining transparent assignment criteria, to be Defining Career Paths, Mentor - Mentee application, Stars Team entry criteria, Masters and PhD application systematic, Evaluation of Individual's Potential meetings)	Social Life Areas in all plants (Fitness Center , Library, Science Cafe, Cafe Beta, Internet room, dry cleaning service)	Sustainability Activities
Psychological Counseling Center	Creative Idea Platform		Reputation Management Model
Social and Sports Activity Team	Instant Honouring and Awards Systematics		Ethical Management
Employee Support Programs	Individual Performance Management		
	Masters and PhD Application Systematic		
	Career Management System		

Table 40: Our Applications that Create Employee Brand

Category	No of Persons	Classroom		E-Education		Total	
		Grand Total	Man Hours	Grand Total	Man Hours	Grand Total	Man Hours
Occupational Health and Safety and Environment	1590	10,087.94	6.34	9,326.90	5.87	19,414.84	12.21

Table 43: 2014 OHS Trainings

Commodity Group	No of Suppliers	Share in the Purchases
Raw materials	45	20%
Packaging	35	70%
Consumables and Technical Material	200	10%
Total	280	100%

Table 49: Distribution of purchases according to amount

	2013 No of Suppliers	2013 No of Alternative Suppliers	No of Suppliers	2014 No of Alternative Suppliers	2015 No of Target Alternative Suppliers
Total Number of Suppliers	398	19	439	27	41
Domestic (Raw Material & Packaging)	82	14	83	11	25
Imported - API (active pharmaceutical ingredient) & Excipient & Packaging	108	5 (alt. in 12 molecules)	115	16	16 (10 suppliers in 16 molecules)
Imported Technical Material	30		46		
Domestic Technical Material	178		195		

Table 50: Number of Suppliers and Alternative Suppliers

Scope	2013	2014
Turkish Pharmaceutical Market	69.73	73.03
The Markets We Are in	18.27	19.26
Bilim Pharmaceuticals	10.26	10.55

Table 53: Box Prices /TL

2013				
Product Name	Product Lot No.	Recall Cause	No of Recalled Products	Response Letter No/Date
ENFEXIA 500MG FILM TABLET	2280016C	Foreign Material Detection	8,032	MM.566 / 05.07.2013

2014				
Product Name	Product Lot No.	Recall Cause	No of Recalled Products	Response Letter No/Date
GLIFOR 1000 MG FILM TABLETS	1220458A	Foreign Material Detection	0	MM.513 / 07.01.2013
LARGOPEN 1 G 16 TABLETS	3177075A	Appearance Disorder	1836	ÇKG.14 / 014 Paying Administrative Fine Letter Letter Date
LARGOPEN 500 MG 16 TABLETS	4176001A	Appearance Disorder	13531	
MOMECON 0.05% NASAL SPRAY	3445007C	Detection of out of Limit Benzalkonium Chloride Amount	4196	MM.695 Paying Administrative Fine Letter Letter Date: 10.07.2014

Table 54: Recalled Products in 2013 and 2014

GRI G4 INDEX for 'IN ACCORDANCE' - CORE

General Standard Disclosures	Content	Explanation/Page	External Assurance
STRATEGY AND ANALYSIS			
G4-1	Statement from the Chairman of the Board	1-2	
ORGANIZATIONAL PROFILE			
G4-3	Name of the organization	4	
G4-4	Primary brands, products, and/or services	5	
G4-5	The location of the organization's headquarters	Bilim Plaza Piyalepaşa Bulvarı Kaptanpaşa Mah. Zincirlikuyu Cad. No:184 34440 Beyoğlu İSTANBUL	
G4-6	The number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	4	
G4-7	The nature of ownership and legal form	6	
G4-8	The markets served	23	
G4-9	The scale of the organization	3, 30	
G4-10	The total number of employees by employment type, employment contract, gender, and the region they serve	30	
G4-11	The percentage of total employees covered by collective bargaining agreements	30	
G4-12	The organization's supply chain	44-45	
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership or its supply chain	6	
G4-14	Addressing the precautionary approach or principle	18-19	
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	20	
G4-16	Memberships of associations c and/or national or international advocacy organizations	20	

IDENTIFYING MATERIAL ASPECTS AND BOUNDARIES

G4-17	List of the entities included in the organization's consolidated financial statements or equivalent documents which are covered by the report	13
G4-18	The process for defining the report content and the Aspect Boundaries and how the organization has implemented the Reporting Principles for Defining Report Content	13
G4-19	The material Aspects identified in the process for defining report content	13-14
G4-20	For each material Aspect, report the Aspect Boundary within the organization	14
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	14
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	There are no major changes in the statement of the information in Corporate Responsibility Report 2013-2014.
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	There are no major changes in the content of Corporate Responsibility Report 2013-2014 in terms of the limits and scope.

STAKEHOLDER ENGAGEMENT

G4-24	List of the stakeholder groups engaged by the organization	9
G4-25	The basis for identification and selection of stakeholders with whom to engage	9
G4-26	The organization's approach to stakeholder engagement, including the frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	10-12
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and the organization's approach to responding to those key topics and concerns through its reporting	10-12

REPORT PROFILE

G4-28	Reporting period	4
G4-29	Date of most recent previous report (if any)	4

G4-30	Reporting cycle	4
G4-31	The contact point for questions regarding the report or its contents	4
G4-32	GRI Content Index for 'In accordance' - Core	87-95
G4-33	Policy and current practice with regard to seeking external assurance for the report	This report contains data which has been subject to external auditing. Bilim Pharmaceuticals is inspected by independent auditing organizations in terms of Environment Management and Quality Systems and Occupational Safety and Health. The financial data provided has undergone independent auditing and been approved. The decision makers at the auditing organizations and Bilim Pharmaceuticals, including high level management, have no personal connections to each other whatsoever.

GOVERNANCE

G4-34	The governance structure of the organization, including the organization's highest governance body and committees responsible for decision-making on economic, environmental and social impacts	6, 9
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ETHICS AND INTEGRITY

G4-56	The organization's values, principles, standards and norms of behavior	16
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GRI G4 INDEX-PERFORMANCE INDICATORS

MATERIAL ASPECTS	DMA AND INDICATORS	CONTENT	PAGE / LINK EXPLANATION	OMISSIONS	External Assurance
ECONOMIC					
Economic Performance	DMA		27		
	EC4	Financial assistance received from government	27-28		
Market Presence	DMA		31		
	EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	33		

	EC6	Proportion of senior management hired from the local community at significant locations of operation	32
Indirect Economic Impacts	DMA		25
	EC7	Development and impact of infrastructure investments and services supported	25-26
	EC8	Significant indirect economic impacts, including the extent of impacts	25-26
ENVIRONMENTAL			
Materials	DMA		54
	EN1	Materials used by weight or volume	55
	EN2	Percentage of materials used that are recycled input materials	Due to the nature of Bilim Pharmaceuticals sector, it cannot be used recycled products in the raw materials or primary and secondary packaging materials. All materials in production processes are for single use only. Therefore, percentage of materials used that are recycled input materials is 0.
Energy	DMA		55
	EN3	Energy consumption within the organization	55-56-57
Water	DMA		57
	EN8	Total water withdrawal by source	57

	EN9	Water sources significantly affected by withdrawal of water	57	
Emissions	DMA		64	
	EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	65	
	EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	65	
	EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	65	
	EN20	Emissions of ozone-depleting substances (ODS)	65-66	
	EN21	NOX, SOX, and other significant air emissions	66	
Effluents and Waste	DMA		57	
	EN22	Total water discharge by quality and destination	61-62	
	EN23	Total weight of waste by type and disposal method	57-58-59-60, 62	
	EN24	Total number and volume of significant spills	54	
Products and Services	DMA		54	
	EN28	Percentage of products sold and their packaging materials that are reclaimed by category	61	
Compliance	DMA		54	
	EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations		Bilim Pharmaceuticals has not been penalized for any noncompliance with any environmental laws or regulations.
Supplier Environmental Assessment	DMA		45,46,47	
	EN32	Percentage of new suppliers that were screened using environmental criteria	47	

EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	46
EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	Number of grievances about environmental impacts is 0.

SOCIAL

LABOUR PRACTICES AND DECENT WORK

Employment	DMA	30
	LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region 32
	LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation 31,83
	LA3	Return to work and retention rates after parental leave, by gender 31,84
Occupational Health and Safety	DMA	41
	LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs 41-42
	LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender 43-44

	LA7	Workers with high incidence or high risk of diseases related to their occupation	43
Training and Education	DMA		36,37
	LA9	Average hours of training per year per employee by gender, and by employee category	36,84-85
	LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing their career endings	36-41
	LA11	Percentage of employees receiving regular performance and career development reviews by gender and by employee category	37-38,40-41
Diversity and Equal Opportunity	DMA		31
	LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	30,34-35
Equal Remuneration for Women and Men	DMA		31
	LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	33
	LA14	Percentage of new suppliers that were screened using labor practices criteria	47
HUMAN RIGHTS			
Investment	DMA		17

	HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	17
Non-discrimination	DMA		31
	HR3	Total number of incidents of discrimination and corrective actions taken	31
Child Labour	DMA		31
	HR5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	31
Forced or Compulsory Labor	DMA		31
	HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour	31
Suppliers Human Rights Assessment	DMA		45-46
	HR10	Percentage of new suppliers that were screened using human rights criteria	45,46,47
Human Rights Grievance Mechanisms	DMA		17

	HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	17
SOCIETY			
Local Communities	DMA		49
	S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs	49
Anti-corruption	DMA		17
	S03	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	17,18
	S04	Communication and training on anti-corruption policies and procedures	16,17,18
	S05	Confirmed incidents of corruption and actions taken	17
Anti-competitive Behavior	DMA		17
	S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	17
Compliance	DMA		16,17,18
	S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	17
Grievance Mechanisms for Impacts on Society	DMA		49

	S011	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	50-51
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PRODUCT RESPONSIBILITY

Customer Health and Safety	DMA		48
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	PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	48
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	PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle by type of outcomes	50-51
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Product and Service Labelling	DMA		51
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	PR5	Results of surveys measuring customer satisfaction	52
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Marketing Communications	DMA		51
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	PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications including advertising, promotion, and sponsorship by type of outcomes	51
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Customer Privacy	DMA		19
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	PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	52
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The UN Global Compact 10 Principles Indicators

Human Rights

- | | Page |
|--|-------------|
| Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights. | 8,17 |
| Principle 2: Businesses should make sure that they are not complicit in human rights abuses. | 16,17,45,46 |

Labour

- | | |
|--|----------------------|
| Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. | 31 |
| Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour. | 31 |
| Principle 5: Businesses should uphold the effective abolition of child labour. | 31 |
| Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation. | 30,31,33,34,35,37,40 |

Environment

- | | |
|---|----------------|
| Principle 7: Businesses should support a precautionary approach to environmental challenges. | 54,55,57,64,66 |
| Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility. | 54,55,57,64,66 |
| Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies. | 54,55,57,64,66 |

Anti-Corruption

- | | |
|---|------------|
| Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery. | 16, 17, 18 |
|---|------------|

